

# **European system of national and regional accounts (ESA 95): reclassification of settlements under swaps arrangements and under forward rate agreements**

2000/0019(COD) - 02/03/2001 - Document attached to the procedure

This document contains the opinion of the European Central Bank (ECB) at the request of the Council of the European Union concerning a proposal for a European Parliament and Council Regulation amending Council Regulation 2223/96/EC on the reclassification of settlements under swap arrangements and under forward rate agreements. On 27 March 2001, the ECB received a request from the Council of the European Union (EU) for an opinion on Commission proposal COM(1999) 749 final of 10 January 2000 for a European Parliament and Council Regulation amending Council Regulation 2223/96 of 25.06.1996 on the European system of national and regional accounts in the Community. The ECB welcomes the change in the European system of accounts (ESA) 95 methodology that would correct the asymmetric treatment of settlements under swap arrangements and forward rate agreements compared to the statistical treatment of other types of financial derivatives. This change would enhance the usefulness of ESA 95 statistics for macroeconomic analysis of the economy as a whole. While the ECB prefers to lay down in legal acts only one definition for important statistical indicators such as government net lending/net borrowing and government investment expenditure, the ECB accepts two definitions for government net lending/net borrowing and interest given the necessity of reflecting the cost of government borrowing in the EDP figures and at the same time remaining consistent with international standards. The ECB considers however, that it is important to monitor and to explain the differences in the data compiled and published according to each of the two definitions in order to provide transparency in the EDP.