

SOURCES OF INFORMATION ON FIRMS

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The information pyramid

We can group information on the economic environment into an information pyramid, differentiating the individual levels according to the number of subjects and detail of the data available on them.

At the peak of the pyramid is found the firm, or individual firms that provide very detailed registration, but primarily financial data about themselves on a legislative or voluntary basis. These are data on a small number of subjects, as a rule not completely up-to-date, but it may concern a longer time frame. The processing of such data is simple.

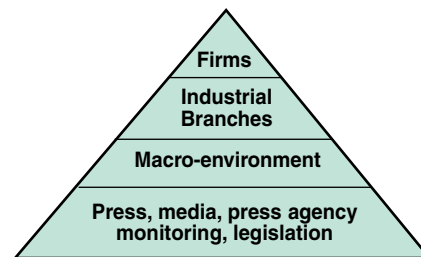
The next broader level we can associate with branches of industry. For individual branches of industry there are most often available data established through aggregating and processing corporate data for selected levels¹ of the OCEA (Organisational Classification of Economic Activity), i.e. aggregated financial data from balance sheets and from profit and loss statements, financial ratio indicators and statistical characteristics. The outputs are less detailed than the original data, which it is not always possible to recover². In terms of time, the currency of the data is also less, since the processing of data for various entities within an industrial branch is demanding both technically and in terms of time.

The third significantly broad level represents the macro-economy. The productivity of firms grouped in industrial sectors is expressed in the rate of GDP growth, in the balance of foreign trade, in the level of consumer prices and in the development of unemployment. These are global characteristics of little detail, concerning various fields; for acquiring them it is necessary to process a very great deal of data. They are up-to-date in terms of time (available with a delay of one month or one quarter). From this level it is not possible to return to the completely original data, desegregation of macro-economic characteristics is possible only on a territorial, commodity, industrial sector or temporal basis.

¹ Category, sub-category, section, sub-section, group, sub-group

² This depends mainly on the source from which the corporate data was drawn. Firms at present still are publishing data at various levels of detail (in the Commercial Journal – the “minimum extent”, available to everyone, with the tax return they hand over accounting statements without amendments – the “full-extent”, databases of this data are not public).

Figure 1: The Information Pyramid



The bottom and broadest part represents the base of the information pyramid. Here belongs information from the legal, social and political environment, which determines the framework for the development of the economic environment or indirectly influences it. This influence is however bidirectional. Information from this level needs to be permanently monitored, influences analysed and on the basis of current information decisions adopted. This data is as a rule highly up-to-date.

In order to actually build up such an information pyramid we need to know the information sources from which we can draw data at individual levels.

Data sources on firms in the SR

The basic information sources of data on firms (economic subjects) are of a public nature prescribed by legislation, which does not however mean that the information from these sources is accessible free of charge. Nevertheless, since 2001 the situation has gradually improved and much information is published by the corresponding governmental institutes for free on the Internet.

Fulfilling the information obligation by firms in particular with regard to the publication of financial data still retains significant shortfalls even though this field has witnessed a certain progress. Large joint-stock companies, in particular, have begun to publish more information, because an ever more open economy has forced them to become more transparent and thereby also less risky in the eyes of business partners as well as potential capital investors.

Information on firms may be gained from public registers, from non-public registers, from official journals, from annual reports, from the property register (property rights), and from capital market organisers and institutions.

Public registers

The Register of Organisations (The Register of Economic Subjects - RES)

From the aspect of the number of economic subjects the Register of Organisations³ is the most extensive information source available, known also as the Register of Economic Subjects (RES), and which is maintained, together with other registers defined in law, by the Statistics Authority of the Slovak Republic (SA SR). In this register are recorded artificial legal entities or natural persons who conduct business or perform other gainful activity on the basis of data that was gained under to the Act on State Statistics and according to specific regulations⁴.

The following data⁵ is recorded in the Register of Organisations: identification number, business name, in the case of a legal entity, the registered office; in the case of an entrepreneur, the place of business; the territorial identification of the office and place of business, postal address, telephone and fax number, subject of business or other activity, legal form of an artificial legal entity, date of establishing the artificial legal entity; or in the case of an entrepreneur, the date of the registration document or the date of the effect of the business licence issued, the date and manner of the lapsing of the artificial legal entity; in the case of an entrepreneur the date of the lapsing of the business licence, the size category of the organisation, the sector for national accounts, whether the organisation is economically active or not; in the case of an artificial legal entity the name and surname of the statutory representative and address of his/her permanent address; in the case of an entrepreneur his/her birth certificate number (BCNo.) and the address of his/her permanent residence, the number of employees. The Register contains also intermittent data on the level of earnings (only for a small number of subjects).

In the scope provided for by law the RES is a public list⁶. It is distributed as a database file on CD by INFOSTAT, the price depending on the frequency of data updates (annual, quarterly, monthly). Since the register contains more than 400,000 records, a database application best serves for viewing and classifying the data. Processing of the database is made difficult by the fact that it lacks for exam clear street names or

³ Act on State Statistics No. 540/2001 Z.z.

⁴ The SA SR may require from other institutions (ministries, state organisations) the provision of data that they acquire, process or store in the performance of their activity. These organisations provide the data within the set deadline and free of charge.

⁵ In the register on organisations are entered data also on the internal units of organisations

⁶ Data may be provided to any who requests it (except the birth cert. no., permanent residence and number of employees).

names of businesses, with a tag (for example, in liquidation, in bankruptcy). An advantage is its accordance with the business licence register (business licence holders who have ended their activity are not found in the RES), and at the same time the effort to differentiate between active and non-active subjects.

Commercial Register

From the aspect of legal effect of the data recorded, the Commercial Register⁷ is the most important. This is a public list of data provided for by law, its component being a collection of documents prescribed by law. The Commercial Register is maintained by the Registration Court, which is responsible for the accordance of entries in the Commercial Register with extracts from the Commercial Register⁸. In the Commercial Register are recorded commercial companies, co-operatives, foreign entities, other artificial legal entities falling within the scope of the law and other organisational components of enterprises⁹. In respect of third parties data entered are effective as of the date of their publication and the content of documents as of the date when the storage of the documents was published.¹⁰

In the Commercial Register are recorded data¹¹ which may be gained in an extract from this register, comprising primarily:

- business name and registered office of the legal entity¹², identification number¹³, the subject of business or activity, legal form of the artificial legal entity,
- cancellation of an artificial legal entity or its legal reason, entry into liquidation and completion of liquidation, court decision on the invalidity of the artificial legal entity, declaration of bankruptcy and execution of bankruptcy proceedings, settlement entitlement and completion of settlement proceedings, introduction and completion of forced administration, legal reason for deletion of the entered entity,

⁸ Data contained in an extract is provided by the Registration Court at latest within 1 week following the entry at the Tax Authority, the State Statistics Authority and the body that issued the document evidencing the authorisation to perform the entered activity.

⁹ Enterprises of foreign entities. A natural person with a permanent residence in the SR who is an entrepreneur is entered in the Commercial Register at their own request, or if so required by a specific act.

¹⁰ Act No. 513/1991 Z.z. the Commercial Code as amended, Title III, § 27.

¹¹ Act No. 530/2003 Z.z. on the Commercial Register, § 2 effective as of 1.2.2004.

¹² For a natural person, the entrepreneur's name and address, if this differs from the business name, the date of birth, birth certificate number (not published), residence and place of business, if this differs from the residence.

¹³ Identification number (IC or ICO – originally the identification number of the organisation) is assigned to an entity registered by the Registration Court, if it has not been assigned by a different state authority. The IC is notified to the Registration Court by the respective state authority.

– name, surname, residence, date of birth and birth certificate number of a natural person, where they are the statutory body or a member of it, they are entered in the Commercial Register as the company secretary, where they are a member of the supervisory board of the registered entity, they are entered in the Commercial Register as the liquidator or as the appointed receiver in bankruptcy or forced administrator, and their representative and the manner in which these persons act on behalf of the legal entity, the date of the commencement and lapsing of the function are also entered¹⁴.

Other facts are recorded, if this is provided for by law¹⁵. In the register are also recorded:

– in the case of a joint-stock company, the amount of the registered capital, to what extent it has been paid up, the amount, type, form and nominal value of shares, the restriction on the transferability of registered shares, if any; if the company has a single shareholder there is registered also the name, surname, and residence or business name and registered office of this shareholder; in the case of a cooperative, the amount of registered equity and the amount of the registered membership deposit; in the case of a state enterprise the founder and equity; in the case of a limited liability company, the names surnames and addresses of the shareholders, the business name and registered office of an artificial legal entity that is a shareholder, the amount of the registered capital, the extent to which it is paid up, the amount of each shareholder's deposit in the registered capital, the extent to which it is paid up¹⁶.

A component of the Commercial Register is the collection of records containing documents issued in the state language or in a foreign language with an officially sworn translation into the state language, the “deposited documents”, which are:

¹⁴ If the statutory body is a legal entity, its business name, registered office and identification number (IC) (if assigned), name and surname, residence, date of birth and birth certificate number of a natural person, if they are a statutory body, are entered.

¹⁵ The data to be entered are specifically defined by law in the case of branch plants or other organisational components, the enterprise of a foreign entity and organisational component of a foreign entity incorporated in one of the EU Member States. There is also entered for example the register or other system of records, in which a foreign entity is already entered and the number of the entry.

¹⁶ In the case of a general commercial partnership the names, surnames and residences of the shareholders (where an artificial legal entity is the shareholder, the business name and registered office of this entity), in the case of a limited partnership names and residences of the partners (where an artificial legal entity is the shareholder, the business name and registered office of this entity), with a designation as to who is the general (unlimited) partner, who is the limited partner, and the amount of their deposit and the extent to which they have paid up their deposit, the amount of the registered capital and the extent to which it has been paid up.

Figure 2: The Commercial Register



– a Memorandum of Association, founder's deed of a commercial company, full powers for its conclusion, notarial deed on the holding of a constituent General Meeting of the joint-stock company (a decision of its founders about its foundation), a notarial deed on the foundation of a cooperative, including related annexes and articles of association (if any); in the case of other artificial legal entities, documents governing their establishment to the extent required, each change to the memorandum of association (founders deed), articles of association of a joint-stock company or cooperative, in the case of other artificial legal entities each change to documents, governing their foundation, and the complete wording of the stated documents following each change effected,

– the closing of accounts of the registered entity, if required by a specific act also an annual and auditor's reports of the entity registered, containing the name, surname and residence of the natural person, or business name, registered office and identification number of the artificial legal entity of the auditor and the registration number of the entry of the verifying auditor in the list of auditors,

– other documents, court decisions, expert judgments and opinions¹⁷ stipulated by law.

¹⁷ The Registration Court verifies the data and, if it fulfils the conditions, performs the entry within five working days of the proposal being submitted. Following the entry of the data (the depositing of the documents) it publishes without undue delay an extract from the Commercial Register (a notification of the depositing of documents). The Registration Court imposes upon a registered natural person (a natural person licensed to act on their own behalf) a fine up to the amount of SKK 100 000, if within the stipulated term they do not submit a proposal for the entry of a change (or deletion) of the data, do not submit the documents that are deposited in the collection of documents, state in the draft entry untrue data, substantiate a proposal by documents not corresponding to the actual state or submit such documents for depositing in the collection of documents.



The Commercial Register and the collection of documents are publicly available¹⁸; everyone has the right, following payment of a court fee, to view them and prepare transcripts of them¹⁹.

Since 1 January 2001 the Commercial Register has been available free of charge on the Internet at the address of the Ministry of Justice SR www.justice.gov.sk as well as at the address www.orsr.sk, where there is currently available a trial operation of a register of bankrupts.

Trade Licence Register

Trade licence registers²⁰ are maintained by trade licence offices. They register entrepreneurs having a trade licence in the territorial district of their competence. The following data²¹ (including changes to it) is recorded in the register:

- in the case of a natural person the business name, identification number, place of business, personal data and personal data regarding the responsible representative (if appointed); if this concerns an artificial legal entity, the business name, registered office, names of the persons who are its statutory body and the manner in which they act on behalf of the legal entity, the identification number (if assigned) and personal data regarding the responsible representative²².
- the subject of business, operating establishments, if established,
- the date of establishing the trade licence, the period for which it was issued, the suspension or lapsing of the trade licence, the return of the trade licence or licence deed,
- in the case of a foreign entity, the address of its enterprise or organisational component in the territory of the SR.

The register is divided into a public and a non-public part. The non-public part of the register comprises personal data of a natural person (entrepreneur) and of a responsible representative. Everyone has the right to view the public part of the register, or request an extract from it.

The trade licence office dispatches data and lists²³ at monthly intervals:

- a) data in the scope of the trade licence register to

²⁰ Act No. 455/1991 Z.z. on trade licensing (the Trade Licence Act) as amended by Act No. 106/2002 Z.z. as later amended, Title IV, § 60.

²¹ And other particulars according to specific regulations.

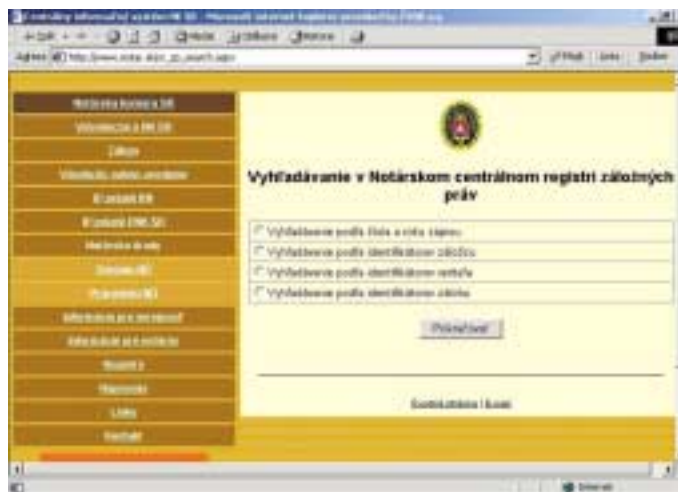
²² Exceptions are provided for in Act No. 455/1991 Z.z. as later amended.

²³ In the lists are stated the business name, place of business or registered office and other data (date of commencement of the trade licence, the time for which it is issued, its suspension, lapsing return of the business licence (licence deed).

Figure 3: The Trade Licence Register



Figure 4: The Register of Rights of Lien



the tax office (the respective one according to the residence of a natural person or registered office of an artificial legal entity), to the state Statistics Authority (in the territorial competence of the trade licence office),

b) a list of entrepreneurs to whom a trade licence or licence deed has been issued to the respective body for paying out social benefits, the body that maintains the central register of mandatory health insurance, and to the competent body of the National Labour Office,

c) a list of entrepreneurs²⁴ to the Slovak Chamber of Commerce and municipalities in the territorial competence.

Data from the trade licence registers is available for free on the Internet at the address www.zrsr.sk. The service is provided by the Ministry of the Interior, public administration section.

²⁴ If they have a registered office, place of business, operating establishment in the territory of the municipality, also the address of the operating establishment is stated in the list.



Notarial Central Register of Rights of Lien

The register²⁵ is maintained by the Chamber of Notaries of the SR as a component of the Central Information System. The conditions for the proper, safe and problem-free operation of the register and all related acts in the framework of it are ensured by means of a managing administrator.

The register's role is in particular the registration²⁶ of the right of lien arisen on the basis of a pignorative contract, an approved inheritance agreement, or arisen on the basis of the handing over of a thing, a right of lien arisen on the basis of a decision of the courts or state authority, a right of lien arisen prior to 1 January 2003,

a right of lien arisen through the handing over of a thing prior to 1 January 2003, a change to a right of lien, a change in the person of the pledger, the agreement of the pledgees on a change in the sequence of their rights of lien decisive in their settlement, the commencement of the execution of a right of lien, the deletion of a right of lien.

The register is public and available for viewing and registration at any notarial office²⁷ (for a fee) and for viewing by means of the Internet (for free).

To be continued in 3/2004

²⁵ Decree of the Ministry of Justice SR No. 607 of 26 September 2002, laying down the details of the Notarial Central Register of Rights of Lien

²⁶ The register contains data according to § 73 d of Act No. 323/1992 Zb. on notaries and notarial activity (the Notarial Code) as amended by Act No. 526/2002 Z.z.

²⁷ Anyone may at a notarial office request a notary to find and show to them in the register the requested data and issue an extract from the register, provided that they precisely identify the pledger. The extract from the register contains a complete extract or partial extract from the record in question. A notary upon request may also issue an extract containing data that was entered and that as at the date of issuing the extract is no longer valid.