



EUROPEAN CENTRAL BANK

EUROSYSTEM

THE ESCB'S GOVERNANCE STRUCTURE AS APPLIED TO ESCB STATISTICS

This note provides a brief overview of the governance structure guiding the provision of statistics by the European System of Central Banks (ESCB), which comprises the European Central Bank (ECB) and the national central banks (NCBs) of the Member States of the European Union.

LEGAL FRAMEWORK

1. Article 5 of the Statute of the European System of Central Banks and of the European Central Bank confers upon the ECB the competence to collect, assisted by the NCBs, the statistical information necessary to perform the tasks of the ESCB, either from the competent national authorities or directly from economic agents. For these purposes, it shall cooperate with the Community institutions or bodies and with the competent authorities of the Member States or third countries and with international organisations. Article 14.3 of the Statute, in turn, specifies that the NCBs are an integral part of the ESCB and shall act in accordance with the guidelines and instructions of the ECB.¹ The ECB Governing Council shall take the necessary steps to ensure compliance with the guidelines and instructions of the ECB, and shall require that any necessary information be given to it.
2. Article 5 also provides that it is a task of the Council to define the natural and legal persons subject to reporting requirements, the confidentiality regime and the appropriate provisions for enforcement. These are established in Council Regulation (EC) No 2533/98 concerning the collection of statistical information by the European Central Bank², which provides the basic secondary legislative framework for the

ECB's statistical activities. The Regulation currently includes "Monetary Financial Institutions" and "Other financial intermediaries, except insurance corporations and pension funds" within the reference reporting population for ECB statistics.

3. The Regulation also provides that the ECB may adopt regulations for the establishment of its statistical reporting requirements on the actual reporting population of euro area Member States. ECB regulations are the most relevant ECB legal acts in the statistical domain. They are binding in their entirety and directly applicable in all euro area Member States. They do not need to be transposed into national law as they impose direct reporting obligations on reporting agents. ECB regulations can be complemented by detailed guidance notes, the purpose of which is to assist NCBs and reporting agents in preparing the figures to be reported.
4. The ECB also issues guidelines, which are also directly binding legal instruments but only with regard to euro area NCBs (and the ECB). These guidelines contain, inter alia, rules to be implemented by the NCBs concerning the definition of the data that the ECB requires, the form in which these data should be transmitted, as well as their timeliness and other transmission modalities. ECB guidelines can complement ECB regulations or stand on their own.³ The ECB adopts such guidelines in the interests of complying with the principles of clarity and

¹ Member States with a derogation as specified in Article 122(1) EC, are not subject to Article 14.3 of the Statute.

² OJ L 318, 27.11.1998, p. 8.

³ ECB guidelines on balance of payments, financial accounts and government finance statistics do not complement regulations. Regulations on statistics for financial institutions are typically implemented via guidelines.

equal treatment with regard to its data requirements.⁴

5. Finally, the ECB issues recommendations, which are not binding but may be used, for instance, to request data from statistical agencies in some euro area Member States that NCBs provide pursuant to ECB guidelines.
6. ECB legal acts in the field of statistics are prepared by the Statistics Committee (STC), assisted by the Legal Committee (LEGCO), adopted by the Executive Board and the Governing Council of the ECB and published in the Official Journal of the European Union.

PLANNING AND RELATIONS WITH USERS

7. The planning process in the ECB's Directorate General Statistics is based on its medium-term strategy for ESCB statistics, which was initially laid down in the so-called Implementation Package (July 1996) and reformulated at the end of 2002.⁵ The STC also has its corresponding medium-term work programme. The STC approves not only its own work programme, but also the work programmes of its (six) working groups and (currently three) task forces and the Centralised Securities Database (CSDB) Business Coordination Group. All work programmes are provided to the Governing Council for information.
8. The introduction of new or substantially enhanced statistics is subject to a systematic assessment of merits and costs. This approach ensures that new statistics are sufficiently justified by high-priority policy needs and provides incentives to search for the most cost-effective solutions. The merits and costs procedure consists of a number of steps, involving users (who are requested to state, prioritise and justify their requirements), compilers of the statistics (the NCBs and the ECB) and typically

various future respondents or their representative organisations (in order to assess the costs of new requirements and to find the most cost-effective data collection and compilation methods).

9. The internal users' relations are well structured within the ESCB. In the preparatory phase, the main user committees (which all have the same status as the STC) are consulted and user demands prioritised. The ECB Governing Council is involved simultaneously as the legislator, paymaster and main user of ECB statistics. External users' relations are more loosely structured within the ESCB, although Eurostat has a permanent observer status in the STC and regular contacts are maintained with, inter alia, the European Commission (DG ECFIN, DG MARKT), Eurostat and the national statistical institutes (through the Committee on Monetary, Financial and Balance of Payments Statistics).

AUDIT AND CONTROL

10. The Regulation clearly defines the audit and control powers of the ECB and the NCBs. In case of non-compliance with ECB regulations, both the ECB and the participating NCBs have the right to verify the accuracy and quality of the statistical information reported, or to carry out its compulsory collection. Infringements of ECB regulations entitle the ECB to impose

4 All ECB legal acts and instruments are legally binding on euro area NCBs and/or reporting agents that are resident in the participating Member States, but are usually also implemented by non-euro area Member States on a voluntary basis, mostly in the context of their preparations for entry into the euro area. A list of ECB legal acts and instruments applying to ESCB statistics is presented in the Annex.

5 For more details on the ESCB's statistical framework, cf. the ECB publication "ECB Statistics: an overview" (April 2006), published on the ECB website in all official languages of the EU. The English language version is available under: <http://www.ecb.int/pub/pdf/other/ecbstatisticsanoverview2006en.pdf>. Eurostat and the ECB's Directorate General Statistics have signed a Memorandum of Understanding on their respective areas of responsibility in economic and financial statistics at the Community level.

sanctions directly on the reporting agents concerned. The task of ensuring compliance by the NCBs with the ECB guidelines is entrusted to the Governing Council, assisted by the Executive Board (which monitors compliance via bi-annual compliance reports submitted to the ECB Governing Council).

CONFIDENTIALITY

11. Article 8 of the Regulation and an ECB Guideline⁶ define statistical confidentiality and set out the common rules and minimum standards to protect the confidentiality of statistical information collected by or reported to the ECB. The Governing Council assesses compliance with this Guideline at least once a year. An exception to the use of individual statistical information exclusively for statistical purposes is contained in the ECB Regulation on the application of minimum reserves⁷, whereby individual data reported by credit institutions to the NCBs of their home country for the purposes of compiling monetary statistics are also to be used by each credit institution to calculate its own reserve requirements. The rationale for this reuse of statistical data for non-statistical purposes is the need to minimise the reporting burden of credit institutions.

12. Practices used by the ECB to protect confidentiality include, inter alia, the use of unique user identifiers and personalised passwords, clear identification of confidential statistical information in exchanged statistics, the use of encryption in extra muros data exchanges, the use of advanced methods to prevent the indirect deduction of confidential statistical information, controlled access to physical areas and legal arrangements that commit ECB staff to abide by strict confidentiality rules.

OPERATIONAL ASPECTS

13. As the ESCB's main mission is the definition of the single monetary policy of the euro area (seen as a single economic unit), the ESCB's statistical work attaches much importance to the provision of euro area aggregates. The harmonisation of national statistics contributing to the euro area aggregates is clearly facilitated by the policy requirements for the euro area (which foster the standardisation and harmonisation of national statistics across the whole euro area).

14. The collection of national data for the purposes of compiling euro area aggregates is normally carried out by the NCBs, mostly using their own collection systems. At the same time, the ESCB is constantly looking for opportunities to improve the quality of ESCB statistics and the efficiency of its statistical function, while at the same time limiting the total societal costs of producing statistics at the EU level. In this respect, a number of standardised approaches are being implemented or considered. Examples are the establishment of the Centralised Securities Database, and the joint release of several euro area statistics and the respective national contributions on the websites of the ECB and the NCBs (each in their own language(s) and layout).

6 Guideline of the ECB of 22 December 1998 concerning the common rules and minimum standards to protect the confidentiality of the individual statistical information collected by the ECB assisted by the national central banks (ECB/1998/NP28).

7 Regulation (EC) No 1745/2003 of the European Central Bank of 12 September 2003 on the application of minimum reserves (ECB/2003/9).

ANNEX

ECB LEGAL ACTS AND INSTRUMENTS CONCERNING STATISTICS

MONETARY, FINANCIAL INSTITUTIONS AND MARKETS STATISTICS

1. Regulation (22 November 2001) concerning the consolidated balance sheet of the monetary financial institutions sector (ECB/2001/13), (OJ L333, 17.12.01).
2. Regulation (21 November 2002) amending Regulation ECB/2001/13 (ECB/2002/8), (OJ L330, 06.12.02).
3. Regulation (18 September 2003) amending Regulation ECB/2001/13 (ECB/2003/10), (OJ L250, 02.10.03).
4. Regulation (20 December 2001) concerning statistics on interest rates applied by monetary financial institutions to deposits and loans vis-à-vis households and non-financial corporations (ECB/2001/18), (OJ L010, 12.01.02).
5. Regulation (16 December 2004) amending Regulations ECB/2001/13 and ECB/2001/18 (ECB/2004/21), (OJ L371, 18.12.04).
6. Regulation (14 June 2006) on statistical reporting requirements in respect of post office giro institutions that receive deposits from non-monetary financial institution euro area residents (ECB/2006/8), (OJ L184, 06.07.06).
7. Regulation (12 September 2003) on the application of minimum reserves (ECB/2003/9), (OJ L250, 02.10.03).
8. Guideline (6 February 2003) concerning certain statistical reporting requirements of the European Central Bank and the procedures for reporting by the national central banks of statistical information in the field of money and banking statistics (ECB/2003/2), (OJ L241, 26.09.03).

9. Guideline (13 February 2004) amending Guideline ECB/2003/2 (ECB/2004/1), (OJ L083, 20.03.04).

10. Guideline (15 February 2005) amending Guideline ECB/2003/2 (ECB/2005/4), (OJ L109, 29.04.05).

11. Notice of the ECB on the imposition of sanctions for infringements of balance sheet reporting requirements (2004/C195/10), (OJ C195, 31.07.04).

BALANCE OF PAYMENTS AND RELATED EXTERNAL STATISTICS

12. Guideline (16 July 2004) on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template (ECB/2004/15), (OJ L354, 30.11.04) (the associated recommendation is ECB/2004/16, see below).

13. Recommendation (16 July 2004) on the statistical reporting requirements of the European Central Bank in the field of balance of payments and international investment position statistics, and the international reserves template (ECB/2004/16), (OJ C292, 30.11.04).

FINANCIAL ACCOUNTS

14. Guideline (21 November 2002) on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts (ECB/2002/7), (OJ L334, 11.12.02).

15. Guideline (17 November 2005) amending Guideline ECB/2002/7 (ECB/2005/13), (OJ L030, 02.02.06).

16. Guideline (20 April 2006) amending Guideline ECB/2002/7 (ECB/2006/6), (OJ L115, 28.04.06).

GOVERNMENT FINANCE STATISTICS

17. Guideline (17 February 2005) on the statistical reporting requirements of the European Central Bank and the procedures for exchanging statistical information within the European System of Central Banks in the field of government finance statistics (ECB/2005/5), (OJ L109, 29.04.05).

18. Guideline (3 February 2006) amending Guideline ECB/2005/5 (ECB/2006/2), (OJ L040, 11.02.06).

STATISTICAL CONFIDENTIALITY

19. Guideline (22 December 1998) concerning the common rules and minimum standards to protect the confidentiality of the individual statistical information collected by the European Central Bank assisted by the national central banks (ECB/1998/NP28), (OJ L055, 24.02.01).

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