



EUROPEAN CENTRAL BANK

EUROSYSTEM

EUROPEAN STATISTICS PROVIDED BY THE ESCB – THE GOVERNANCE STRUCTURE –

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 cooperates with the EU institutions and bodies, with the competent authorities of both EU and non-EU 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 must act in accordance with the guidelines and instructions of the ECB. The Governing Council of the ECB is responsible for taking the necessary steps to ensure compliance with the guidelines and instructions of the ECB, and requires that any necessary information be given to it.

2. Article 5 also provides that it is the task of the EU 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 Bank¹, as last amended by Council Regulation (EC) 951/2009² (hereafter referred to as “the Council Regulation”), which provides the basic secondary legislative framework for the ECB’s statistical activities.

3. The Council Regulation does not impose statistical reporting obligations on the reporting agents, but instead defines the potential reporting population (called the “reference reporting population”) from which it can collect mandatory statistical information. This reference reporting population includes the entire “financial corporations” sector. In addition, the Council Regulation establishes the scope of the information that the ESCB can collect from the reference reporting population and authorises the ECB to collect information for all tasks of the ESCB, including for financial stability, payment and payment system purposes. In order to better identify the scope of the statistics collected and compiled by the ESCB, the Council Regulation includes a definition of “European statistics”. They are defined as statistics that are: (i) necessary to undertake the ESCB’s tasks as referred to in the Treaty; (ii) determined in the ESCB’s statistical work programme; and (iii) developed, produced and disseminated in conformity with the statistical principles.

4. The Council Regulation foresees that the ECB may adopt ECB regulations in order to establish statistical reporting requirements for a subgroup of the reference reporting population, known as the “actual reporting population” of the euro area countries. ECB regulations are binding in their entirety and directly applicable in all euro area countries. 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 compilation guides, the purpose of which is to assist NCBs and reporting agents in preparing the figures to be reported.

¹ OJ L 318, 27.11.1998, p. 8.

² OJ L 269, 14.10.2009, p. 1.

5. The ECB also issues guidelines, which are directly binding with regard to euro area NCBs. These guidelines contain, inter alia, rules to be implemented by the NCBs concerning the definition of the data that the ECB requires and 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. As in the case of ECB regulations, guidelines can be complemented by detailed compilation guides. The ECB adopts such guidelines in the interests of complying with the principles of clarity and equal treatment with regard to its data requirements.

6. All ECB legal acts and instruments are legally binding on euro area NCBs and/or reporting agents that are resident in euro area countries. The ECB also issues recommendations, which are not binding but may be used, for instance, to request that statistical agencies in some euro area countries provide data, pursuant to ECB guidelines, as at the national level the statistical agency, and not the NCB, is responsible for the collection, compilation and dissemination of these statistics. Finally, ECB legal acts and instruments 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.

7. ECB legal acts in the field of statistics are prepared by the Statistics Committee (STC), assisted by the Legal Committee (LEGCO), adopted by the Governing Council of the ECB and published in the Official Journal of the European Union.

STATISTICAL PRINCIPLES

8. The ESCB attaches great importance to the quality of its statistics and aims to perform its statistical function effectively. The aim is to collect the necessary statistical information of an appropriate quality, while keeping the reporting burden to a minimum for respondents,

guaranteeing their privacy and protecting the confidentiality of the non-public information they provide. In the performance of its statistical function, the ESCB is committed to good governance and the highest ethical standards, as well as to executing its tasks in a spirit of cooperation and teamwork. In short, ESCB statistics are governed by the principles of impartiality, objectivity, professional independence, cost-effectiveness, statistical confidentiality, minimisation of the reporting burden and high output quality (including reliability). These principles are listed in the Council Regulation and the definitions are published on the ECB's website in the form of a "Public commitment on European statistics by the ESCB".

CONFIDENTIALITY

9. The confidentiality regime is also enshrined in the Council Regulation. The Council Regulation defines the term "confidential statistical information"³ and allows the exchange of data among ESCB members on a strictly need-to-know basis exclusively for the efficient collection, compilation and dissemination of statistics, for the purpose of increasing their quality and/or for the performance of the ESCB's tasks. Confidential statistical information collected by the ESCB may also be exchanged within the ESCB for non-statistical purposes (see, for example, the ECB Regulation on the application of minimum reserves⁴, which provides that 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

3 "Confidential statistical information" means statistical information which allows reporting agents or any other legal or natural person, entity or branch to be identified, either directly from their name or address or from an officially allocated identification code, or indirectly through deduction, thereby disclosing individual information. To determine whether a reporting agent or any other legal or natural person, entity or branch is identifiable, account must be taken of all the means that might reasonably be used by a third party to identify the said reporting agent or other legal or natural person, entity or branch.

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

calculate its own reserve requirements). The rationale for this re-use of statistical data for non-statistical purposes is the need to minimise the reporting burden of credit institutions. In addition, confidential statistical information can also be exchanged between the ESCB and the European Statistical System (ESS)⁵, provided that it is necessary for the collection, compilation and dissemination of European statistics under the respective governance structures⁶ or for the purpose of increasing their quality, and that the information is used exclusively for statistical purposes.

10. An ECB Guideline sets out the common rules and minimum standards to protect the confidentiality of statistical information collected by the ESCB⁷. It will in due course be updated, among other reasons to cater for the protection of confidential information received from the statistical authorities belonging to the ESS. The Governing Council assesses compliance with this Guideline and, as of 2010, publishes a yearly report on the measures in place to protect confidential information.

11. Practices used by the ECB to protect confidentiality include the use of unique user identifiers and personalised passwords, clear identification of confidential statistical information in exchanged statistics, the use of encryption in data exchanges with third parties, 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.

COOPERATION WITH THE EUROPEAN COMMISSION (EUROSTAT) AND THE ESS

12. Over the past decade, statistical work in the European Union has benefited substantially from a close cooperation between the ECB and Eurostat, which facilitates an efficient division of labour between the two institutions and ensures that there are no overlaps or gaps in the information base needed for European policy-making. The importance of close

cooperation between the ESCB and the ESS is underlined in the Council Regulation.

13. Moreover, well-established procedures are in place to ensure that the ECB and the Commission are consulted on draft legal acts within their respective fields of competence.

OPERATIONAL ASPECTS

14. As the ESCB's main mission is to define the single monetary policy of the euro area (seen as a single economic area), the ESCB's statistical work attaches great 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).

15. The collection of national data for the purpose of compiling euro area aggregates is in most cases 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 limiting the total societal costs of producing statistics at the EU level. In this context, a number of standardised approaches are being implemented or considered. Examples are the establishment of the Centralised Securities Database, and the joint release of 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).

5 The ESS is the partnership between the EU's statistical authority, which is the European Commission (Eurostat), and the national statistical institutes and other national authorities responsible in each Member State for the development, production and dissemination of European statistics.

6 The collection, compilation and dissemination of European statistics by the ESS are governed by Regulation (EC) No 223/2009 of 11 March 2009 on European statistics (OJ L87, 31.03.2009, p. 163).

7 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).

PLANNING AND RELATIONS WITH USERS

16. The major objectives for euro area statistics in the period 2009-12 are outlined in the latest medium-term work programme for the ECB's statistical function, which was published on the ECB's website in 2008. Developments in the meantime have underlined the need for greater transparency in the financial markets and an improved statistical framework for financial stability analysis. The STC also has a corresponding medium-term work programme. The STC approves not only its own work programme, but also the work programmes of its working groups and task forces and the Centralised Securities Database (CSDB) Business Coordination Group. The ESCB's work programme for European statistics will be published on the ECB's website in the coming months.

17. The introduction of new or substantially enhanced statistics is subject to a systematic assessment of the 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 ECB internal users, users at the NCBs and the European Commission (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 cost of new requirements and to find the most cost-effective data collection and compilation methods).

18. Relations with internal users 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's Governing Council is involved simultaneously as the legislator and main user of ECB statistics. Concerning external users, Eurostat, the BIS and the IMF have permanent observer status in the STC and regular contacts are maintained

with certain Directorates General (DGs) of the European Commission (DG ECFIN, DG MARKT) and with the national statistical institutes (inter alia through the Committee on Monetary, Financial and Balance of Payments Statistics).

AUDIT AND CONTROL

19. The Council Regulation clearly defines the audit and control powers of the ECB and the NCBs. In the event 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 the compulsory collection of such information. Infringements of ECB regulations entitle the ECB to impose sanctions directly on the reporting agents concerned. The task of ensuring the NCBs' compliance with the ECB guidelines is entrusted to the Governing Council, assisted by the Executive Board (which monitors compliance via biannual compliance reports submitted to the Governing Council).

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, 17.12.2001).
2. Regulation (21 November 2002) amending Regulation ECB/2001/13 (ECB/2002/8), (OJ L330, 06.12.2002).
3. Regulation (18 September 2003) amending Regulation ECB/2001/13 (ECB/2003/10), (OJ L250, 02.10.2003).
4. Regulation of the European Central Bank of 29 November 2007 amending Regulation ECB/2001/13 (ECB/2007/18), (OJ L330, 15.12.2007).
5. 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, 12.01.2002).
6. Regulation (16 December 2004) amending Regulations ECB/2001/13 and ECB/2001/18 (ECB/2004/21), (OJ L371, 18.12.2004).
7. Regulation of the European Central Bank of 19 December 2008 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2008/32), (OJ L15, 20.1.2009). (The first data provided under ECB/2008/32 will relate to end-June 2010. Regulation ECB/2001/13 will be repealed with effect from 1 July 2010.)
8. Regulation of the European Central Bank of 31 March 2009 amending Regulation ECB/2001/18 (ECB/2009/7), (OJ L94, 08.04.2009).
9. 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, 06.07.2006).
10. Regulation of the European Central Bank of 27 July 2007 concerning statistics on the assets and liabilities of investment funds (ECB/2007/8), (OJ L211, 14.8.2007).
11. Regulation (12 September 2003) on the application of minimum reserves (ECB/2003/9), (OJ L250, 02.10.2003).
12. Regulation of the European Central Bank of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions (ECB/2008/30), (OJ L15, 20.1.2009).
13. Guideline of the European Central Bank of 1 August 2007 on monetary, financial institutions and markets statistics (recast) (ECB/2007/9), (OJ L341, 27.12.2007).
14. Guideline of the European Central Bank of 19 December 2008 amending Guideline ECB/2007/9 (ECB/2008/31), (OJ L53, 26.2.2009).

15. Guideline of the European Central Bank of 4 December 2009 amending Guideline ECB/2007/9 (ECB/2009/23), (OJ L16, 21.01.2010).

16. Notice of the ECB on the imposition of sanctions for infringements of balance sheet reporting requirements (2004/C195/10), (OJ C195, 31.07.2004).

BALANCE OF PAYMENTS AND RELATED EXTERNAL STATISTICS

17. 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, 30.11.2004) (The associated recommendation is Recommendation ECB/2004/16 (OJ C 292, 30.11.2004).)

18. Guideline of the European Central Bank of 31 May 2007 amending Guideline ECB/2004/15 (ECB/2007/3), (OJ L159, 20.6.2007) (the associated recommendation is ECB/2007/4), (OJ C136, 20.6.2007).

FINANCIAL ACCOUNTS

19. 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, 11.12.2002).

20. Guideline (17 November 2005) amending Guideline ECB/2002/7 (ECB/2005/13), (OJ L030, 02.02.2006).

21. Guideline (20 April 2006) amending Guideline ECB/2002/7 (ECB/2006/6), (OJ L115, 28.04.2006).

22. Guideline of the European Central Bank of 15 November 2007 amending Guideline ECB/2002/7 (ECB/2007/13), (OJ L 311, 29.11.2007).

GOVERNMENT FINANCE STATISTICS

23. Guideline of the ECB of 31 July 2009 on government finance statistics (recast) (ECB/2009/20), (OJ L 228, 1.9.2009)

STATISTICAL CONFIDENTIALITY

24. 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, 24.02.2001).

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