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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 549/2013 and repealing 11 legal acts in the field of national accounts

Delegations will find attached document COM(2021) 776 final.

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Brussels, 10.12.2021
COM(2021) 776 final

2021/0407 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Regulation (EU) No 549/2013 and repealing 11 legal acts in the field of
national accounts**

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

Regulation (EU) No 549/2013¹, which established the revised European System of Accounts (ESA 2010), includes a conceptual basis (Annex A) and a transmission programme of data to be transmitted to Eurostat (Annex B). Since the introduction of ESA 2010 in 2014, there has been an evolution in a key statistical classification upon which it is based (a new Classification of Individual Consumption by Purpose, or COICOP²) and also an evolution in the needs of users for national accounts data.

The Commission therefore believes that it is appropriate to amend Regulation (EU) No 549/2013 to update references to the COICOP classification and to update the transmission programme to reflect new user needs

In addition, the Commission believes that it is opportune to repeal 11 legal acts relating to the previous European System of Accounts (ESA 1995)³, as these acts are no longer relevant.

- **Consistency with existing policy provisions in the policy area**

The proposal is fully consistent with existing statistical provisions in Union legislation.

- **Consistency with other Union policies**

The national accounts data which are prepared and transmitted under Regulation (EU) No 549/2013 are widely used for Union policy purposes and the revisions proposed will enhance the availability of data for users.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

Article 338 of the Treaty on the Functioning of the European Union (TFEU) provides the legal basis for European statistics. Acting in accordance with the ordinary legislative procedure, the European Parliament and the Council adopt measures to ensure that statistics are produced where this is necessary to enable the Union to perform its role. Article 338 TFEU sets out the requirements for producing European statistics necessary for the performance of the activities of the Union, which must meet certain standards of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality without entailing excessive burdens on economic operators.

- **Subsidiarity (for non-exclusive competence)**

The subsidiarity principle applies insofar as the proposal does not fall within the exclusive competence of the Union.

The proposal for this Regulation has been drafted with a view to retaining the relevance of the ESA 2010 with respect to its conceptual basis and to its transmission programme. Member

¹ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

² Endorsed by the 49th Session of the United Nations Statistical Commission.

³ Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community ([OJ L 310, 30.11.1996, p. 1](#)).

States acting independently cannot sufficiently achieve the objectives of the proposed action with the view of ensuring comparability, reliability and exhaustiveness. Action can be taken more efficiently at EU level, on the basis of an EU legal act.

The Union may therefore adopt measures in this area in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty

- **Proportionality**

The proposal complies with the proportionality principle. The need to update the link to a key classification, and to address user needs in the transmission programme, can be met through a limited amendment to Regulation (EU) No 549/2013.

In accordance with the principle of proportionality, the regulation proposed confines itself to the minimum required to achieve its objective and does not go beyond what is necessary for that purpose.

- **Choice of the instrument**

Given the objectives and content of the proposal and the fact that this is a proposal amending an existing regulation, a regulation is the most appropriate instrument.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Based on Commission standards, Eurostat's system for evaluating existing legislation, including the evaluation of the European Statistical Programme⁴ was followed, and formed a central part of the whole process. In addition, user surveys are conducted every year in order to obtain better knowledge about users, their needs and their satisfaction with the services provided by Eurostat. Evaluation results are used by Eurostat to improve the process of producing statistical information and its statistical output. They feed into various strategic plans, such as the work programme and the management plan.

A "Report from the Commission to the European Parliament and the Council on the application of ESA 2010" was adopted on 29 June 2018 (COM(2018)506 final). In addition, several expert meetings have taken place with Member States and major stakeholders. In particular, the main stakeholders of ESA 2010 are Commission services, Member States, and EU and international organisations like the ECB and the OECD, which have been closely involved in developments and discussions. There is a consensus among practitioners that minor changes in the ESA 2010 Regulation are necessary. This became evident after Eurostat carried out a prioritisation survey at the beginning of 2018 and was confirmed in the conclusions of several subsequent expert groups on national accounts, particularly of the Directors of Macroeconomic Statistics and the dedicated task force on ESA 2010 cross-domain consistency.

- **Stakeholder consultations**

Considering that the proposed amendment of Regulation (EU) No 549/2013 would not have any significant impact on society or the economy (see the explanation below), the Commission (Eurostat) consulted the European Statistical System Committee, as the national

⁴ See <http://ec.europa.eu/eurostat/web/quality/evaluation>

statistical institutes (NSIs) are responsible for coordinating all activities relating to European statistics at national level.

- **Collection and use of expertise**

The issues underlying the proposal were discussed in meetings of the Directors of Macroeconomic Statistics (DMES), and its sub-groups, over 2020-21 and two rounds of written consultations were carried out. The input of major stakeholders in the European Commission services and outside (for example, the European Central Bank) was obtained. Furthermore there was a discussion with the Economic and Financial Committee's Sub-Committee on Statistics in June 2021.

The European Statistical System Committee (ESSC) adopted an opinion at its meeting on 29 October 2021.

- **Impact assessment**

No impact assessment was conducted, as the proposal does not have significant economic, social or environmental consequences and imposes no additional burden on businesses or the public.

- **Regulatory fitness and simplification**

The proposal meets the simplification objectives of the REFIT programme partly by synchronising data transmission for GNI own resources with data transmission for other national accounting purposes, partly by switching to ESA 2010 for own resources in order to avoid Member States producing a double set of accounts, one on ESA 2010 and one on ESA 95.

Since the proposal only affects the national accountants in Member States, businesses are unaffected by the proposal.

- **Fundamental rights**

Not applicable.

4. BUDGETARY IMPLICATIONS

No supplementary budgetary resources are needed.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

As the proposed amendments are based on the existing voluntary data transmissions and those based on gentlemen's agreements, implementation would be limited to including the new provisions in the legislation, and will be monitored as legally required.

- **Explanatory documents (for directives)**

None

- **Detailed explanation of the specific provisions of the proposal**

The proposal relates to an amendment of Regulation (EU) No 549/2013 in two respects:

i) Amendments to Annex A (the conceptual basis of ESA 2010)

The national accounts are based on internationally recognised statistical classifications, which ensure the comparability of data between countries. These classifications are periodically updated to improve their relevance for users. The Classification of Individual Consumption by Purpose (COICOP), was updated in 2018 and the references in Annex A to COICOP must be amended to reflect the updated classification.

The opportunity is also taken to update Annex A to correct minor textual inconsistencies that have been identified during its implementation in Member States.

ii) Amendments to Annex B (the transmission programme of ESA 2010)

Given the importance of national accounts data for policy purposes and broader user needs in the European Union, developments in the needs of these users must be taken into account. The proposal reflects these evolving user needs and in particular the following:

- Expanding the availability of Government Finance Statistics, notably in respect of interactions with the institutions and bodies of the EU and the structure of government debt.
- Providing an updated legislative basis for the transmission of quarterly non-financial accounts for general government at t+3 months delay. The data is being transmitted by Member States on a voluntary basis.
- Improvement of the timeliness of the transmission of some tables, for example the transmission of annual financial accounts at t+4 months delay and the transmission of COFOG data at t+11 months delay. The latter is expected to facilitate its use in policy processes.
- Strengthening the consistency across tables, notably by amending the deadline arrangements for transmission of quarterly non-financial sector accounts data.
- Providing a legislative basis for the voluntary transmission of statistics which had been transmitted by Member States on a gentlemen's agreement basis in the past, for example GDP and employment flash estimates at t+30 and t+45 days delay.

The proposal also provides for the improvement of the availability of metadata accompanying national accounts data, and to strengthen the consistency of data between tables, particularly for quarterly data.

In addition, the proposal takes the opportunity to repeal 11 legal acts which relate to the former European System of Accounts (ESA 1995) and are no longer relevant since ESA 2010 has been implemented.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 549/2013 and repealing 11 legal acts in the field of national accounts

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338 (1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank ⁵,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Regulation (EU) No 549/2013 of the European Parliament and of the Council ⁶, which established the revised European System of Accounts (ESA 2010), contains the reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Union, in order to obtain comparable results between Member States.
- (2) Annex A to Regulation (EU) No 549/2013 provides for the methodology for the drawing up of the accounts of the Member States.
- (3) During the application of Regulation (EU) No 549/2013, minor textual inconsistencies have been identified in Annex A to that Regulation, and those inconsistencies should be corrected.
- (4) Annex B to Regulation (EU) No 549/2013 (the “transmission programme”) provides for a set of tables of national accounts data to be transmitted for Union purposes within specified time limits.
- (5) The transmission programme of national accounts data should be updated to take into account changing user needs and new policy priorities, and the development of new economic activities in the Union.
- (6) The 49th Session of the United Nations Statistical Commission considered and endorsed the revised classification for the Classification of Individual Consumption by Purpose (COICOP 2018), as the internationally accepted standard. Regulation (EU)

⁵ OJ C [...], [...], p. [...].

⁶ Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

No 549/2013 makes reference to the previous classification (COICOP 1999) in both Annex A and Annex B, and therefore those references should be updated.

- (7) Regulation (EU) No 549/2013 should therefore be amended accordingly.
- (8) Following the entry into force of Regulation (EU) No 549/2013 and of Regulation (EU) 2019/516 of the European Parliament and of the Council⁷, eleven legal acts based on the previous European System of Accounts, established by Council Regulation (EC) No 2223/96⁸, are no longer relevant. The measures set out in this Regulation should replace those of Regulations (EC) No 359/2002⁹, (EC) No 1267/2003¹⁰, (EC) No 1392/2007¹¹, (EC) No 400/2009¹², (EC) No 1221/2002¹³, (EC) No 501/2004¹⁴ and (EC) No 1161/2005¹⁵ of the European Parliament and of the Council, Council Regulation (EC) No 1222/2004¹⁶ and Regulation (EC) No 264/2000¹⁷ and Decisions 2002/990/EC¹⁸ and 98/715/EC of the Commission¹⁹. Those acts should therefore be repealed.
- (9) This Regulation shall enter into force on 1 September 2024 to coincide with the agreed timing for harmonised national accounts benchmark revisions in Member States. This does not prevent Member States from compiling their statistics in accordance with the amended annexes before that general application date.

⁷ Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) (OJ L 91, 29.3.2019, p. 19).

⁸ Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community ([OJ L 310, 30.11.1996, p. 1](#)).

⁹ Regulation (EC) No 359/2002 of the European Parliament and of the Council of 12 February 2002 amending Council Regulation (EC) No 2223/96 as concerns the use of ESA 95 in the determination of Member States' payments to the VAT-based own resource (OJ L 58, 28.2.2002, p. 1).

¹⁰ Regulation (EC) No 1267/2003 of the European Parliament and of the Council of 16 June 2003 amending Council Regulation (EC) No 2223/96 with respect to the time limit for transmission of the main aggregates of national accounts, to the derogations concerning the transmission of the main aggregates of national accounts and to the transmission of employment data in hours worked (OJ L 180, 18.7.2003, p. 1).

¹¹ Regulation (EC) No 1392/2007 of the European Parliament and of the Council of 13 November 2007 amending Council Regulation (EC) No 2223/96 with respect to the transmission of national accounts data (OJ L 324, 10.12.2007, p. 1).

¹² Regulation (EC) No 400/2009 of the European Parliament and of the Council of 23 April 2009 amending Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community as regards the implementing powers conferred on the Commission (OJ L 126; 21.5.2009, p. 11).

¹³ Regulation (EC) No 1221/2002 of the European Parliament and of the Council of 10 June 2002 on quarterly non-financial accounts for general government (OJ L 179, 9.7.2002, p. 1).

¹⁴ Regulation (EC) No 501/2004 of the European Parliament and of the Council of 10 March 2004 on quarterly financial accounts for general government (OJ L 81, 19.3.2004, p. 1).

¹⁵ Regulation (EC) No 1161/2005 of the European Parliament and of the Council of 6 July 2005 on the compilation of quarterly non-financial accounts by institutional sector (OJ L 191, 22.7.2005, p. 22).

¹⁶ Council Regulation (EC) No 1222/2004 of 28 June 2004 concerning the compilation and transmission of data on the quarterly government debt (OJ L 233, 2.7.2004, p. 1).

¹⁷ Commission Regulation (EC) No 264/2000 of 3 February 2000 on the implementation of Council Regulation (EC) No 2223/96 with respect to short-term public finance statistics (OJ L 29, 4.2.2000, p. 4).

¹⁸ Commission Decision of 17 December 2002 (2002/990/EC) further clarifying Annex A to Council Regulation (EC) No 2223/96 as concerns the principles for measuring prices and volumes in national accounts (notified under document number C(2002) 5054).

¹⁹ Commission Decision of 30 November 1998 (98/715/EC) clarifying Annex A to Council Regulation (EC) No 2223/96 on the European system of national and regional accounts in the Community as concerns the principles for measuring prices and volumes (notified under document number C(1998) 3685).

- (10) Since the objective of this Regulation, namely the creation of common statistical standards that permit the production of harmonised national accounts data, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (11) The European Statistical System Committee has been consulted.

HAVE ADOPTED THIS REGULATION:

Article 1

Annex A to Regulation (EU) No 549/2013 shall be amended by the text set out in Annex 1 to this Regulation.

Article 2

Annex B to Regulation (EU) No 549/2013 shall be replaced by Annex 2 to this Regulation.

Article 3

The legal acts set out in Annex 3 to this Regulation are repealed.

Article 4

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 September 2024.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President