# Excessive deficit procedure: quality of statistical data

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**OPINION OF THE EUROPEAN CENTRAL BANK on a proposal for a Council Regulation amending Regulation (EC) No 479/2009 as regards the quality of statistical data in the context of the excessive deficit procedure.**

On 8 March 2010 the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on the abovementioned proposal.

In general, the **ECB supports the proposed regulation** as a very important step towards improving the quality of the statistics referred to in Regulation (EC) No 479/2009.

The ECB makes the following **specific observations**:

- it is very important that the Member States provide the Commission (Eurostat) with access to all of the information that the Commission requires for assessing the quality of data. The ECB also considers that for this purpose a more detailed list than that proposed to be included in Article 8(2) would be beneficial in order to increase clarity and certainty as to what kind of information may be requested. It should be clear that the list is non-exhaustive;
- introducing some examples could clarify when methodological visits are required. Frequent and sizeable data revisions, persistent unexplained stock-flow adjustments and unresolved problems concerning methodological issues may give cause for concern and therefore warrant a methodological visit, which the ECB believes is an excellent means of improving the quality of data;
- the definition of ‘government deficit (surplus)’ in Regulation (EC) No 479/2009 should be aligned with international statistical standards. The ECB therefore proposes to use the deficit (B.9) from the national accounts for the excessive deficit procedure (EDP) as in the early years of this procedure. This would have the added benefit of increasing the transparency of the reporting process, since by excluding settlements under swaps arrangements and forward rate agreements from the deficit used for the EDP the deficit figures become less susceptible to manipulations carried out by way of complex financial transactions;
- to improve data quality, the ECB would moreover like to ensure that the compilation of the planned data is based on the most up-to-date available information, using monthly and quarterly outturns where available. Ideally, the quality of these planned data should also be scrutinised;
- the Commission should be given more time to assess the actual data and would favour extending the period referred to in Article 14 by one week to four weeks. Extending this period also requires earlier data transmissions by the Member States, in order not to disrupt the administrative processes (including, for example, the preparation of convergence reports) in which these data are used. Hence, the ECB proposes to advance the reporting deadlines in the future. As the ECB understands that an amendment of Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community (i.e. the European System of Accounts (ESA) transmission programme) is currently under discussion, the respective deadlines should be aligned to avoid consistency problems;
- lastly, it is important that the national statistical authorities have access to the information needed to ensure the compliance of reported data with Article 1 of Regulation (EC) No 479/2009 and the underlying ESA 95 accounting rules.

Where the ECB recommends that the proposed regulation is amended, specific drafting proposals are set out in the Annex accompanied by explanatory text to this effect.