Use of ESA 95 in the determination of Member States' payments to the VAT-based own resource

2000/0241(COD) - 20/09/2000 - Legislative proposal

PURPOSE : to amend Council Regulation 2223/96/EC as concerns the use of ESA 95 in the determination of Member States' payments to the VAT-based own resource. CONTENT : firstly, Regulation 2223/96/EC introduced a new revised European system of integrated national and regional accounts (ESA 95). To achieve the objectives set by the Treaty on European Union and more specifically Economic and Monetary Union, the Community needs high-quality statistical instruments which provide the institutions, governments and economic and social operators with a set of harmonised and reliable statistics on which to base their decisions. The new ESA 95 is a major improvement on the previous version, which dates from 1979. Progress has been achieved in the harmonisation of methodology and in the precision and accuracy of the concepts, definitions, classifications and accounting rules which have to be applied in order to arrive at a consistent reliable and comparable quantitative description of the economies of the Member States. Moreover applying the new ESA 95 is made compulsory by the Regulation. In implementing the changeover to the new system, all Member States have also made additional improvements in the quality of the national accounts that stem from a thorough review of the sources and methods they use in practice to compile the accounts. The ESA 95 Regulation 2223/96/EC specifies in Artcle 1(2) that ESA shall apply to all Community acts that refer to the ESA or its definitions; except that Article 8 states that for budgetary and own resource purposes, and by way of derogation from the Article 1 (2), the European system of accounts in force shall continue to be ESA79 while Decision 94/728/EC (own-resource decision remains in force. At the time the ESA 95 regulation was adopted, it was assumed the own resources decision would be amended in 1999. A new own resources decision is now expected to enter into force on 1 January 2002. ESA national accounts data are use in several ways in the budget procedure: in particular to set budget ceilings, to calculate GNP for the fourth resource, and to determine Member States contributions to the VAT-based resource. Only the last of these is affected by this draft regulation. Very detailed national accounts are used in determining the VAT-based own resource in order to adjust for differences in tax base between countries' practices and the EU harmonised tax base. Member States are advised to use the best data available, which is the ESA 95 data. Formally, to allow use of ESA 95 data requires a small amendment to regulation 2223/96/EC, which is the purpose of this present draft regulation.