European system of national accounts ESA 95: excessive deficit procedure, protocol (amend. Regulation (EC) No 3605/93)

1999/0196(CNS) - 28/02/2000 - Final act

PURPOSE : to make amendments to Council Regulation 3605/93/EC which are necessary following the introduction of the European System of National and Regional Accounts in the Community (ESA 95). COMMUNITY MEASURE : Council Regulation 475/2000/EC amending Regulation 3605/93/EC on the application of the Protocol on the excessive deficit procedure annexed to the Treaty establishing the European Community. CONTENT : Regulation 3605/93/EC provides precise definitions of the public finance aggregates monitored in the excessive deficit procedure by reference to the classification codes of the European System Integrated Economic Accounts (ESA 79). The replacement of ESA 79 by the European System of National and Regional Accounts in the Community (ESA 95) during 1999. This Regulation provides a satisfactory adaptation of the criteria laid down in ESA 95 as regards the ratio of the GDP. The definition of 'government debt' has indeed been further amplified by reference to the classification codes of ESA 95. In relation to liability, the Regulation stipulates that the nominal value of a liability outstanding at the end of the year is face value. The nominal value of an index-linked liability corresponds to its face value adjusted by the index-related change in the value of the principal accrued to the end of the year. Moreover, liabilities denominated in a foreign currency, or exchanged from one foreign currency through contractual agreements to one or more other foreign currencies shall be converted into foreign currencies at the rate agreed on in those contracts and shall be converted into the national currency on the basis of the representative market exchange rate prevailing on the last working day of each year. In addition, financial derivatives must not be included with the liabilities making up government debt instruments for the purposes of the Protocol on the excessive deficit procedure as there is no nominal value identical. This Regulation shall apply from 1 January 2000. ENTRY INTO FORCE : 03.03.2000.