

**STATISTICAL CONFIDENTIALITY PROTECTION
IN THE EUROPEAN SYSTEM OF CENTRAL BANKS
- Confidentiality Report January – June 2018 (summary) -
- Summary for publication -**

1 Introduction

Once a year the Governing Council of the ECB assesses the protection of confidentiality of individual statistical information collected by the European Central Bank assisted by the national central banks (NCBs), specifically, this concerns the implementation of common rules and minimum standards defined by the ECB to prevent unlawful disclosure and unauthorised use of confidential statistical information pursuant to Council Regulation (EC) 2533/98 as amended (hereafter CR2533)¹.

2 Confidential statistical information

According to Article 1.12 of CR2533: ‘Confidential statistical information’ (hereafter referred to as CSI) “...shall mean statistical information which allows reporting agents or any other legal or natural person, entity or branch to be identified, either directly from their name or address or from an officially allocated identification code, or indirectly through deduction, thereby disclosing individual information. To determine whether a reporting agent or any other legal or natural person, entity or branch is identifiable, account shall be taken of all the means that might reasonably be used by a third party to identify the said reporting agent or the other legal or natural person, entity or branch.”

3 Reports required by the common rules and minimum standards set by the ECB

The NCBs duly inform the ECB of any problems experienced, actions taken in response to these and planned improvements with regard to the protection of confidential statistical information.

The ECB is informed of the authorisation rules and types of protection measures applied by the ECB and the NCBs.

¹ OJ L 318, 27.11.1998, p. 8, OJ L 269, 14.10.2009, p. 1, OJ L 64, 7.3.2015, p. 6

The ECB compiles this information in an annual report for the ESCB which is presented to the Governing Council.

4 Minimum protection measures covering confidential statistical information

- 1) Confidential statistical information (CSI) is appropriately identified.

The international standard statistical data exchange message (SDMX-EDI and SDMX-ML), used by the European System of Central banks (ESCB), provides for the use of a specific mandatory “flag” to indicate observations that are CSI. Again, all steps have been taken by NCBs to ensure that CSI sent to the ECB is duly flagged.

- 2) The ECB and the NCBs define and implement authorisation rules and protection measures for the logical access of their staff to confidential statistical information.

In addition, staff granted access to CSI data are subject to national data protection laws or confidentiality undertakings. Access requests are approved by the relevant manager and system owner, or their authorised delegates. Access rights, especially to confidential statistical information, are granted if there is a “business need to work” with the data. Logical access is therefore limited and enforced through IT access controls.

- 3) Without prejudice to the continuity of the system administration function, the minimum protection measure is a unique user identifier and personalised password.

- General access to systems used in the ESCB is protected by unique user identifiers and personalised passwords. The allocation of user identifiers is authorised by the relevant manager and system owner. For system administration purposes, administrators access systems also via a personalised access, making their actions identifiable and auditable.
- Regular audits are performed by both Internal Auditors (IA) and the Internal Audit Committee (IAC) ensuring that the security policies are appropriately maintained and, if needed, recommendations are provided to the highest level and followed up accordingly.

- 4) All appropriate measures are taken to ensure that confidential statistical information is arranged in such a way that any published data covers at least three economic agents. Where one or two economic agents make up a sufficiently large proportion of any observation to make them indirectly identifiable, published data are arranged in such a way as to prevent their indirect identification. These rules do not apply if the reporting agents or the other legal persons, natural persons, entities or branches that can be identified have explicitly given their consent to the disclosure. The ECB and the NCBs take all reasonable steps to ensure that, whenever statistical results are published, the data cover at least three economic agents.

- 5) Authorisation rules and protection measures are in place for access of staff to physical areas where confidential statistical information may be accessible. Physical protection includes protection of physical

media. The ECB and the NCBs define and implement authorisation rules and protection measures for access of their staff to any physical area.

Statistical data and systems are located in areas to which physical access is controlled and restricted to authorised staff, usually by passes; visitors not supplied with passes are accompanied by authorised staff.

- 6) In the event of any third party having access to confidential statistical information, the ECB and NCBs ensure through appropriate means, where possible by way of a contract, that the confidentiality rules or minimum standards as laid down in the Confidentiality Guideline are respected by the third party.

It is standard practice to ask third parties that have access to statistical information to sign a confidentiality declaration.

- 7) Where allowed, confidential statistical information is electronically transmitted *extra muros*, only encrypted. Authorisation rules for such transmission of confidential statistical information are defined and documented.

All statistical data exchanged between the NCBs and the ECB are encrypted and the sending source is always authenticated. Most transmissions take place via the ESCB-Net (a closed network). In a few cases secure Internet is used (with encryption and authentication).

Only explicitly authorised staff are able to initiate data transmissions *extra muros*. This authorisation is provided at management level.

- 8) Where allowed, confidential statistical information is transmitted *extra muros* electronically, only encrypted, agreements have been checked to confirm they are still valid, for example expiry dates.
- 9) The Decision of the ECB of 27 December 2010 for euro area Central Banks and Agreement of 1 January 2011 for the non-euro area Central banks relates to confidential statistical information on multinational enterprise groups provided by the European Commission under the common framework of business registers to NCBs and ECB. Authorisation rules for such transmission of confidential data are defined and documented
- 10) For internal networks, appropriate protection measures are taken to prevent unauthorised access. In general, a switched network technology and/or segmentation is used, which should prevent the interception of network traffic without authorisation. Furthermore, the logical and physical access to network devices is restricted to authorised specialist staff and the use of traffic monitoring devices is restricted to those specialist staff.
- 11) Interactive access to confidential statistical information from unsecured networks is prohibited.

CSI, and unpublished statistical data generally, is held only on internal servers. Links to external networks are either prohibited or protected by firewalls that prohibit interactive access to those servers.

- 12) All local and ESCB-wide rules and procedures relating to the protection of confidential statistical information are documented, and this documentation is kept up to date. The staff involved is informed about the importance of the protection of confidential statistical information and kept up to date about all rules and procedures that affect their work.

Rules and procedures are documented and kept up to date. Staff involved in processing is kept informed.

5 Conclusion

The European System of Central banks continues to ensure that confidential statistical information is securely protected according to the necessary measures. Furthermore, no incidents have occurred between January-June 2018. ESCB staff working with CSI have been appropriately trained and pay particular attention to preventing the direct and indirect identification of CSI. The ECB and the NCBs have adhered to all rules and procedures relating to the protection of CSI and documentation is kept up to date. Staff involved are regularly reminded about the importance of the protection of CSI and kept up to date about all the rules and procedures relevant to their work.