

STATISTICS CANADA BUSINESS REGISTER

A Brief Guide

June 23, 2000

What is the Business Register?

The business register is a structured list of businesses engaged in the production of goods and services in Canada.

What are the major uses of the Business Register?

The list is used by statistical programs to determine the *Ain-scope* population, to select a sample and to conduct inquiries.

The list can be used to conduct demographic studies of businesses.

Why a central Business Register?

A central Business Register provides the framework for the production of coherent statistics for National Accounts and the conduct of analytical studies linking data from the different business surveys.

A central Business Register is also less costly to operate than the maintenance of numerous local business frames within each statistical program.

What type of economic entities are covered?

The Business Register includes incorporated businesses, unincorporated businesses, commercial enterprises, non-profit organizations, religious organizations, government departments and government institutions for all of the industrial sectors of the economy.

Is the coverage exhaustive?

The BR includes all incorporated businesses, with or without employees. For unincorporated businesses the BR includes all employer businesses, and businesses with no employee but with GST sales greater than \$30K (the BR will not include unincorporated businesses with no employee and with GST less than \$30K).

What are the main sources of information?

Administrative information - Details of businesses that have a business number with CCRA - Canada custom and Revenue Agency.

Survey Feedback - Frame changes detected by statistical programs during the conduct of their respective inquiries.

Profiling - Inquiries designed to maintain the Business Register up to date.

What is the Business Number (BN) ?

The Business Number (BN) was introduced by CCRA - Canada custom and Revenue Agency in 1994 as a means of integrating all of the CCRA programs (accounts) under one common (number) identifier. Hence, each enterprise/business entity receives an identification number which is used by the enterprise to report its financial data on Goods and services tax@ GST, customs (import/export), corporate taxes (T2) and source deductions (payroll deduction accounts - PD). The BN replaces the PD/T2 numbers in CCRA and the Business Register Division (BRD) receives data from CCRA via the BN file.

What information exists on the Business Register?

Identification information

) Name (legal and operating name)

) Address (physical location)

Classification information

) Standard industrial classification code

) Standard geographical classification code

) Size code based on the number of employees

) Size code based on gross business income.

Linkage information

) Identification number (BN-Business Number) giving access to CCRA (Canada Custom and Revenue Agency) administrative information.

Business Organization information - Legal and operating composition of large enterprises.

Survey arrangements - Contact information for questionnaires directed to businesses selected for statistical inquiries.

Where does the Classification originate from?

Industrial Classification - The industrial classification code (SIC and NAICS) is assigned by Statistics Canada from the description provided by the business when registering with the Taxation Authorities. The industrial code is updated when new information is made available from survey programs and Business Register inquiries.

Size Classification - The size classification is based on a model that estimates the number of employees and gross business income based on the value of employer remittances to Taxation Authorities. The size classification is systematically updated as soon as the model detects a change significant enough to transfer the business to a different size range.

Geographical Classification - The geographical classification is derived from the postal code component of the physical address of the business. The geographical classification is systematically updated as soon as the business changes its postal code.

How is a small business represented on the Business Register?

Administrative Entity - The Business Number with the Taxation Authorities forms the basis for a business.

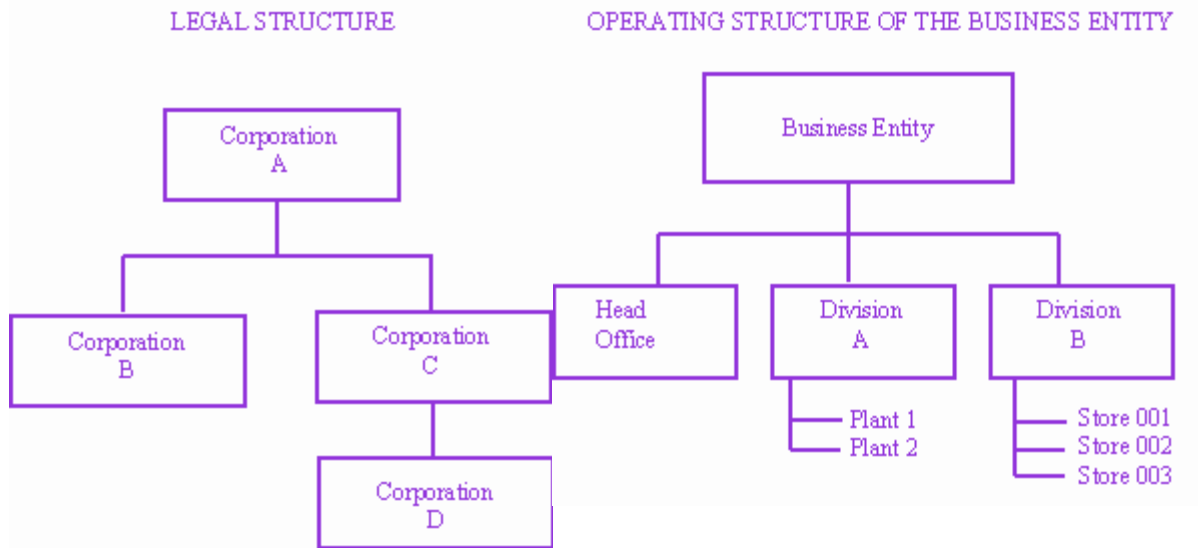
Statistical Entity - For small businesses, there is only one statistical entity.

Survey Reporting Entity - The reporting entity holds all information required to manage a statistical inquiry. The reporting entity includes information such as the mailing address, the contact person, the telephone and fax numbers, the method of collection and follow-up for non-response, etc.

How are large businesses represented on the Business Register?

Administrative Record - Both the Employer Deduction Account and the Corporate Income Tax Account are linked for large businesses.

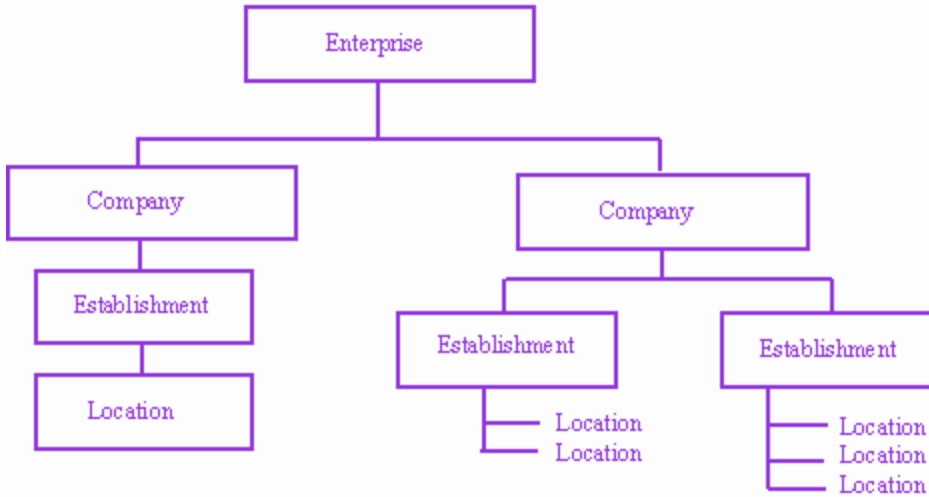
Legal Entity - The legal entity record represents normally a corporation. Corporations through shared ownership can own and control other corporation(s). A group of corporations under common ownership and control is referred to as the legal structure.



Business Entity - The Business Entity represents an economic transactor having the responsibility and the authority to allocate resources in the production of goods and services. The operating structure represents the organization of the production entities of the Business Entity.

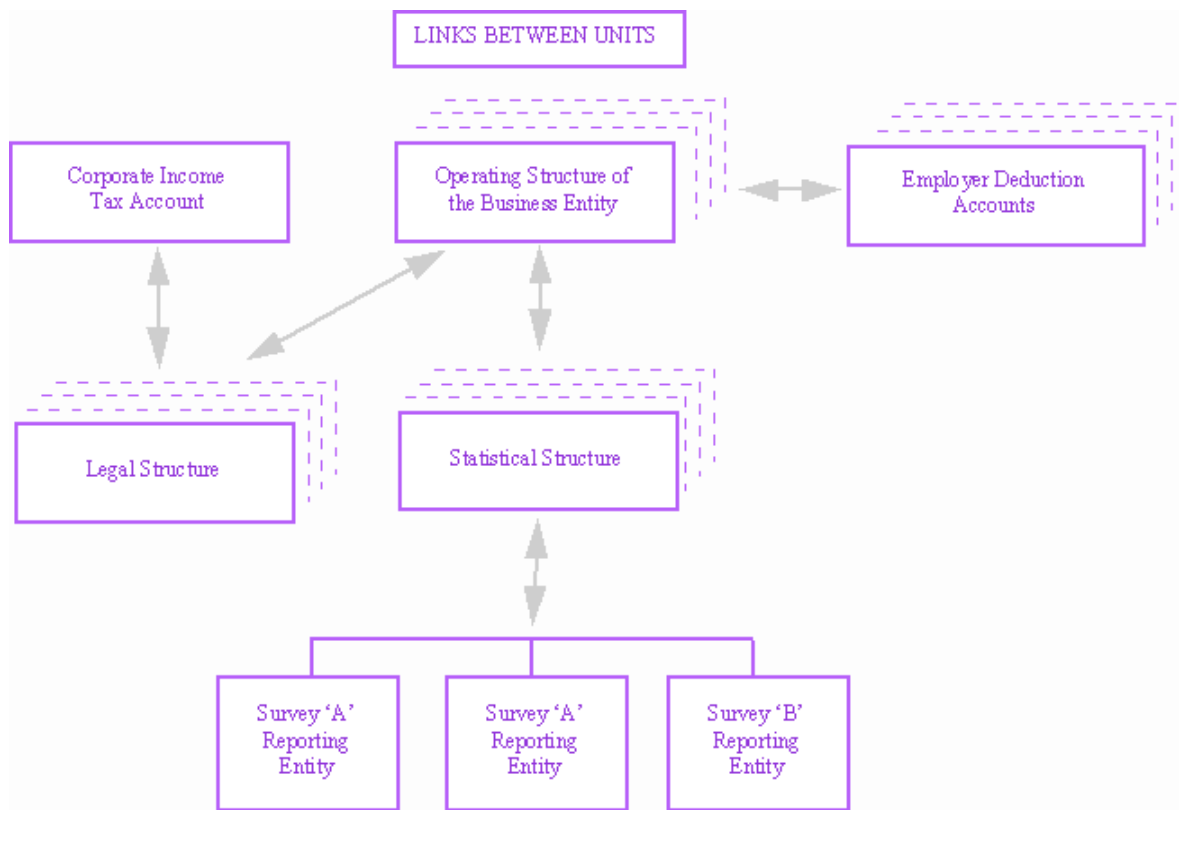
Statistical Entity - Statistical entities are derived from data contained in the operating structure according to pre-specified rules. For large

STATISTICAL STRUCTURE



businesses, there are four types of statistical entities: enterprise, company, establishment, location.

Survey Reporting Entity - Reporting entities contain all information required to manage a statistical inquiry. The reporting entity includes information such as the mailing address, the contact person, the telephone and fax numbers, the method of collection and follow-up for non-response, etc.



Business Register updated?

Once a month, new businesses and businesses that have ceased activities are identified by processing the current version of the Business Number file from the Taxation Authorities. This monthly processing also updates changes to name, address and size measurements for small businesses.

Large businesses are updated on a continuous basis using survey feedback and results of frame inquiries.

What is the Accuracy of the Business Register?

The accuracy of the information on the Business Register is measured regularly. These measurements are used to develop survey sampling methodologies and data collection strategies as well as to manage Business Register improvements.

Who uses the Business Register?

Business Survey programs of Statistics Canada

Survey programs of provincial statistical agencies

Statistical programs of other federal and provincial government departments.

Does the general public have access to the Business Register?

The general public does not have access to the Business Register. All information on the Business Register, whether it comes directly from respondents to Statistics Canada surveys or from administrative records of CCRA - Canada custom and Revenue Agency, is protected by the Statistics Act. Where the information comes from CCRA, it is also subject to the provisions of the Income Tax Act.

The confidentiality provisions of both the Statistics Act and Income Tax Act are further reinforced by the Federal Access to Information Act which requires the mandatory exemption from disclosure of information protected by the Statistics Act and the Income Tax Act.

What information is available to the general public?

The Canadian Business Patterns - Counts of establishments classified by industry activity and employment size are available in a diskette format. The Canadian Business Patterns diskette contains both the data and the PC-based retrieval software capable of creating and manipulating tables.

A new version of the Canadian Business Patterns is produced twice a year.

What is the distribution of businesses on the Business Register?

Industrial Sectors	Distribution of Businesses
Agriculture, Forestry, Fishing and Hunting	9 %
Mining and Oil and Gas Extraction	1 %
Utilities	0 %
Construction	11 %

Manufacturing	5 %
Wholesale Trade	6 %
Retail Trade	10 %
Transportation and Warehousing	5 %
Information and Cultural Industries	1 %
Finance and Insurance	5 %
Real Estate and Rental and Leasing	7 %
Professional, Scientific and Technical Services	12 %
Management of Companies and Enterprises	3 %
Administrative and Support, Waste Management and Remediation Services	4 %
Educational Services	1 %
Health Care and Social Assistance	4 %
Arts, Entertainment and Recreation	2 %
Accommodation and Food Services	5 %
Other Services (except Public Administration)	8 %
Public Administration	0 %

Total	99 %
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As of June 2000