

Data confidentiality policy

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1 Preamble

Statistics Denmark's data confidentiality policy is a set of rules and guidelines applied by Statistics Denmark when processing the large volumes of data about the Danes and Danish enterprises on which the production of statistics is based.

With respect to personal data, legislation regulates data confidentiality. With respect to business data, the statutory regulation is less comprehensive.

With respect to both fields of statistics, the data confidentiality policy is Statistics Denmark's specific implementation of the statutory rules and basic principles governing the processing of data in a way which ensures that citizens as well as enterprises can rest assured that their data is only used for statistical purposes or scientific surveys and that information about individual persons or individual businesses cannot be disclosed via the statistical use of their data.

The data confidentiality policy is supplemented by a number of appendixes explaining specifically how the general policy is handled in a number of specific areas and in a number of concrete situations, e.g. in connection with the users' access to data from Statistics Denmark and in connection with the exchange of data between Statistics Denmark and other authorities.

2 Principles

As the central Danish producer of statistics, the main task for Statistics Denmark is to document the development of society in figures. A necessary requirement for this activity is for Statistics Denmark to have access to large volumes of data about citizens and businesses – many of which are of a confidential nature. For this reason, citizens and businesses are justifiably entitled to have data on them protected and applied only for statistical or scientific purposes. Statistics Denmark's data confidentiality policy specifies how to ensure this protection.

The overall principles for the data confidentiality policy are:

- To protect the identity of the persons, businesses and institutions¹ for which Statistics Denmark has data.
- To ensure that data in Statistics Denmark is solely applied for statistical or scientific surveys.

The principles have resulted in a number of rules and practices, which are described in the below sections.

3 Organisation

The Director General is the senior person responsible for Statistics Denmark's technical and administrative activities, including the data confidentiality policy.

The Director General has prepared the data confidentiality policy in collaboration with Statistics Denmark's Supervisory Board.

¹ Statistics Denmark's rules for ensuring confidentiality for businesses do not apply to public institutions or private and self-governing institutions solving tasks for central and local government in accordance with signed operating agreements or in accordance with legislation.

The task of making decisions on matters of principle concerning the data confidentiality policy as well as the auditing of these is handled by Statistics Denmark's Data Confidentiality Committee, which has been appointed by the Director General. The Data Confidentiality Committee prepares an annual statement for the Director General on the results of the committee's discussions. The Supervisory Board is informed of key aspects of the statement.

The head of each of the statistical divisions is responsible for ensuring the implementation of the data confidentiality policy in the work of the division, which includes ensuring that it is not possible to identify individual citizens or businesses in the statistical products.² The responsible head of division has immediate knowledge of product details and is consequently in a position to identify any critical issues. In cases of doubt, you must contact the Data Confidentiality Committee.

4 Legislative framework

Statistics Denmark's data confidentiality policy is a specific implementation of a number of rules in legislation and executive orders: The EU Regulation on European Statistics, the General Data Protection Regulation, the Danish Data Protection Act, the Danish Public Administration Act, the Danish Access to Public Administration Files Act, the Danish Criminal Code and the Act on Statistics Denmark.

For relevant legislation, please refer to Statistics Denmark's website (www.dst.dk/da/OmDS/lovgivning?#fortrolig)

The EU legislation, the Danish Data Protection Act and the Danish Public Administration Act lay down the overall principle that data collected for statistical purposes may be applied only to conduct statistical or scientific surveys. In accordance with the Danish Criminal Code and the Danish Public Administration Act, a certain part of the statistical information in Statistics Denmark will be confidential. Statistics Denmark has chosen to classify all statistical information as confidential.

Once data has entered the (closed) statistical system, the Danish Data Protection Act provides extended access to the processing of data for statistical and scientific purposes. Data from the (closed) statistical system must not subsequently be used for other purposes, although it may – within the framework of the mentioned legislation – be disclosed to other public authorities. However, disclosure must only happen for statistical or scientific purposes, and the data must not be used for e.g. administrative, legal or tax purposes or for checking the affairs of statistical entities. This does not prevent Statistics Denmark from providing services in terms of e.g. processing, troubleshooting and documentation of the data of other institutions used for administrative purposes.

The Public Administration Act emphasizes the professional secrecy of public servants with regard to confidential information that they obtain as part of their job (section 27). Furthermore, the act contains rules (sections 28 and 30, 31 and 32) on the disclosure of data to other public authority (see Statistics Denmark's Data Confidentiality Policy, section 6).

² International trade in goods and Sales of goods by manufacturing industries are exceptions, where the principle of passive confidentiality is applied, and where indirect identification is possible in certain cases.

Section 10 of the Public Administration Act lays down that the rules about right of access to documents do not apply to material obtained for the preparation of statistical or scientific surveys.

The Criminal code lays down (section 152) the penalties for (present and former) public servants' disclosure of confidential information.

The Danish Act on the Central Business Register lays down e.g. what a legal entity (section 3) and a production entity (section 4) are taken to mean.

The Act on Statistics Denmark makes it clear that public authorities and institutions must give Statistics Denmark access to the data in their possession which is necessary to comply with the work programme of Statistics Denmark (section 6) – and that business owners have an obligation to provide data to Statistics Denmark (sections 8-13).

5 Rules about data confidentiality in general

As the overall principle is for data in the (closed) statistical system not to be allowed outside the system, Statistics Denmark handles all data in their possession as confidential. However, the following variables are not considered to be confidential: gender, age and an establishment's industry, municipality and sector.

a. Personal data

The main rule is that data attributable to an individual must be subject to confidentiality so that it is not possible to obtain new knowledge about the individuals' affairs from a statistical product.

The majority of data for social statistics is collected from administrative registers in accordance with the Act on Statistics Denmark. It is absolutely fundamental that register data disclosed to Statistics Denmark is only applied for statistical and scientific purposes. Consequently, it must not be returned to public data providers nor disclosed to other public authorities in a way so that data from Statistics Denmark will influence the decision of concrete individual cases in the administrative system.

In the few cases where the underlying registers do not offer a sufficient basis for preparing the statistics, surveys may be performed where the data collection takes place by contacting a selected group of persons directly. Such surveys are not subject to the Act on Statistics Denmark. As a result, the persons must give their acceptance on an informed basis. This means that the persons must be informed, prior to the actual data collection, of the purpose and contents of the survey, and any request not to participate must be respected. This also applies to surveys which are not included in the statistical production but performed as a service job.

b. Business data

The processing of business data is regulated in the Public Administration Act, which regulates e.g. issues concerning the disclosure of data, as well as the regulation on European statistics. In addition, the processing of data concerning sole

proprietorships is regulated by the Danish Data Protection Act, since this is considered to be business data as well as personal data. Besides this, no Danish legislation requires confidentiality for business data, but in accordance with the recommendation in the European Statistics Code of Practice, Statistics Denmark has decided to handle business data with confidentiality.

With reference to the first overall confidentiality principle of protecting the identity of the persons, businesses and institutions on which information is held in Statistics Denmark, and in accordance with the data confidentiality policy adopted by the Supervisory Board, we ensure that statistical output is made confidential by two methods: active and passive confidentiality, respectively.

Active confidentiality All business statistics – except from the statistics of International trade in goods, International trade in services, the Balance of payments and international trade, and Sales of goods by manufacturing industries, cf. below – apply active confidentiality.

The most essential confidentiality rule is the application of a number criterion, i.e. a minimum requirement of three observations in a table cell, for the relevant data in the cell to be published.

Due to the heterogeneity of business data, the so-called dominance criterion for economic volume (e.g. sales or value added) is also applied. This means that if the two largest businesses together account for a dominant share of the value of a given table cell, confidentiality is applied, cf. appendix 1.

For all business statistics, however, the number of statistical units (i.e. businesses, workplaces or kind-of-activity units) in the relevant statistics can, in principle, always be reported regardless of the number of observations, as long as business demographic and not economic nor employment variables are concerned. Business demographic variables are e.g. geography, industry and sector, which only delimit the population of statistical units and do not reveal anything about their economic activity.

In the determination of whether data may be published, primary confidentiality is first applied where the individual groupings are considered in isolation and where the criteria are number and/or dominance. This is supplemented by secondary confidentiality, which is performed manually, and the point of which is to prevent the user of the statistics from reconstructing the confidentiality figures for a group by means of published (non-confidentiality) figures for other groups. This is typically relevant in publications of detailed statistics with combinations in hierarchical structures such as industries, size groups and geographical areas. Secondary confidentiality is also called consequential suppression.

Passive confidentiality For the statistics International trade in goods, International trade in services, Balance of payments and international trade as well as Sales of goods by manufacturing industries, we apply so-called passive confidentiality, which means that Statistics Denmark takes appropriate measures only at the request of businesses. This is due to the fact that the good/service and not the business constitutes the statistical unit. Furthermore, the EU-required product classification, which is applied in International trade in goods and Sales of goods by manufacturing industries to such a detailed level that active confidentiality at business level would mean that the statistics could not be published in any meaningful way.

In brief, the method implies that table results cannot be made confidential, cf. the method mentioned above on active confidentiality. However, it is possible for the reporting businesses to have the results for a given product kept wholly or partly secret (confidential), provided that they have a dominant position in the market for the given product according to specified criteria. In other words, the business must make a request to Statistics Denmark for this to be effected. If the business does not comply with the criteria for market dominance, the request for secrecy will be rejected. An annual follow-up will be performed to establish whether approved instances of secrecy continue to meet the criteria. Special criteria apply to the foreign goods trade for the sake of comparability with statistics of other countries. You will find a detailed description of these rules in appendix 1.

The other main confidentiality principle of ensuring that data in Statistics Denmark is applied only for statistical and scientific surveys also applies to information on businesses. As an exception, however, updates performed by Statistics Denmark in the Register of Business Statistics on e.g. the businesses' industry are replicated to the Central Business Register (CVR), whereby it is made generally available as part of the public basic data.

6 Rules concerning external users' access to microdata

Access to individual data

External users can get access to analyse de-identified individual data with Statistics Denmark, provided that they meet a number of conditions. Individual data means data which are associated with a single individual or a single business as opposed to aggregate data, which only describes groups of individuals or businesses.

External users may apply individual data via one of Statistics Denmark's four service schemes:

1. The researcher scheme
2. The ministry scheme
3. The law model scheme
4. Data warehouses

The four schemes are described in more detail in appendix 2.

Access to individual data

Regardless which of the four schemes that is applied, data is stored in Statistics Denmark. Users authorised by Statistics Denmark get access for a specified period to the individual data that they need for specified subject-related purposes, but users must never take delivery of individual data, i.e. transfer individual data to servers outside Statistics Denmark.

The tables prepared on the basis of data in these schemes must comply with Statistics Denmark's rules and guidelines for data confidentiality and statistical disclosure control.

Individual data is made available to the user in *de-identified form*. Full anonymization is not required, but certain restrictions in the access to data, e.g. in the form of a limited number of variables or further disclosure avoidance may prove necessary if the risk of recognisability of individual persons or businesses is too obvious – e.g. in connection with small populations.

Common to all four schemes is the fact that it may only be used for analytical purposes. It must under no circumstances be used for administrative purposes. Nor may it be used for continuous statistical production unless a separate agreement exists regarding this.

In case of doubt in connection with the interpretation of the rules on data confidentiality, all four schemes are handled by Statistics Denmark's Data Confidentiality Committee. If necessary, the committee will make a recommendation to the Director General.

Regardless which of the four schemes external users apply, it is a general condition that the users have *signed special confidentiality and non-disclose agreements* in advance.

The researcher scheme	The researcher scheme may be used by researchers/analysts who are already attached to an institution that is authorised to access data with Statistics Denmark on a project basis.
The ministry scheme	Based on their special need for analyses, central government authorities such as departments, government agencies etc. may access data on more flexible terms than others in the research and analysis environment.
The law model	The law model is a very special model for those parts of the central administration that need to perform <i>pre-legislative analyses on the government's financial models</i> . Departments requesting access to use the Law model are approved by Statistics Denmark as well as the department responsible for the law model.
Data warehouses	<p>In connection with the establishment of a ministerial data warehouse, a development and operation agreement is concluded allowing ministerial staff access to the data warehouse in the development phase and in the subsequent operational phase.</p> <p>The data warehouse will typically contain data at CPR (civil registration no.) and CVR (central business register no.) level, but both numbers are replaced by a neutral ident allocated by Statistics Denmark. Using the neutral ident as a key allows coupling of Statistics Denmark's data with data which the ministry places in the data warehouse.</p>
Disclosure	In very special cases, as an exception and based on a specific decision from the Director General, Statistics Denmark may disclose identifiable personal data to another public authority for the purpose of preparing statistics. This is described in appendix 3.

7 Rules concerning Statistics Denmark as a processor of data

Other public authorities may have a right of access to the same data that is included in the statistical production of Statistics Denmark. To avoid duplicate collection of information, Statistics Denmark may collect data on behalf of another authority. In some cases, the relevant other authority is the data responsible authority, and Statistics Denmark is the data processor. Collection and disclosure of data happens in accordance with the instructions of the authority, including any disclosure to other authorities in advance of processing in Statistics Denmark. The process is concluded by disclosure to Statistics Denmark's ordinary

activity after which Statistics Denmark will become the authority responsible for this data on normal terms.

The application of data for statistics in accordance with this model is not incompatible with an originally administrative purpose of the data collection. Data collected for administrative purposes may be disclosed for statistics – but the opposite must not be the case.

Statistics Denmark's application of the data processor model requires permission from the Director General in every single case.

The rules concerning data processor agreements are described in more detail in appendix 6.

8 Rules concerning internal users' access to data

For Statistics Denmark's employees to gain access to data, their superiors must approve it, and it must be justified by a data requirement in strict relation to the set or sets of statistics with which the employee in question is working. As a result, access is granted on a 'need-to-know' principle, and Statistics Denmark's IT department review the data access every six months in order to audit the granted access.

The employees' application of register data is logged in accordance with section 19 of the National Security Executive Order.