Basic information

2010/0374(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European system of national and regional accounts in the European Union (ESA 2010) Amending Regulation (EC) No 2223/96 (ESA 95) 1994/0314(CNS) Amended by 2021/0407(COD) **Subject** 5.10.01 Convergence of economic policies, public deficit, interest rates 8.60 European statistical legislation 8.70.01 Financing of the budget, own resources	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs	BOWLES Sharon (ALDE)	18/01/2011
	Shadow rapporteur STOLOJAN Theodor Dumitru (PPE) SCICLUNA Edward (S&D) LAMBERTS Philippe (Verts/ALE) FORD Vicky (ECR) HÄNDEL Thomas (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	HÜBNER Danuta Maria (PPE)	27/01/2011

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3235	2013-04-22

European Commission	Commission DG	Commissioner
	Eurostat - European statistics	REHN Olli

Key events

Date	Event	Reference	Summary
20/12/2010	Legislative proposal published	COM(2010)0774	Summary
05/04/2011	Committee referral announced in Parliament, 1st reading		
21/03/2012	Vote in committee, 1st reading		
28/03/2012	Committee report tabled for plenary, 1st reading	A7-0076/2012	Summary
12/03/2013	Debate in Parliament		
13/03/2013	Decision by Parliament, 1st reading	T7-0079/2013	Summary
13/03/2013	Results of vote in Parliament		
22/04/2013	Act adopted by Council after Parliament's 1st reading		
21/05/2013	Final act signed		
21/05/2013	End of procedure in Parliament		
26/06/2013	Final act published in Official Journal		

Technical information

Procedure reference	2010/0374(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 2223/96 (ESA 95) 1994/0314(CNS) Amended by 2021/0407(COD)
Legal basis	Treaty on the Functioning of the European Union TFEU 338-p1
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	ECON/7/04957

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	REGI	PE460.755	13/04/2011	
Committee draft report		PE473.886	23/11/2011	

Amendments tabled in committee		PE480.612	26/01/2012	
Committee report tabled for plenary, 1st reading/single reading		A7-0076/2012	28/03/2012	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0079/2013	13/03/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00077/2012/LEX	21/05/2013	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2010)0774	20/12/2010	Summary
Commission response to text adopted in plenary	SP(2013)306	30/04/2013	
Follow-up document	COM(2015)0314	30/06/2015	Summary
Follow-up document	COM(2017)0423	10/08/2017	Summary
Follow-up document	COM(2018)0506	29/06/2018	Summary
Follow-up document	SWD(2018)0354	29/06/2018	
Follow-up document	SWD(2018)0355	29/06/2018	
Follow-up document	COM(2019)0081	13/02/2019	Summary
Follow-up document	COM(2022)0694	07/12/2022	
Follow-up document	COM(2023)0308	13/06/2023	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2010)0774	17/02/2011	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ECB	European Central Bank: opinion, guideline, report	CON/2011/0044 OJ C 203 09.07.2011, p. 0003	19/05/2011	Summary

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Regulation 2013/0549 OJ L 174 26.06.2013, p. 0001	Summary

Delegated acts	
Reference	**Subject**
2015/2688(DEA)	Examination of delegated act
2014/2804(DEA)	Examination of delegated act
2015/2666(DEA)	Examination of delegated act

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 20/12/2010 - Legislative proposal

PURPOSE: to revise ESA 95 in order to bring national accounts in the European Union, in line with new economic environment, advances in methodological research and needs of users.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: ESA is an essential tool at European level, used for major administrative purposes (e.g. own resources, excessive deficit procedure, structural funds) and for the analysis of the coordination and convergence of Member States' economic policies. The ESA provides EU institutions, governments and economic and social operators with a set of harmonised and reliable statistics on which to base their decisions.

The ESA revision follows the revision of the International System of National Accounts (SNA 93). The new SNA (2008 SNA) was published in 2009 by the five international organisations which worked on the new Manual (IMF, OECD, UN Statistical Division, World Bank and Eurostat) in order to bring national accounts more in line with the new economic environment.

There is a need to revise the European system of accounts (ESA 95) set up by Regulation (EC) No 2223/96 in order to take into account these new developments so that that system constitutes a version of 2008 SNA adapted to the structures of the Member States' economies, and so that the data of the Union are comparable with those compiled by its main international partners.

IMPACT ASSESSMENT: if ESA was not revised, this would weaken the comparability of national accounts and aggregates, first between Member States as the revision will be the occasion to specify new methodological rules for issues that have emerged in the fifteen last years, secondly at international level as SNA has just been revised.

LEGAL BASE: Article 338(1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the objective of the proposed Regulation (ESA 2010) is to **revise ESA** both concerning the methodology on common standards, definitions, classifications and accounting rules, and the programme for transmitting for Union purposes accounts and tables compiled according to the methodology.

ESA 2010 is gradually to replace all other systems as a reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the requirements of the Union, so that results that are comparable between the Member States can be obtained.

The proposal includes a **methodology and a transmission programme** (which defines accounts and tables to be provided by all Member States according to specified deadlines). The Commission should make those accounts and tables available to users on precise dates, particularly with regard to monitoring the economic convergence and achieving close coordination of the Member States' economic policies.

Attention should be paid in the case of **environmental and social accounts** to the Communication from the Commission to the European Parliament and the Council of 20 August 2009 entitled "GDP and beyond - Measuring progress in a changing world". Therefore, further methodological studies and data tests may be required, in particular on issues related to GDP and beyond and Europe 2020 with the aim of developing a more comprehensive measurement approach for wellbeing and progress in order to support the promotion of a smart, sustainable and inclusive economy.

Taking into consideration the findings of the task force, it may be necessary to amend the methodology for the calculation and allocation of Fisim, by means of a delegated act before the end of 2012, in order to provide more reliable results.

Lastly, research and development expenditure has the nature of investment and should therefore be recorded as fixed capital formation. However, it is necessary to specify the format of the data to be recorded as fixed capital formation by means of a delegated act when a sufficient level of confidence in the reliability of the data is reached. The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.

BUDGETARY IMPLICATION: this proposal has no implication for the EU budget.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 19/05/2011 - European Central Bank: opinion, guideline, report

OPINION OF THE EUROPEAN CENTRAL BANK on the proposal for a regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union.

On 3 February 2011, the ECB received a request from the Council of the European Union for an opinion on a proposal for a regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union.

The ECB welcomes the proposed regulation as an important step towards further improving the quality of European statistics, in particular national accounts, by bringing them into line with the changes in the economic and financial environment and methodological progress.

The ECB also welcomes the intended consistency of the statistical concepts and definitions described within the proposed regulation, among others, with the System of National Accounts (SNA 2008) adopted by the United Nations Statistical Commission.

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

- the Commission, when exercising its delegated powers under the proposed regulation, should prepare the draft delegated acts in close cooperation with the ECB so as to ensure, inter alia, the consistency and quality of the data and minimising the reporting burden;
- further aligning the proposed definition of financial vehicle corporations engaged in securitisation transactions with Regulation ECB/2008/30 of 19 December 2008 concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions;
- financial vehicle corporations engaged in securitisation transactions in any form cannot be treated as akin to captive financial institutions — in particular, they are not consolidated with the originator, irrespective of ‘independence’ criteria. They are classified as other financial intermediaries;
- FVCs should be treated as separate institutional units independently of criteria such as ‘degree of independence from its parent;
- without explaining the difference between covered bonds and asset-backed securities, it is unclear why the securitisation section refers to covered bonds. Alternatively, any reference to covered bonds could be deleted, since covered bonds are not linked to securitisation.

The ECB recalls that the ECOFIN Council endorsed in September 2000 the EMU Action Plan on Statistical Requirements and set the target time for quarterly integrated euro area accounts by institutional sector at t + 90 days after the reference quarter to meet the ECB’s monetary policy needs. This implied that Eurostat and the ECB would have to collect the respective national data at t + 82 days. Due to the envisaged schedule of the ECB Governing Council meetings in 2015 and 2016, a reduction in the time lag to t + 85 would suffice for 2015 to 2016. Accordingly, the ECB supports advancing the reporting deadlines for the quarterly sector accounts under the ESA transmission programme to **t + 85 days by 2014, aiming at t + 82 days by 2017** to support the compilation of full quarterly integrated euro area accounts at t + 90 days.

Furthermore, the ECB favours a consistent transmission deadline for all quarterly and annual national data regarding general government. The ECB supports advancing the reporting deadlines for the quarterly government accounts under the ESA transmission programme and the EDP data to t + 85 by 2014 and aiming at t + 82 by 2017 to support the compilation of full quarterly integrated euro area accounts at t + 90.

Lastly, in order to meet the public and policy needs for the measurement of compensation per employee and per hour in the general government sector, focusing on a better understanding of wage dynamics and potential spillover effects between the public and private sectors, the ECB suggests including in Table 801 for the general government sector quarterly data on the number of employees and hours worked, with the compensation of employees in the general government sector already included in the transmission programme.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 13/02/2019 - Follow-up document

Regulation (EU) No 549/2013 requires that by 2018 the Commission shall submit a report assessing the extent to which the information on liabilities published by the Commission (Eurostat) represents the entirety of the implicit liabilities, including contingent liabilities, outside government.

The previous report on this issue was published in 2015 and presented information on public-private partnerships (PPPs) and other implicit liabilities.

This report provides an updated overview of the information available to Eurostat. It mainly focuses on the data on contingent liabilities collected by Eurostat in the context of the reinforcement of the EU economic governance, which took place in 2011 (the 'six-pack'), and in particular the data collection provided for in Directive 2011/85/EU on requirements for budgetary frameworks of the Member States.

Assessment

The data collection on contingent liabilities in the context of Council Directive 2011/85/EU has increased the availability of information on the implicit liabilities of general government. Prior to the implementation of the Directive, Eurostat collected only partial and mainly non-public data on guarantees and off-balance PPPs. Following the report of the Task Force conducted by Eurostat in co-operation with Member States and DG ECFIN, Member States started to publish at national level and to provide Eurostat with relevant information in a harmonised and a comprehensive way. Since the first data collection in 2014, a number of Member States reviewed and revised the figures in order to better align to the Task Force guidelines. At this stage, for a great majority of Member States, complete and good coverage data are available for most of indicators. Eurostat highly appreciates the efforts undertaken by the Member States and welcomes the results achieved.

Progress required

In terms of completeness and coverage, data is not yet fully exhaustive in some cases. In particular, progress is still needed with regard to certain fields.

-Data on non-performing loans: the completeness and the coverage of the data on non-performing loans still need to be significantly improved. 24 Member States provided data for the requested period 2013-2016. Four Member States - Belgium, France, Croatia and Cyprus – still do not provide information on non-performing loans of general government.

In addition, data coverage is not exhaustive for Italy, Portugal and Finland. For Greece, data does not cover the social security sector, whereas for Spain and the United Kingdom, data coverage is not exhaustive for local government, however, the amounts are not expected to be significant.

-The liabilities of government controlled entities classified outside general government: a majority of Member States provided exhaustive data covering all controlling sub-sectors of general government. However, in some cases, improvements are still needed. For France and Ireland data coverage is not fully exhaustive for local government. In the case of Greece and Belgium, there are also some minor units controlled by government that are not reported in the data, nevertheless the amounts are not expected to be significant. For Poland, the data does not include units employing less than 10 persons.

Eurostat will continue to work with the Member States on completeness of information for these indicators.

The Commission adds that the availability of the accompanying metadata could be further improved in order to better inform users about the national characteristics, revisions and year-to-year changes. The possibility of expanding the current metadata template will be investigated in the context of future data collections.

Comparability of data

Data on contingent government liabilities are country specific and closely linked to the economic, financial and legal structure of the Member State. Significant progress has been achieved in this data collection in terms of coverage and completeness of the data. Nevertheless data coverage is still not fully exhaustive for some Member States, as indicated above. In general, the comparability for government guarantees, non-performing loans and off-balance PPPs is satisfactory whereas it is limited for the liabilities of public corporations. For this indicator, in addition to the data coverage issues, other aspects should be taken into account when analysing the figures across Member States. The report notes, inter alia, that data for liabilities of public corporations are not consolidated, and that data collection only refers to liabilities without balancing them with the assets, which is important in the case of financial institutions.

Conclusion

The Commission states that, while contingent liabilities are a challenging domain of statistics, major improvements have been achieved in recent years. The new data collection is a step forward toward further transparency of public finances in the European Union, by giving a more comprehensive picture of the EU Member States' financial positions. The availability of comparable and harmonised data on government contingent liabilities is an important achievement, making the EU a frontrunner in this area in the international context.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 29/06/2018 - Follow-up document

The Commission presented a report on the application of Regulation (EU) No 549/2013 of the European Parliament and of the Council on the European System of national and regional accounts in the European Union and on the application of the granted derogations.

The European System of National and Regional Accounts (ESA 2010) is the internationally compatible EU accounting framework for a systematic and detailed description of an economy. ESA 2010 was applied for the first time to data transmitted to the Commission from 1 September 2014; from that date onwards Member States sent data to Eurostat following ESA 2010 rules.

This report analysed the availability and quality of ESA 2010 data, the effectiveness of the Regulation and the monitoring process, as well as progress on contingent liabilities data, in accordance with Articles 6(3) and 12 of the ESA 2010 Regulation.

Data availability: the assessment confirmed that data availability **clearly improved between October 2015 and January 2018**: whereas in 2015 64 % of the tables transmitted by Member States were sent without any shortcomings and 4 % were sent with serious problems, in 2018 the corresponding percentages were 81 % and 1 %, respectively.

The Commission adopted implementing Decision 2014/403 granting 888 temporary derogations to 27 Member States. In addition, the EFTA Surveillance Authority granted 145 derogations to Norway and Iceland.

Most of the derogations that expired at the latest in 2017 have been resolved by the respective Member States. In addition, a significant number of Member States are providing (part of) the data covered by derogations even before the first transmission date laid down in Commission Implementing Decision 2014/403/EU. Implementation has continued since then, e.g. by resolving derogations granted to individual Member States. In this context, the completeness of data has significantly improved, including on contingent liabilities. Following the analysis in this report, it is appropriate that **Decision 2014/403/EU is amended** to take into account changes in the justifications of existing derogations.

In 2016, thanks to the data sent by EU Member States, a **major improvement was achieved** in the timeliness of European aggregates, with publication of the preliminary EU and euro area GDP flash estimates brought forward by 15 days and the euro area quarterly sector accounts by 18 days. An analysis of revisions to these flash estimates demonstrates that they are robust.

Challenges: the Commission considers that the ESA 2010 Regulation is effective in ensuring the provision of comparable, up-to-date and reliable data by the Member States for EU policy and other purposes.

Nevertheless, challenges remain, for example as regards:

- **globalisation**: for example, the impact on GDP of the relocation of the business of large multinational enterprises in small and open economies. Globalisation-related work will require an intensified cooperation and exchange of information at international level;
- **the increased digitalisation of the economy and society**: new ways of production and consumption, as well as for the ways of exchange between households and businesses, are emerging. Users ask if these new phenomena are properly reflected in national accounts;
- **improve national accounts-based measures of well-being, sustainability and inequality**.

Eurostat is investing significant resources in addressing these priority issues, within Europe as well as with its international partners.

To serve users' interests, Eurostat will, in cooperation with Member States, take all necessary actions to achieve full implementation of the ESA 2010 Regulation. Eurostat will remain in close contact with Member States to further improve data availability in the coming years, and continue its work on monitoring derogations.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 10/08/2017 - Follow-up document

The Commission presented a report on the exercise of the power to adopt delegated acts conferred on the Commission by Regulation (EU) No 549 /2013 of the European Parliament and of the Council on the European system of national and regional accounts in the European Union.

As a reminder, Regulation (EU) No 549/2013 confers on the Commission the power to adopt delegated acts for a period of five years from 16 July 2013.

With this report, the Commission fulfils the obligation to prepare a report on the delegation of power no later than nine months before the end of the five-year period.

Exercise of the delegation: the Commission indicates that over the last five years it has adopted two delegated acts:

(1) Commission Delegated Regulation (EU) No 2015/1342 **amending the methodology for the classification of products by activity (CPA) which was deemed necessary as a result of the revision of the CPA referred to in ESA 2010**: through these amendments, the Delegated Regulation has ensured the harmonised interpretation and international comparability of statistical standards.

The Commission adopted Delegated Regulation on 22 April 2015 and notified the European Parliament and the Council. Neither the European Parliament nor the Council issued any objections to the Delegated Regulation. It was published in the Official Journal of the European Union on 4 August 2015 and entered into force on 24 August 2015.

(2) Commission Delegated Regulation (EU) No 2015/1365 **on the transmission format for research and development expenditure data to be recorded as gross fixed capital formation**: the Delegated Regulation sets out the format in which the national accounts research and development expenditure data must be transmitted by Member States to the Commission (Eurostat) to ensure the reliability and comparability of those data. The requirements apply to data transmitted from 1 August 2015.

On 30 April 2015, the Commission adopted the Delegated Regulation and notified the European Parliament and the Council. Neither the European Parliament nor the Council issued any objections to the Delegated Regulation. It was published in the Official Journal of the European Union on 8 August 2015 and entered into force on 28 August 2015.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 13/03/2013 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 619 votes to 26, with 27 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union.

Parliament adopted its position at first reading, following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise reached between the European Parliament and the Council. They amend the proposal as follows:

Transparency: the resolution stresses that the information provided should be as precise, complete and timely as possible in order to **ensure maximum transparency for all sectors**.

Social and environmental accounts: a new recital states that there is a need to vigorously pursue methodological studies and data tests in particular on issues related to 'GDP and beyond' and the Europe 2020 strategy. In this context, the issues of environmental externalities and social inequalities should be addressed. The issue of productivity changes should also be taken into account.

The possible use of new, automated and real-time collection methods should be explored.

The methodology of the ESA 2010: the text states that the Commission shall be empowered to adopt **delegated acts** concerning amendments to the ESA 2010 methodology in order to:

- specify and improve its content for the purpose of ensuring a harmonised interpretation or to ensure international comparability provided that they do not change its underlying concepts, do not require additional resources for producers within the European Statistical System for their implementation, and do not cause a change in own resources;
- adopt before 2 months delegated acts laying down a revised methodology for the calculation and allocation of FISIM;
- ensure the reliability and comparability of the ESA 2010 data of the Member States on research and development.

The interchange standard and other practical arrangements for the transmission of the data shall be defined by the Commission by means of implementing acts.

The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Regulation.

Derogations: in so far as a national statistical system necessitates major adaptations for the application of this Regulation, the **Commission shall grant temporary derogations** to Member States only for a period sufficient to allow the Member State to adapt its statistical system. The proportion of the Member State's GDP within the Union or within the euro area shall not constitute in itself a justification for granting a derogation. Where appropriate, the Commission shall **provide support** to the Member States concerned in their efforts to ensure the required adaptations to their statistical system.

The Commission, after consulting the European Statistical System Committee, **shall report to the European Parliament and the Council** not later than 1 July 2018 on the application of the granted derogations in order to verify whether they are still justified.

Reporting on implicit liabilities:

- **by 2014**, the Commission shall submit a report to the European Parliament and to the Council containing existing information on PPPs and other implicit liabilities, including contingent liabilities, outside government;
- **by 2018**, the Commission shall submit a further report to the European Parliament and to the Council assessing the extent to which the information on liabilities published by the Commission (Eurostat) represents the entirety of the implicit liabilities, including contingent liabilities, outside government.

Review: by 1 July 2018 and every five years thereafter, the Commission shall submit a report on the application of this Regulation to the European Parliament and the Council.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 21/05/2013 - Final act

PURPOSE : to revise the the European System of Accounts (ESA) in order to take into account the developments in System of National Accounts (2008 SNA) adopted by the United Nations Statistical Commission.

LEGISLATIVE ACT : Regulation (EU) No 549/2013 of the European Parliament and of the Council on the European system of national and regional accounts in the European Union.

CONTENT : the Regulation sets up the European System of Accounts 2010 ('the ESA 2010' or 'the ESA'). There was a need to revise the European System of Accounts set up by Regulation (EC) No 2223/96 (the ESA 95) in order to take into account the developments in the SNA so that the revised European System of Accounts, as established by this Regulation, constitutes a version of the 2008 SNA that is adapted to the structures of the Member States' economies, and so that the data of the Union are comparable with those compiled by its main international partners.

Policymaking in the Union and monitoring of the economies of the Member States and of the economic and monetary union (EMU) require comparable, up-to- date and reliable information on the structure of the economy and the development of the economic situation of each Member State or region.

The ESA 2010 provides for:

- **a methodology** (Annex A) on common standards, definitions, classifications and accounting rules that shall be used for compiling accounts and tables on comparable bases for the purposes of the Union, together with results as required under the terms of the Regulation ;
- **a programme** (Annex B) setting out the time limits by which Member States shall transmit to the Commission (Eurostat) the accounts and tables to be compiled in accordance with the methodology referred to above.

The information provided must be as precise, complete and timely as possible in order to ensure maximum transparency for all sectors.

The ESA 2010 shall be applied for the first time to data established in accordance with Annex B to be transmitted from 1 September 2014.

In so far as a national statistical system necessitates major adaptations for the application of this Regulation, the Commission shall grant temporary derogations to Member States by means of implementing acts. Those derogations shall expire not later than 1 January 2020.

By 1 July 2018 and every five years thereafter, the Commission shall submit a report on the application of this Regulation to the European Parliament and the Council.

ENTRY INTO FORCE : 16/07/2013.

DELEGATED ACTS : the Commission is empowered to adopt delegated acts in order to amend Annex A of the Regulation with a view to ensuring its harmonised interpretation or international comparability. The power to adopt delegated acts shall be conferred for 5 years (renewable) **from 16 July 2013**. The European Parliament or the Council may object to a delegated act within a period of three months of notification (which may be extended by three months). If Parliament or Council object to the act, the latter shall not come into force.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 30/06/2015 - Follow-up document

The Commission presented a report on implicit liabilities with potential impact on public budgets.

In accordance with Regulation (EU) No 549/2013 of the European Parliament and of the Council on the European system of national and regional accounts in the European Union (ESA 2010), the report contains information on **public-private partnerships (PPPs) and other implicit liabilities**, including contingent liabilities, outside government.

The liabilities are called contingent in the sense that they are by nature only potential and not actual liabilities.

This report provides an overview of the information available to Eurostat. It mainly focuses on the data on contingent liabilities collected by Eurostat in the context of the reinforcement of the EU economic governance which took place in 2011 (the 'six-pack'), and in particular of Council Directive 2011/85 /EU on requirements for budgetary frameworks of the Member States.

Indicators: all indicators are to be reported to Eurostat in millions of national currency at the level of individual general government subsectors. The metadata clarifying the completeness, definitions, use of estimations or timeliness of the data are to be provided to Eurostat alongside the data.

The report presents the agreed concepts and definitions for publication of data on contingent liabilities.

- ***Government guarantees***: Eurostat collects information on the outstanding amount of the guarantees granted by general government. Data cover both one-off and standardised guarantees;
- ***Off-balance PPPs***: PPPs recorded off the balance sheet of government means that the assets are not considered as economically owned by government and the gross-fixed capital formation is not recorded as an expenditure of government at the moment it is incurred. Eurostat collects data on the total outstanding liabilities recorded off-balance;
- ***Non-performing loans of General Government***: information is collected on the stock of non-performing loans (government assets) provided by general government;
-

Liabilities of government controlled entities classified outside general government (public corporations): liabilities of government controlled entities classified outside general government (public corporations) are defined as the stock of liabilities at the end of the year, based on the business accounts of corporations. Member States can choose which concept to use for the reporting, either business accounts (including all the liabilities from the financial statements of the company) or national accounts concept (excluding other accounts payable). If available, data on liabilities for Maastricht debt items could also be reported.

Eurostat data collection: in December 2014, Eurostat collected for the first time data on contingent liabilities. The main results of the first Eurostat data collection show that:

- major efforts had been already undertaken by the Member States. For most countries, **complete and good coverage data are available** for most of the indicators;
- some countries still have to **make progress in relation to completeness of the data and coverage**, in order to include all the units in the general government. The data show significant differences between countries including exhaustively the liabilities of the financial institutions (such as Germany, Ireland, the Netherlands, Slovenia) and countries which only provided partial data or no data at all (Belgium, Greece, Spain, Cyprus and Luxembourg);
- in particular, the coverage of data reported as a basis for calculation of the total liabilities of government controlled entities classified outside general government **needs to be improved**;
- in general, the **comparability for government guarantees**, non-performing loans and off-balance PPPs is satisfactory whereas it is limited for the liabilities of public corporations. For this indicator, as described above, some Member States data are not exhaustive, not including the liabilities of financial institutions and/or the liabilities of units controlled by local government;
- the **availability of the accompanying metadata** could be further improved in order to better inform users about the national characteristics and limitations of the data. Eurostat will carry out a discussion with the Member States on the next steps to be undertaken in this respect.

The **need to improve the coverage and the completeness** for the next data collection in December 2015 will be emphasised. The possibility of the harmonised collection of the metadata will be investigated.

Nevertheless, already at this stage, the new data collection represents a step forward toward further transparency of public finances in the European Union, by giving a more comprehensive picture of the EU Member States' financial positions by showing potential impact on public budgets.

European system of national and regional accounts in the European Union (ESA 2010)

2010/0374(COD) - 28/03/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Sharon BOWLES (ADLE, UK) on the proposal for a regulation of the European Parliament and of the Council on the European system of national and regional accounts in the European Union

The committee recommends that the European Parliament’s position in first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

Transparency: Members consider that information provided should be **as precise, complete and timely as possible** in order to ensure maximum transparency, especially as regards the public sector.

Further methodological studies and data tests are necessary, in particular to take better account of changes in productivity in the public sector, **integrating environmental accounts** with economic accounting and extending these by adding accounts on **social aspects**.

Members also suggest exploring the possible use of **new, automated and real-time collection methods.**

The methodology of the ESA 2010: the Commission shall lay down before the end of 2012, by means of delegated acts, a methodology for the calculation and allocation of Fisim, incorporating a risk-adjusted method that adequately reflects the **expected future cost of realised risk.** Members stress the need for risk adjustment based on expected future cost of realized risk to show the real direct contribution to GDP.

By 2014, and annually thereafter, Member States shall transmit the following information to Eurostat: (a) the debt of their public corporations, both by category and by sub-sector; (b) the level of their guarantees to public and private sector entities, including a breakdown by sector, and information relating to the calling of guarantees; (c) their implicit pension obligations.

Eurostat shall publish that information annually.

Eurostat shall also issue:

- by 2014, a report containing a materiality test, in particular for disclosure of public-private partnerships and other implicit liabilities, including contingent liabilities, outside government;

- by 2017, a further report assessing the extent to which the publication of the information set out in the first subparagraph represents the entirety of implicit liabilities, including contingent liabilities, outside government.

Transmission of data to the Commission: to help ensure compliance with this Regulation, the Commission should **provide the necessary resources and expertise to assist Member States** that have major methodological obstacles to overcome.

Six months after the date of entry into force of the Regulation, the Commission shall review Annex B and adopt a delegated act **concerning the organisation and streamlining of the date-transmission tables** so to ensure a clear, coherent, unambiguous and transparent data-transmission programme.

Assessment of data quality: two years from the date of entry into force of the Regulation, and every two years thereafter, the Commission (Eurostat) shall assess the quality of the data transmitted, and **report to the European Parliament on the quality of data on national and regional accounts**.

Derogations: the Commission shall grant a **temporary derogation** only in cases where there are clearly major methodological obstacles preventing the Member State concerned from applying the Regulation. The Commission shall not grant a derogation if it would undermine disproportionately the accuracy of aggregate data. Members state that **the proportion of the Member State's GDP within the Union** or within the euro area shall not constitute a justification for granting a derogation.

Delegated acts: the committee specifies that the power to adopt delegated acts shall be conferred on the Commission for a period of f**ive years from the date of entry into force of the Regulation** (this period shall be tacitly extended for periods of an identical duration), unless the European Parliament or the Council opposes such extension not later than three months before the end of each period (this may be extended by three months.)

Delegated acts shall not be used in respect of statistical information produced in connection with the implementation of the excessive deficit procedure or macro-economic imbalance procedures.