

# Characteristics of units

chapter 5, UNECE

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March 2023



# Characteristics of units

*chapter 5 in the UNECE SBR manual*

- Identification and contact characteristics
- Demographic characteristics
- Economic/stratification characteristics
- Links and external references

# 5.2 Identification and contact characteristics –

## *Type of units*

### Purpose

- To identify the type of a unit

### Different type of units

- Main types of units that may be included in the SBR
  1. Enterprise
  2. Establishment (*also called **local kind of activity unit LKAU***)
  3. kind-of activity unit (KAU)
  4. local legal unit
  5. legal unit

## 5.2 Identification and contact characteristics – *Type of units - explanation*

### Different type of units - explanation

It's very important that a unit can be uniquely identified to ensure its presence and whereabouts. This also ensures no other units can be mistaken as being the same unit.

Contact and mutual visits. Contact should involve both management level staff and operational staff who are working with the data on a daily basis.

1. Enterprise: Each *enterprise* consists of one or more *legal units*
2. LKAU: The type of unit resulting from partitioning an enterprise by both its economic activities and its locations
3. KAU: Is The type of unit resulting from partitioning an enterprise by its different economic activities
4. Local legal unit: Each local unit is attributed to only one enterprise.
5. LEGAL UNIT: a unit that is recognised by law or society independently of the persons or institutions that own it. Most administrative registers are based on LEGAL UNITS

## 5.2 Identification and contact characteristics

### Identification number(s)

Purpose: Is to identify the unit and to enable it to be linked to other units in the SBR and in administrative and other statistical sources.

### Name(s)

For legal persons:

- legal name, plus trading name(s) and acronym(s)

For natural persons:

- family name(s), names normally used and possible pseudonyms, forenames, personal number

For statistical units:

- trading name(s)

For administrative units:

- names as registered

# 5.2 Identification and contact characteristics, explanation

## Name(s)

**Legal persons:** an individual, company, or other entity which has legal rights and is subject to obligations

**Legal name:** Its a name that identifies a company for legal, administrative and other official purposes – it's not always the same as trading name.

**Trading name:** a pseudonym used by companies that do not operate under their registered company name.

**Natural person:** human being as distinguished from a person (as a corporation) created by operation of law.

## 5.2 Identification and contact characteristics

### Communication characteristics

1. Telephone and fax number
2. E-mail
3. updates about the unit characteristics (such as websites - www)

### Address

Physical address, including postcode and official geographic code at the most detailed level.

**In Jordan GIS coordinates and blocks**

# 5.2 Identification and contact characteristics, explanation

## Communication characteristics, explanation

Communication characteristics are essential to maintain a full coverage of all possible ways to contact a company and to obtain relevant information e.g. through websites'.

These characteristics provide contact information for the unit. Telephone number and e-mail address are very important.

In the event that units from different sources do not share a common identification system, their names and addresses can be used for matching units across sources.



## 5.7 Summary of characteristics by unit type

Characteristics of the unit		Enterprise	Establishment	Local unit (of enterprise)	Legal unit	Other observation unit (VAT, Social security units, etc.)
<b>Identification and contact</b>						
Type of unit		✓	✓	✓	✓	✓
Type of enterprise group						
ID number		✓	✓	✓	✓	✓
Name, address		✓	✓	✓	✓	
Communication characteristics, contact details		✓	✓	✓	✓	✓
Administrative identification numbers (tax number...)					✓	
Geographical code (zip code...)		✓	✓	✓	✓	✓
Country code		✓	✓	✓	✓	✓

- In the table a tick-off indicates which characteristics should be recorded for the different types of units listed in the columns.
- A blank cell indicates that the characteristic is not applicable for logical or conceptual reasons.

## 5.3 Demographic characteristics

Date of incorporation of unit (for units that are **legal persons**)

Date of official recognition as an economic operator (for units that are **natural persons**)

One or other of these characteristics should be recorded when:

1. at the time of inclusion of a new unit
2. *official recognition* may be the date on which an identification number is assigned
3. or the date in which the legal existence is accepted
  1. through a trade register number
  2. assignment of a VAT number
  3. other form of administrative registration

# 5.3 Demographic characteristics, explanation

Date of incorporation of unit (for units that are **legal persons**)

Date of official recognition as an economic operator (for units that are **natural persons**)

Demographic. Something about (birth, death, turnover, size etc.)

LEGAL PERSON: an individual, company, or other entity which has legal rights and is subject to obligations

NATURAL PERSON: a natural person is **a person that is an individual human being**, distinguished from the broader category of a legal person

Whether the demographic event is the result of real birth or of another demographic event that results in a new unit.

## 5.3 Demographic characteristics

**Date of commencement of economic activity**

1. The characteristic is used in deciding if a new unit is economically active.
2. *Date of commencement of economic activity* should be the date on which the unit actually starts its economic activity
3. As soon as a unit invests it's deemed to have economic activity even though production may not have started.
4. The *actual date* of commencement of economic activity is often difficult to know
5. These characteristics are needed to record the permanent inactivity and/or death of a unit

**Date on which a legal unit ceased to exist**

## 5.3 Demographic characteristics

Date of **merger, take-over, split** or **break**

**Identifier of unit (if any) that is continuing the economic activity after the concerned unit has ceased to exist**

These demographic characteristics are needed to

1. record the restructuring of units
2. Or to relate the resulting live units to the previous ones that have been ceased and might be considered dead.

# 5.3 Demographic characteristics, explanation

Date of **merger, take-over, split** or **break**

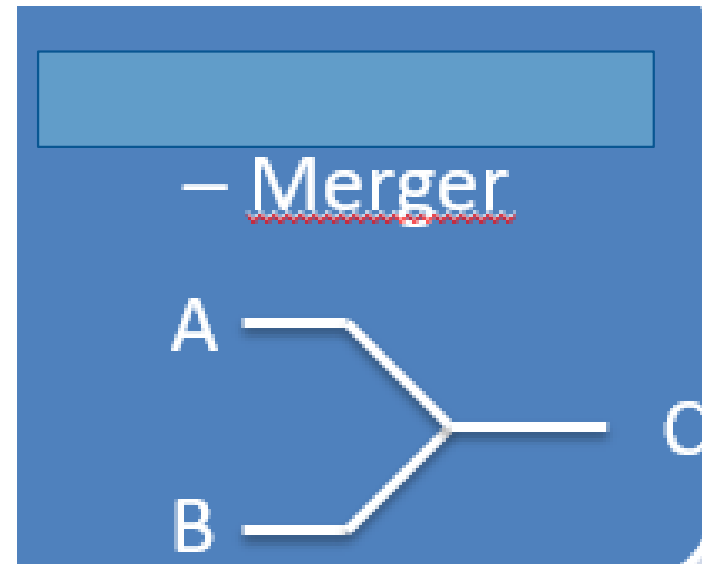
**Mergers:** A merger date is the time when a binding agreement has been concluded, a takeover bid has been published or a controlling interest has been acquired

**Take-over:** means the date that the Agreement is signed by both parties and the Area has been handed over

**Split-up:** a corporate action in which a single company splits into two or more independent, separately-run companies and when the date has been published



## 5.3 Demographic characteristics





## 5.7 Summary of characteristics by unit type

Characteristics of the unit		Enterprise	Establishment	Local unit (of enterprise)	Legal unit	Other observation unit (VAT, Social security units, etc.)
<b>Demographic</b>						
Birth date		✓	✓	✓	✓	
Status of unit (active/inactive...)		✓	✓	✓	✓	
Restructuring code (merger, split...)		✓			✓	
Restructuring date		✓			✓	
Death date		✓	✓	✓	✓	

In the table a tick-off indicates which characteristics should be recorded for the different types of units listed in the columns. A blank cell indicates that the characteristic is not applicable for logical or conceptual reasons.

## 5.4 Economic/stratification characteristics

*The legal form (also known as legal status) is a key stratification characteristic. The legal form of a legal unit is useful for:*

*Avoiding double counting in identification searches.*

**Main economic activity**

**Secondary economic activity**

**Ancillary unit**

The principal economic activity code of a unit is a key stratification characteristic

Practical guidance in assigning and maintaining principal and secondary economic activity codes is provided in the UNECE chap. 7

Main objective is to serve the parent legal unit.

# 5.4 Economic/stratification characteristics, explanation

## Main economic activity

## Secondary economic activity

## Ancillary unit

The activity code is based on a classification of economic activities. Said in another way what part of the production or like do they obtain most of their turnover is what will become the main activity.

The secondary code is registered to show secondary activities in the company.

Ancillary unit: Some units perform activities exclusively for other units without autonomy.

## 5.4 Economic/stratification characteristics

**Market orientation (market, non-market)**

Both the *market/non-market* characteristic of a unit and its *legal* form are needed to classify a statistical unit to the appropriate institutional sector.

**Turnover**

The SBR should record an estimate of economic size for every unit.

For production statistics, *value added* is considered the most appropriate characteristic

**Number of employees**

For all units the SBR should record the actual *number of persons employed*, and *number of employees*, both as head counts and, in the latter case, also in *fulltime equivalents* (FTEs)

## 5.4 Economic/stratification characteristics

**Market orientation (market, non-market)**

**Market activity** involves an individual and a seller whereas **Non market activity** involves an individual and a buyer. Market is taken by an individual who is willing to accept payment for his or her goods whereas the market is not involved in Non market activity.

**Number of employees**

**Value added:** But it is difficult to measure and is often replaced by proxy measures

**FTE:** FTE employment is defined as total hours worked divided by average annual hours worked in full-time jobs

## 5.7 Summary of characteristics by unit type

Characteristics of the unit		Enterprise	Establishment	Local unit (of enterprise)	Legal unit	Other observation unit (VAT, Social security units, etc.)
<b>Economic/stratification</b>						
Legal form					✓	
Institutional sector		✓			✓	
Principal activity		✓	✓	✓		
Secondary activity (if any)		✓	✓	✓	✓	
Market oriented		✓	✓	✓	✓	✓
Ancillary unit		✓	✓	✓	✓	
Employment		✓	✓	✓	✓	
Consolidated turnover		✓	✓			

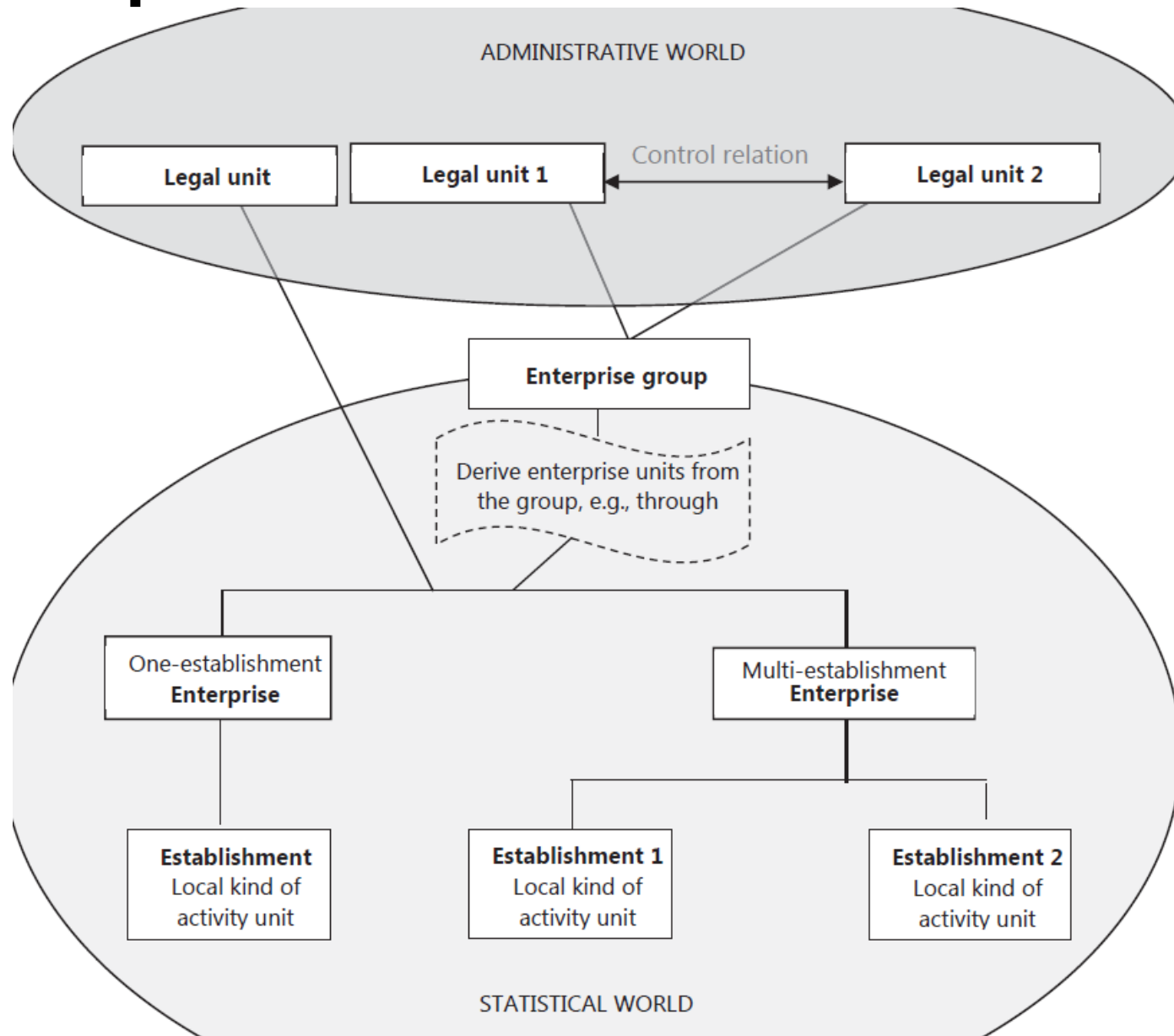
In the table a tick-off indicates which characteristics should be recorded for the different types of units listed in the columns. A blank cell indicates that the characteristic is not applicable for logical or conceptual reasons.

## 5.5 Relationships between units in the SBR

**There are two main reasons for registering relationships between the various types of units in the SBR**

1.
  - For management and the direct use in the SBR itself
  - Surveys using frames derived from the SBR
  - Ensuring correct transformation of data collected from administrative units
2.
  - Relationships assist in statistical and economic studies that depend upon bringing data from different sources together

# 5.5 Relationships between units in the SBR



1. Each link should include the date when the relationship started
2. and the date when it stopped (if applicable).



## 5.5 Relationships between units in the SBR

### Forms of relationships

#### 1. Simple form

- A relationship is a link including only two identification numbers (one for each unit linked) and the date

#### 2. Complex form

- A single unit of one type of unit may be linked to n units of another type
- The relationship may indicate the percentages to be applied in splitting data for the one unit across the n units.

**However it's best to keep the relationships as simple as possible.**

## 5.6 Links with other registers

**Links are very important given the emerging role of the SBR in connecting various data sources and thus integrating statistics.**

1. Links are expressed in terms of identification numbers for the external sources
2. and identification numbers of the corresponding units in the SBR.
3. Ideally, the links should be organized in such a way that all administrative units are linked to the legal unit to which they belong.

3. For example a legal unit may have several administrative units for pay-as-you-earn (PAYE) purposes, and several more for social security contributions, as well as having one or more VAT accounts and an account for payment of income tax.

3.A. Depending on national legislation, it is conceivable that a single administrative unit is linked to more than one legal unit.

## 5.6 Links with other registers

The sorts of relationships that exist and links that are possible depend upon country legislation and regulations.

Examples are:

- Links from legal unit to (VAT)
- Links from legal unit to trade register.
- Links from legal unit to social security.
- Links to balance sheet data (for units required to publish accounts).
- Links to balance of payments register or foreign direct investment register.
- Links to the farm register.
- Links to other satellite registers, for example, shop registers, tourist establishment registers, transport registers, educational services registers, and health services registers.

## 5.7 Summary of characteristics by unit type

Characteristics of the unit		Enterprise	Establishment	Local unit (of enterprise)	Legal unit	Other observation unit (VAT, Social security units, etc.)
<b>Links and external references</b>						
Percentage control					✓	
Percentage share (ownership)					✓	
Type of management/control unit (within group)					✓	✓
Link between unit and enterprise			✓	✓	✓	✓
Link between unit and establishment		✓		✓	✓	✓
Link between unit and local unit (of enterprise)		✓	✓		✓	
Link between unit and legal unit		✓				✓
Links between units involved in mergers, splits, etc.		✓	✓	✓	✓	✓
External register - name of register, identification number(s)			✓		✓	✓

# Thank you for your attention 😊

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2023-03-06

