

EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 4 May 2005

at the request of the Council of the European Union on a proposal for a Council regulation amending Regulation (EC) No 3605/93 as regards the quality of statistical data in the context of the excessive deficit procedure (COM(2005) 71 final)

(CON/2005/11)

(2005/C 116/08)

1. On 15 April 2005, the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a Council regulation amending Regulation (EC) No 3605/93 as regards the quality of statistical data in the context of the excessive deficit procedure (hereinafter the 'proposed regulation').
2. The ECB's competence to deliver an opinion is based on the first indent of Article 105(4) of the Treaty establishing the European Community. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.
3. The proposed regulation amends Council Regulation (EC) No 3605/93 of 22 November 1993 on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community⁽¹⁾. The objective of the proposed regulation is to improve the quality of the government accounts to be used for the application of the Protocol on the excessive deficit procedure (EDP), in particular government deficit and debt data (hereinafter 'EDP data'). The proposed regulation obliges Member States to provide detailed inventories of the methods, procedures and sources used for the compilation of their government accounts, and both to inform the Commission (Eurostat) of any significant revision to the actual and planned government deficit and debt data that have already been reported and to document any significant revision to the actual government deficit and debt data that have already been reported. The proposed regulation further provides that the assessment of the quality of EDP data, including the underlying government accounts, shall be the responsibility of the Commission (Eurostat), which will carry out in-depth monitoring visits in the Member States, in addition to its dialogue visits, in order to monitor the government accounts reported and the underlying data compilation processes. The proposed regulation requires Member States to cooperate with visiting officials, to publish the government accounts reported for past years and to certify that these accounts comply with the principles established by Article 10 of Council Regulation (EC) No 322/97 of 17 February 1997 on Community Statistics⁽²⁾, and to request clarification from the Commission (Eurostat) on the correct accounting treatment of government transactions in case of doubt. The proposed regulation also recognises the right of the Commission (Eurostat) to express reservations on the quality of the government accounts reported and to amend such data.

A. General remarks

4. The ECB welcomes the core objective of the proposed regulation, which is intended to strengthen the legal framework for compiling government accounts underlying the EDP and to provide a legal basis for the Code of best practice on the compilation and reporting of data in the context of the excessive deficit procedure, adopted by the Council of Ministers (ECOFIN) on 18 February 2003.

⁽¹⁾ OJ L 332, 31.12.1993, p. 7. Regulation as last amended by Commission Regulation (EC) No 351/2002 (OJ L 55, 26.2.2002, p. 23).

⁽²⁾ OJ L 52, 22.2.1997, p. 1.

B. Specific remarks

5. The ECB notes that the proposed amendments do not change the current spring and autumn reporting deadlines for government accounts. The ECB would support deferring the reporting deadlines by one month, to 31 March and 30 September respectively, as this may improve the overall quality of government accounts, in particular government deficit data. Such deferral would increase the availability of source data in spring and align EDP data with the complete set of European System of Accounts (ESA) 95 ⁽¹⁾ government accounts, thus enabling the Commission (Eurostat) to carry out detailed quality checks. In addition, it would also enable statistical authorities to meet their obligations to compile budgetary data by giving them more time to complete the transition from the public accounts provided by various government bodies to the ESA 95 data required for EDP purposes.
6. The ECB also supports specifying in a relevant regulation, by reference to ESA 95, a complete set of actual government accounts to be provided by the Member States to the Commission (Eurostat), including sufficient breakdowns. It would also be useful to require Member States to provide any necessary reconciliation between EDP and ESA 95 data.
7. The ECB would furthermore support publication by the Commission (Eurostat) of complete sets of government accounts by Member State and related formal quality reports.

Done at Frankfurt am Main, 4 May 2005.

The President of the ECB

Jean-Claude TRICHET

⁽¹⁾ Contained in Annex A to Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community, OJ L 310, 30.11.1996, p. 1. Regulation as last amended by Regulation (EC) No 1267/2003 of the European Parliament and of the Council (OJ L 180, 18.7.2003, p. 1).