Council Regulation (EU) No 679/2010 of 26 July 2010 amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure

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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 Parliament,

Having regard to the opinion of the European Central Bank[(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 Community[(2)] 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.

(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 (EC) No 223/2009 of the European Parliament and of the Council of 11 March 2009 on European statistics[(3)] as regards professional independence.

Changes to legislation: *There are outstanding changes not yet made to Council Regulation (EU) No 679/2010. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(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:

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[(4)] 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).;

3. Article 11 is replaced by the following:

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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.