



**COUNCIL OF
THE EUROPEAN UNION**

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL REGULATION amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure

COUNCIL REGULATION (EU) No .../2010

of

**amending Regulation (EC) No 479/2009
as regards the quality of statistical data in the context of
the excessive deficit procedure**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third subparagraph of Article 126(14) thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament¹,

Having regard to the opinion of the European Central Bank²,

¹ OJ C ...

² OJ C 103, 22.4.2010, p. 1.

Whereas:

- (1) The credibility of budgetary surveillance crucially hinges upon reliable budgetary statistics. It is of the utmost importance that data reported by Member States under Council Regulation (EC) No 479/2009 of 25 May 2009 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community¹ are of high quality and reliability.
- (2) The European Union governance framework for fiscal statistics has been further developed and institutional setting updated over the past years, notably with a view to improving the monitoring of the government accounts by the Commission (Eurostat).
- (3) The revised governance framework for fiscal statistics has functioned well overall and, in general, has produced a satisfactory outcome in terms of the reporting of relevant fiscal data on government deficit and debt. In particular, the Member States have predominantly demonstrated a solid record of cooperation in good faith and an operational ability to report fiscal data of high quality.
- (4) However, recent developments have also clearly demonstrated that the current governance framework for fiscal statistics still does not mitigate, to the extent necessary, the risk of incorrect or inaccurate data being notified to the Commission.

¹ OJ L 145, 10.6.2009, p. 1.

- (5) In this connection, and in some exceptional cases (methodological visits), the Commission (Eurostat) should have additional rights of access to a widened scope of information for the needs of data quality assessment, in full compliance with Regulation No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics¹ as regards professional independence.
- (6) Therefore, in carrying out methodological visits to a Member State whose statistical information is under scrutiny, the Commission (Eurostat) should be entitled to have access to the accounts of government entities at central, state, local and social security levels, including the provision of underlying detailed accounting information, relevant statistical surveys and questionnaires and further related information, respecting the legislation on data protection as well as statistical confidentiality.
- (7) Public accounts of individual general government units, as well as of public units classified outside the general government sector, should be the main object of the controls, and the public accounts should be assessed in terms of their statistical use.
- (8) Member States should ensure that institutions and officials responsible for the reporting of the actual data to the Commission (Eurostat) and of the underlying government accounts fully respect the obligations related to the statistical principles.
- (9) Regulation (EC) No 479/2009 should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

¹ OJ L 87, 31.3.2009, p. 164.

Article 1
Amendments to Regulation (EC) No 479/2009

Regulation (EC) No 479/2009 is hereby amended as follows:

- (1) The following Article is inserted:

"Article 2a

'Access' means that relevant documents and other information must be provided when requested, either immediately or as promptly afterwards as is consistent with the time needed to collect the requested information."

- (2) Article 8(2), is replaced by the following:

"2. Member States shall provide the Commission (Eurostat), as promptly as possible, with the relevant statistical information requested for the needs of the data quality assessment, without prejudice to the provisions of Regulation (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics* relating to statistical confidentiality.

The statistical information referred to in the first subparagraph shall be limited to the information strictly necessary to check the compliance with ESA rules. In particular, "statistical information" means:

- (a) data from national accounts;
- (b) inventories;
- (c) EDP notification tables;
- (d) additional questionnaires and clarification related to the notifications.

The format of the questionnaires shall be defined by the Commission (Eurostat) after consultation of the Committee on Monetary, Financial and Balance of Payments Statistics (hereinafter referred to as CMFB).

* OJ L 87, 31.3.2009, p. 164."

- (3) Article 11 is replaced by the following:

"Article 11

1. The Commission (Eurostat) shall ensure a permanent dialogue with Member States' statistical authorities. To this end, the Commission (Eurostat) shall carry out in all Member States regular dialogue visits, as well as possible methodological visits.

2. When organising dialogue and methodological visits, the Commission (Eurostat) shall transmit its provisional findings to the Member States concerned for comments."

(4) The following articles are inserted:

"Article 11a

The dialogue visits are designed to review actual data reported according to Article 8, to examine methodological issues, to discuss statistical processes and sources described in the inventories, and to assess compliance with the accounting rules. The dialogue visits shall be used to identify risks or potential problems with respect to the quality of the reported data.

Article 11b

1. The methodological visits are designed to monitor the processes and verify the accounts which justify the reported data, and to draw detailed conclusions as to the quality of reported data, as described in Article 8(1).
2. The methodological visits shall only be undertaken in exceptional cases where significant risks or problems with respect to the quality of the data have been clearly identified.

3. For the purposes of this Regulation, it could be considered that there are significant risks or problems with the quality of the data notified by a Member State in such cases as:
- a) there are frequent and sizeable revisions of the deficit or debt that are not clearly and adequately explained;
 - b) the Member State concerned is not sending to the Commission (Eurostat) all the statistical information requested in the context of the rounds for clarification of the EDP Notification or as a consequence of a dialogue visit, in the period agreed between them and has not clearly and adequately explained the reason for the delay or non-response;
 - c) the Member State concerned changes, unilaterally and without a clear explanation, the sources and methods for estimating the deficit and debts of the general government set out in the Inventory, with a material effect on estimates;
 - d) there are outstanding methodological issues likely to have a material effect on the debt or deficit statistics which have not been resolved between the Member State and the Commission (Eurostat) arising from the rounds for clarification or the previous dialogue visits, resulting in reservations from the Commission (Eurostat) in two subsequent EDP notifications;

- e) there are persistent, unusually high stock-flow adjustments not clearly explained.
4. Mainly taking into account the criteria mentioned in paragraph 3, the Commission (Eurostat), after informing the CMFB, shall decide to carry out a methodological visit.
 5. The Commission should provide the Economic and Financial Committee with full information about the reasons behind the methodological visits."
- (5) Article 12(1) and (2) are replaced by the following:
- "1. Member States are expected to provide, at the request of the Commission (Eurostat), and on a voluntary basis, the assistance of experts in national accounting, including for the preparation and carrying-out of the methodological visits. In the exercise of their duties, these experts shall provide independent expertise. A list of those experts in national accounting shall be constituted on the basis of proposals sent to the Commission (Eurostat) by the national authorities responsible for the excessive deficit reporting.

The Commission shall lay down the rules and procedures related to the selection of the experts, taking into account an appropriate distribution of experts across Member States and an appropriate rotation of experts between Member States, their working arrangements and the financial details. The Commission shall share with the Member States the full cost incurred by the Member States for the assistance of their national experts.

2. In the framework of the methodological visits, the Commission (Eurostat) shall have the right to access the accounts of all government entities at central, state, local and social security levels, including the provision of existing underlying detailed accounting and budgetary information.

In this context, accounting and budgetary information includes:

- transactions and balance sheets;
- relevant statistical surveys and questionnaires of general government and further related information, such as analytical documents;
- information from relevant national, regional and local authorities on the execution of the budget of all sub-sectors of the general government;

- the accounts of extra-budgetary bodies, corporations, and non-profit institutions and other similar bodies that are part of the general government sector in national accounts;
- the accounts of social security funds.

Member States shall take all necessary measures to facilitate the methodological visits. Those visits may be carried out at national authorities involved in the excessive deficit procedure reporting, as well as at all services directly or indirectly involved in the production of government accounts and debt. In both cases, the National Statistical Institutes as national coordinators according to Article 5(1) of Regulation (EC) No 223/2009, shall support the Commission (Eurostat) in the organisation and coordination of the visits. Member States shall ensure that those national authorities and services, and where necessary, their national authorities who have a functional responsibility for the control of the public accounts, provide the Commission officials or other experts referred to in paragraph 1 with the assistance necessary to carry out their duties, including making documents available to justify the reported actual deficit and debt data and the underlying government accounts. Confidential records of the national statistical system as well as other confidential data should be provided to the Commission (Eurostat) only for the purpose of assessing the quality thereof. Experts in national accounting assisting the Commission (Eurostat) in the framework of the methodological visits shall sign a commitment to respect the confidentiality before accessing those confidential records or data."

(6) Article 16 is replaced by the following:

"Article 16

1. Member States shall ensure that the actual data reported to the Commission (Eurostat) are provided in accordance with the principles established by Article 2 of Regulation (EC) No 223/2009. In this regard, the responsibility of the national statistical authorities is to ensure the compliance of reported data with Article 1 of this Regulation and the underlying ESA 95 accounting rules. Member States shall ensure that the national statistical authorities are provided with access to all relevant information necessary to perform these tasks.
2. Member States shall take appropriate measures to ensure that Institutions and officials responsible for the reporting of the actual data to the Commission (Eurostat) and of the underlying government accounts are accountable and act in accordance with principles established by Article 2 of Regulation (EC) No 223/2009."

Article 2
Entry into force

This Regulation shall enter into force on the twentieth day following that of 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

For the Council
The President
