

Regional Course on Statistical Business Registers: Making a Business Case for an Operational Statistical Business Register

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3.5 – Handling continuity



What is continuity?

- * Continuity is a demographic event in which a unit's production factors continue
 - * Measure and weight the continuation of land, labour and capital
- * Continuity rules – the condition for keeping or changing a unit identity number in the SBR
 - * Should a unit be deleted and a new one created?

Handling continuity

- * In practice, we look at the following three criteria:
 - * Control (controlling legal unit)
 - * Economic activity
 - * Location
- * Recommended rule:
 - * Change in only one criteria – continuation
 - * Change in more than one criteria – discontinuation
- * In case of an establishment: move over a long distance would represent an identity loss

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Reactivations

- * Reactivation: resumption of activity after cessation of a unit was detected
- * Usually detected through deletion and creation of administrative units
- * Possible situations:
 - * Seasonal activities – unit to retain old identity if reactivation
 - * Temporary suspension – unit to retain old identity if reactivation occur within 24 months after cessation
 - * Paralysis of production for external reasons (e.g. destruction of production factors) - unit to retain old identity if reactivation occur within 24 months after cessation

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Continuity example (1)

Example of a continuation of an enterprise:

- * Legal unit A sells its business, represented by enterprise X in the SBR, to legal unit B, which continues to conduct the business as before (no changes)



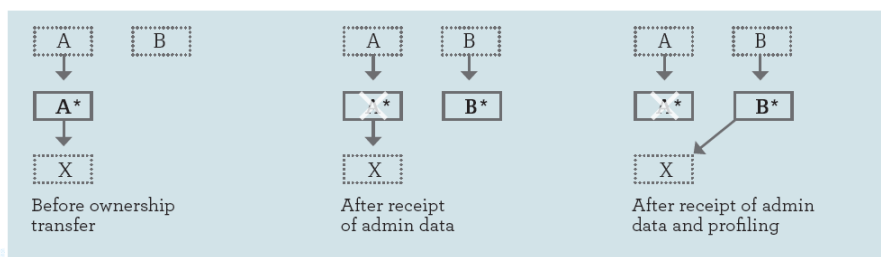
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Continuity example (2)

In administrative source of the SBR the change will be detected by death of administrative unit A* and birth of administrative unit B*. This is subject to two scenarios:

1. If enterprise X is subject to profiling, this event will trigger the need for reprofiling:



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Continuity example (3)

2. In case enterprise X is small (no profiling), then this transfer may result in death of enterprise X and birth of new enterprise Y:

