Commission Regulation (EC) No 747/2008 of 30 July 2008 amending Regulation (EC) No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates, as regards the definitions of characteristics and the implementation of NACE Rev. 2 (Text with EEA relevance)

COMMISSION REGULATION (EC) No 747/2008

of 30 July 2008

amending Regulation (EC) No 716/2007 of the European Parliament and of the Council on Community statistics on the structure and activity of foreign affiliates, as regards the definitions of characteristics and the implementation of NACE Rev. 2

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Regulation (EC) No 716/2007 of the European Parliament and of the Council of 20 June 2007 on Community statistics on the structure and activity of foreign affiliates[(1)], and in particular Article 9(2)(a) thereof,

Whereas:

(1) Regulation (EC) No 716/2007 established a common framework for the systematic production of Community statistics on the structure and activity of foreign affiliates.

(2) It is necessary to adapt the definitions for the characteristics on research and development variables for the common module for inward statistics on foreign affiliates.

(3) It is also necessary to adapt the activity breakdown levels following the adoption of Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2[(2)].

(4) Regulation (EC) No 716/2007 should therefore be amended accordingly.

(5) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 716/2007 is amended as follows:

1. Section 2 of Annex I is replaced by the text set out in Annex I to this Regulation.

2. The table for the activity breakdown levels 1 and 2 referred to in Annex III is replaced by the table set out in Annex II to this Regulation.

3. The table for the activity breakdown level 3 referred to in Annex III is replaced by the table set out in Annex III to this Regulation.

Changes to legislation: Commission Regulation (EC) No 747/2008 is up to date with all changes known to be in force on or before 25 December 2020. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Article 2

Member States shall apply Annex III to Regulation (EC) No 716/2007 as amended by this Regulation:

— as regards levels 1 and 2, from 1 January 2010 (for reference year 2010 and subsequent years),

— as regards level 3, from 1 January 2008 (for reference year 2008 and subsequent years).

Article 3

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 July 2008.

For the Commission

Joaquín ALMUNIA

Member of the Commission

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ANNEX I

SECTION 2

Characteristics

The following characteristics as defined in the Annex to Commission Regulation (EC) No 2700/98 of 17 December 1998 concerning the definitions of characteristics for structural business statistics[(3)] will be compiled:

Code	Title
11 11 0	Number of enterprises
12 11 0	Turnover
12 12 0	Production value
12 15 0	Value added at factor cost
13 11 0	Total purchases of goods and services
13 12 0	Purchases of goods and services purchased for resale in the same condition as received
13 31 0	Personnel costs
15 11 0	Gross investment in tangible goods
16 11 0	Number of persons employed

The following characteristics will also be compiled by Member States for the 2009 reference year and subsequent years:

Code	Title and definition
22 11 0	Total intramural R&D expenditure[a] Research and experimental development comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including of man, culture and society, and the use of this stock of knowledge to devise new applications. Intramural expenditures are all expenditures for R&D (research and development) performed within the unit, regardless of the source of funds. R&D must be distinguished from expenditures for a wide range of related activities. The following are therefore excluded from R&D expenditure: — expenditures on education and training,

a Variables 22 11 0 and 22 12 0 shall be reported every second year. If the total amount of turnover or the number of persons employed in a division of NACE Rev. 2 Sections B to F represents, in a Member State, less than 1 % of the Community total, the information necessary for the compilation of statistics relating to characteristics 22 11 0 and 22 12 0 need not be collated for the purposes of this Regulation.

Changes to legislation: *Commission Regulation (EC) No 747/2008 is up to date with all changes known to be in force on or before 25 December 2020. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

	— expenditures on other scientific and technological activities (e.g. information services, testing and standardisation, feasibility studies), — expenditures on other industrial activities (e.g. industrial innovations n.e.s.), — expenditures on purely financing activities (other administrations and other indirect supporting activities are included). Research and development expenditure may, depending upon national laws, be recorded in one of three places: movements in intangible assets, movements in tangible assets or operating expenditure. If under national law it may be partly or completely capitalised the expenditure is included in the movement of the intangible assets included in company accounts under *Fixed assets — intangible assets — costs of research and development*. If under national law it is only partially capitalised or not capitalised at all, the current expenditure is part of *Raw materials and consumables, other external charges, staff costs* and other operating charges and the capital expenditure is included in the movement of the tangible assets included in company accounts under *Fixed assets — tangible assets*.
22 12 0	Total number of R&D personnel[a] Research and experimental development comprise creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society, and the use of this stock of knowledge to devise new applications. All persons employed directly on research & development (R&D) should be counted, as well as those providing direct services such as R&D managers, administrators and clerical staff. Those persons providing an indirect service, such as canteen and security staff, should be excluded, even though their wages and salaries are included as an overhead in the measurement of expenditure. R&D personnel must be distinguished from personnel for a wide range of related

a Variables 22 11 0 and 22 12 0 shall be reported every second year. If the total amount of turnover or the number of persons employed in a division of NACE Rev. 2 Sections B to F represents, in a Member State, less than 1 % of the Community total, the information necessary for the compilation of statistics relating to characteristics 22 11 0 and 22 12 0 need not be collated for the purposes of this Regulation.

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	activities. The following are therefore excluded from R&D personnel: — Personnel employed on education and training, — Personnel employed on other scientific and technological activities (e.g. information services, testing and standardisation, feasibility studies), — Personnel employed on other industrial activities (e.g. industrial innovations n.e.s.), — Personnel employed on administration and other indirect supporting activities. Link to company accounts The total number of research and development personnel may not be isolated in company accounts. It is part of the number of persons employed which is recorded in the notes on the company accounts (Article 43(8)). Link to other variables Part of the *number of persons employed* (16 11 0).

a Variables 22 11 0 and 22 12 0 shall be reported every second year. If the total amount of turnover or the number of persons employed in a division of NACE Rev. 2 Sections B to F represents, in a Member State, less than 1 % of the Community total, the information necessary for the compilation of statistics relating to characteristics 22 11 0 and 22 12 0 need not be collated for the purposes of this Regulation.

If the number of persons employed is not available, the number of employees (code 16 13 0) will be compiled instead.

Characteristics “total intramural R&D expenditure” (code 22 11 0) and “total number of R&D personnel” (code 22 12 0) are only required to be compiled for activities in NACE sections B, C, D, E and F. Up to reference year 2009, Member States will compile these characteristics as defined in the Annex to Commission Regulation (EC) No 2700/98 of 17 December 1998.

For NACE section K only the number of enterprises, turnover[(4)] and the number of persons employed (or the number of employees instead) will be compiled.

ANNEX II

In Annex III to Regulation (EC) No 716/2007 the table for activity breakdown levels 1 and 2 is replaced by the following:

ACTIVITY BREAKDOWN LEVELS 1 AND 2 FOR OUTWARD STATISTICS ON FOREIGN AFFILIATES

Level 1	**Level 2**	**NACE Rev. 2**
TOTAL ACTIVITY	TOTAL ACTIVITY	sec B to S (excluding O)