

**STATISTICAL CONFIDENTIALITY PROTECTION
IN THE EUROPEAN SYSTEM OF CENTRAL BANKS (ESCB)
- Confidentiality Report January 2020 to December 2020 -
- Summary for publication -**

1 Introduction

Once a year the Governing Council of the European Central Bank (ECB) assesses the protection of confidentiality of individual statistical information collected by the ECB assisted by the national central banks (NCBs). More 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 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (hereafter CR 2533/98)¹.

2 Confidential statistical information

According to Article 1.12 of CR2533/98: '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 CSI.

¹ OJ L 318, 27.11.1998, p.8

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

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 for statistical data and metadata exchange (SDMX²), used by the ESCB, provides for the use of a specific mandatory “flag” to indicate observations that are CSI. 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 CSI.

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 CSI, 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 and followed up accordingly.

- 4) All appropriate measures are taken to ensure that CSI 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 shall 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 to protect the confidentiality of the results.

² <https://sdmx.org/>

- 5) Authorisation rules and protection measures are in place for access of staff to physical areas where CSI 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 CSI, the ECB and NCBs ensure through appropriate means, where possible by way of a contract, that the confidentiality requirements as laid down in the Confidentiality Guideline³ are respected by the third party. Any further transmission shall be: (i) necessary for the execution of the tasks of the third party but also (ii) explicitly authorised by the ESCB member that collected the CSI.

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

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

All confidential 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, CSI 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 on the transmission of confidential data under the common framework for business registers for statistical purposes (ECB/2010/33)⁴ and the Agreement of 1 January 2011 for the non-euro area central banks related to CSI 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 CSI 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 CSI from unsecured networks is prohibited.

³ OJ L 55, 24.02.2001 p. 72, OJ L 47, 24.2.2016, p. 16

⁴ OJ L 6, 11.1.2011, p. 37–39

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 CSI are documented, and this documentation is kept up to date. The staff involved is informed about the importance of the protection of CSI and kept up to date about all rules and procedures that affect their work.

5 Conclusion

The ESCB continues to ensure that CSI is securely protected according to the necessary measures. In the period January 2020 to December 2020, there were no incidents. 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.