Commission Delegated Regulation (EU) No 877/2013 of 27 June 2013 supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area

COMMISSION DELEGATED REGULATION (EU) No 877/2013

of 27 June 2013

supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area[(1)], and in particular Article 10(3) thereof,

Whereas:

(1) Regulation (EU) No 473/2013 sets up a closer monitoring for Member States whose currency is the euro in excessive deficit procedure by means of additional reporting requirements aiming at ensuring prevention and early correction of any deviations from the Council recommendations or decisions to give notice to correct the excessive deficit.

(2) Such monitoring complements the existing reporting obligations set out in Article 3(4)(a) and Article 5(1)(a) of Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure[(2)] which require that a Member State in excessive deficit procedure subject to a Council recommendation made in accordance with Article 126(7) of the Treaty or a notice made in accordance with Article 126(9) of the Treaty shall report to the Council and the Commission on action taken to correct the excessive deficit. This report shall include the targets for government expenditure and revenue and for the discretionary measures on both the expenditure and the revenue side consistent with the Council's recommendation, as well as information on the measures taken and the nature of those envisaged to achieve the targets.

(3) Regulation (EU) No 473/2013 complements this initial reporting requirement by requiring a more frequent reporting from Member States whose currency is the euro which are in excessive deficit. The latter will have to report to the Commission and to the Economic and Financial Committee (EFC) every six months if subject to a Council recommendation made in accordance with Article 126(7) and every three months if subject to a Council decision to give notice in accordance with Article 126(9) TFEU on the action taken to correct the excessive deficit. The reporting should contain, for the general government and its sub-sectors, the in-year budgetary execution, the budgetary

impact of discretionary measures taken on both the expenditure and the revenue side, targets for the government expenditure and revenues and information on the measures adopted and the nature of those envisaged to achieve the targets. This more frequent reporting will help the Commission and the EFC to continuously monitor whether the Member State concerned is on track to correct its excessive deficit.

(4) According to Article 10(3) of Regulation (EU) No 473/2013, the content of this additional reporting is to be specified by the Commission. This delegated act provides a clear framework for the information to be reported by Member States whose currency is the euro and which are subject to an excessive deficit procedure. The reporting established by this delegated Regulation will provide a structured and harmonised view of the budgetary situation of the Member States concerned. The report should contain annual and quarterly data in order to provide details on the on-going correction. Data should be reported on a cash and accrual basis (according to the European System of National Accounts ESA) in order to allow a better understanding of the dynamics of the budgetary situation. Given that an excessive deficit procedure can be open on the basis of non-compliance with either or both the deficit and the debt-to-GDP Treaty reference values, the evolution of the main components of the general government deficit and debt developments should be reported.

(5) Actual data reported under this delegated act should be consistent with data reported to Eurostat in the context of the excessive deficit procedure,

HAS ADOPTED THIS REGULATION:

[F1 Article 1

Subject matter

This Regulation lays down specifications concerning the content of the reports that Member States whose currency is the euro are required to submit pursuant to Article 10(3) of Regulation (EU) No 473/2013.**]**

Textual Amendments

F1 Substituted by Commission Delegated Regulation (EU) 2020/1069 of 19 June 2020 amending Delegated Regulation (EU) No 877/2013 supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

Article 2

Structure and content of the reporting

1 The reports referred to in Article 1 shall have the following structure:

— Actual balances, debt developments, and updated budgetary plans for the period of correction for the general government and its sub-sectors;

— Description and quantification of the fiscal strategy in nominal and structural terms (cyclical component of the balance, net of one-off and temporary measures) to correct the excessive deficit by the deadline set by the Council in the view of the latest Council recommendation or decision to give notice in accordance with Article 126(7) or Article 126(9) TFEU, including detailed information on budgetary measures planned or already taken to achieve these targets and their budgetary impact.

2 The reports shall include tables as indicated in the Annex to this Regulation.

[F2 Article 2a

Structure and content of the reporting of Member States under enhanced surveillance pursuant to Article 2(3) and (4) of Regulation (EU) No 472/2013 as a result of having drawn on the Pandemic Crisis Support of the European Stability Mechanism

1 Where a Member State is subject to enhanced surveillance solely as a result of having drawn on the Pandemic Crisis Support of the European Stability Mechanism, the in-year reporting requirement pursuant to Article 10 of Regulation (EU) No 473/2013 shall pertain to the use of the Pandemic Crisis Support funds to cover direct and indirect healthcare, cure and prevention-related costs related to the COVID-19 pandemic.

2 The reports shall include the table indicated in Annex II.**]**

Textual Amendments

F2 Inserted by Commission Delegated Regulation (EU) 2020/1069 of 19 June 2020 amending Delegated Regulation (EU) No 877/2013 supplementing Regulation (EU) No 473/2013 of the European Parliament and of the Council on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.

Article 3

Entry into force

This Regulation shall enter into force on the third 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 the Member States in accordance with the Treaties.

Changes to legislation: There are currently no known outstanding effects for the Commission Delegated Regulation (EU) No 877/2013. (See end of Document for details)

[F1ANNEX I]

Tables to be included in the reports to be submitted in accordance with Article 10(3) of Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area

NB: In tables below, Year t corresponds to the year of submission of the report. Reporting for the items indicated in bold is compulsory. The conceptual framework agreed in the context of Council Directive 2011/85/EU[(3)] should be implemented.

TABLE 1A

In-year quarterly budgetary execution on cash basis[0]for the general government and its sub-sectors[0]

EUR millions	**Year t[a]**			
	Q1	**Q2**	**Q3**	**Q4**
Overall balance by sub-sector (6-7)				
1. **General government**				
2. **Central government**				
3. **State government**				
4. **Local government**				
5. **Social security funds**				
For each sub-sector **(please indicate which)**				
6. **Total revenue/inflows**				
Of which (indicative list)				
Taxes, of which:				
Direct Taxes				
Indirect taxes, of which:				

a The reporting is mandatory up to the current quarter included. If the data for the current quarter is not available, please provide latest available monthly data, indicating which month it corresponds to. For the overall balance of the general government, please provide the information until the latest available quarter (i.e. q-1). The normal quality assurance and revision policy should apply.

b Equivalent figures from public accounting may be provided if cash-based data are not available; please specify the accounting basis used to fill all the information provided in this table.

c Corresponding to the reporting to be provided in accordance with Article 3(2) of Directive 2011/85/EU.

***Changes to legislation:** There are currently no known outstanding effects for the Commission Delegated Regulation (EU) No 877/2013. (See end of Document for details)*

VAT				
Social contributions				
Sales				
Other current revenue				
Capital revenue				
Inflows from operations in financial instruments				
7. **Total expenditure/ outflows**				
Of which (indicative list)				
Purchase of goods and services				
Compensation of employees				
Interest				
Subsidies				
Social benefits				
Other current expenditure				
Capital transfers payable				
Capital investments				
Outflows from operations in financial instruments				

a The reporting is mandatory up to the current quarter included. If the data for the current quarter is not available, please provide latest available monthly data, indicating which month it corresponds to. For the overall balance of the general government, please provide the information until the latest available quarter (i.e. q-1). The normal quality assurance and revision policy should apply.

b Equivalent figures from public accounting may be provided if cash-based data are not available; please specify the accounting basis used to fill all the information provided in this table.

c Corresponding to the reporting to be provided in accordance with Article 3(2) of Directive 2011/85/EU.