

**MAIN CONCLUSIONS AND LIST OF ACTIONS OF THE**  
**CMFB MEETING HELD ON 28-29 JANUARY 2010**

(final – 21 April 2010)

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**1. OPENING OF THE MEETING**

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- 1.1 The Chairman opened the meeting and welcomed the participants, especially participants new to the CMFB. Interpretation was available in English, French, German, Italian, Portuguese, and Spanish.

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**2. ADOPTION OF THE AGENDA**

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- 2.1 The Chairman suggested moving item 8 on 'International Accounting Standards' forward to the first day of the meeting. Furthermore, a new item on "Capital increase in multilateral development banks - statistical treatment" was added under item 3 on Excessive Deficit Procedure.
- 2.2 The agenda was adopted.

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**3. ORGANISATIONAL MATTERS**

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- 3.1 The Chairman informed the CMFB that Janez Fabian, Bank of Slovenia, would leave the CMFB Executive Body. A letter had been sent to the CMFB nominating Emil Dimitrov, Bulgarian National Bank, as new member of the CMFB Executive Body.
- 3.2 The CMFB elected unanimously Emil Dimitrov as new member of the Executive Body.
- 3.3 The Chairman concluded that the CMFB, in accordance with the rules of procedure, approved that Emil Dimitrov would replace Janez Fabian as member of the CMFB Executive Body from 1 April 2010. He thanked Janez Fabian for his contributions and congratulated him with his appointment as vice Governor at Bank of Slovenia.

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## 4. EXCESSIVE DEFICIT PROCEDURE

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### 4.1 EDP ACTIVITIES – PROGRESS REPORT

#### Presentation

- 4.1 Eurostat informed about the release of EDP notification data, 22 October 2009, based on the new EDP reporting tables and questionnaire. The press release also included a set of supplementary tables on government interventions in the context of the financial turmoil. These new tables were welcomed by users and the publication of the tables would be continued for the time being.
- 4.2 Eurostat also informed about the Greek situation. A methodological visit had taken place 16-18 November 2009 and the findings had been published by the Commission - the CMFB was informed on 12 January. The ECOFIN Council had requested Eurostat to prepare an action plan and several initiatives were under way at both political and technical level.

#### Discussion

- 4.3 The ECB DG-S noted that many elements in the Greek situation were the same as in 2004/5 and that a new response at both political and technical level would be needed. For the CMFB, it would be the Regulation setting up the Committee that should be used as a starting point for any initiatives. DG-S added that the major revision in Greek data between the notifications in April and October 2009 concerned in particular the 2009 forecasts, and that the public debate did not differentiate between forecasts for the current year and actual figures for past years.

#### Conclusion

- 4.4 CMFB thanked Eurostat for the presentation, and welcomed the publication of the supplementary tables developed by Eurostat and the FAWG. The tables were considered a useful addition to the EDP reporting since they have enhanced the transparency regarding government transactions carried out in the context of the financial crisis.
- 4.5 On the situation in Greece, it was noted that this is mainly a political issue at the current stage as it is being discussed at the Council. The CMFB took note of the Report by the Commission from 8 January 2010, and the CMFB is looking forward to be informed about further initiatives relating to the situation.
- 4.6 The Chairman added - taking account of the discussion at Executive Body the evening before the Plenary meeting - that the subject would be addressed in general terms in the regular report from the Chair of the CMFB to the Chair of the EFC Sub-Committee on Statistics. Elements which possibly would be included in this respect, were the following: adherence to the code of practice including the independent status of the statistical authorities, the adequacy of human resources, the quality of source data, the need for sharing best practices and technical assistance, and communication on the difference between actual data and fore-casts.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
February 2010	Prepare regular report from CMFB to EFC-SCS	Chairman

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### 4.2 MANUAL ON GOVERNMENT DEBT AND DEFICIT (MGDD) – PROGRESS REPORT

#### Presentation

- 4.7 Eurostat informed the CMFB that the MGDD Editorial Committee had met 31 August and 1 September 2009 to discuss the remaining issues. Four chapters had been submitted to the CMFB in October 2009 and they had been agreed in substance by the CMFB subject to some minor editorial changes. Two more chapters would be submitted to CMFB immediately after the Plenary meeting. The remaining chapters were planned for February 2010.

- 4.8 In a final step, the full manual would be submitted to CMFB for an overall agreement. The full manual would also include those chapters, which have only received minor or insignificant amendments compared to the earlier version of the MGDD in the form of drafting improvements.
- 4.9 Since it had been suggested in the exchange of views forms that more time was needed for the consultation on the full manual, the Chairman proposed to launch the final consultation after the spring notification, i.e. after 22 April 2010.

**Discussion**

- 4.10 Eurostat confirmed that the consultation of the full manual would be accompanied by 'fiches' or other notes explaining the changes.
- 4.11 A question on the treatment of loans granted by government at low interest rate was raised. Eurostat explained that the discussions at the FAWG had not yet reached a conclusion and it would be too early to issue guidelines or include a chapter on that issue in the MGDD.

**Conclusions**

- 4.11 The Chairman thanked Eurostat for the presentation and the clarifications. It was concluded that the CMFB agrees with the new planning for the chapters and MGDD, and that consultation on the full manual will be accompanied by relevant background information highlighting the changes.

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**4.3 CAPITAL INCREASE IN MULTILATERAL DEVELOPMENT BANKS - STATISTICAL TREATMENT**

**Presentation**

- 4.12 The Chair introduced the item by underlining that this was not a formal consultation of the CMFB.
- 4.13 Eurostat explained the Sub-Committee on IMF (SCIMF) had been discussing the plans for an increase of capital in multilateral development banks in first half of 2010 in line with a G20 initiative. Some questions relating to the statistical treatment of these operations had been raised in a meeting of the SCIMF on 13 January 2010. Eurostat had already provided a first informal answer to DG ECFIN but was taking the opportunity to seek the views of FAWG and CMFB experts on the issue. The subject would be discussed at the EFC in the week after the CMFB Plenary meeting.

**Discussion**

- 4.14 The options outlined in the background document were discussed. In economic substance, the similarities between a capital increase in an international organisation and the case of capital injection in public corporations were pointed out.
- 4.15 Several members expressed a general support with the statistical treatment proposed for most of the cases described in the background document but cautioned that further reflection was needed and that concrete examples would facilitate the analysis. There was some uncertainty about whether the scenarios with repayments over 2-3 years should be treated differently from the similar scenarios with repayments over a 10-20 year period. Eurostat mentioned that the treatment of payments to government from transfers of pension obligations depended on the length of the payment period, but that this area was not fully comparable with the case of capital increase.
- 4.16 Eurostat thanked for the reflections by the CMFB and agreed that more time would be needed for a thorough analysis.

**Conclusions**

- 4.17 The CMFB thanked Eurostat for the presentation. There was a general support for the treatment as suggested but Eurostat was encouraged to take account of the remarks made at the meeting as well as the remarks by the FAWG. It was stressed that these are preliminary indications and further information is needed to address specific situations to ensure correct recording and this should be part of the message to the EFC.

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## 5. REVISION OF INTERNATIONAL STANDARDS

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### 5.1 2008 SNA – PROGRESS REPORT (EUROSTAT)

#### Presentation

- 5.1 Eurostat reported that the full 2008 SNA manual is available at the UN web-site. After editing of the complete text and its presentation, the English version of 2008 SNA will be submitted for printing. The translations had started - Eurostat (the Commission) was providing the French version.
- 5.2 The current priority in the SNA work was to set the priorities for the research agenda and to prepare guidelines and training on the 2008 SNA. These issues will be discussed by the ISWGNA at their next meeting on 17-18 February 2010.

#### Discussion

- 5.3 It was proposed that a short publication on the update of the 2008 SNA should be prepared. Eurostat promised to take that up at the ISWGNA.

#### Conclusion

- 5.4 The Chairman thanked Eurostat for the presentation, and asked members to submit proposals for the SNA research agenda to Eurostat, if possible before the ISWGNA meeting in February 2010.

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### 5.2 STATE OF PLAY ON THE REVISION OF THE ESA 95

#### 5.2.a General progress (Eurostat)

#### Presentation

- 5.5 Eurostat reported the results from the ESA Review Group, which met on 19-20 November 2009 to pursue discussions on the revision of ESA 95. Agreement was found on the main remaining methodological issues identified by Member States in advance of the meeting:
- On Research and Development (R&D), the R&D Task Force made proposals on the capitalization of freely available R&D, the templates to be filled by Member States, the timetable as well as the reporting procedure for the test exercise. These proposals, endorsed by the ESA 95 Review Group, were approved by the Directors of Macro Economic Statistics (DMES) on 27 January 2010. The DMES agreed that the Task Force will continue to monitor progress on the test exercise.
  - Regarding goods for processing, the ESA Review Group endorsed the net treatment based on the 'transfer of ownership' principle in line with the 2008 SNA. The ESA Review Group was aware of practical difficulties and the possible consequences on national accounts (NA) and macroeconomic indicators. The DMES had agreed to set up a task force with BoP and NA expert participation to examine implementation issues, including results by the UNECE/OECD/Eurostat Group of experts on the impact of Globalisation on National Accounts and related statistics (GGNA).
  - Prices and volumes have been a very difficult area and the compromise reached by the ESA Review Group is to use output measures with implicit quality adjustments based on common stratification levels. The DMES supported this solution and considered that more detailed implementation guidelines on common stratification methods should be prepared, and the issue of quality should be put with high priority on the ESA research agenda.
  - Concerning the market/non-market delimitation, the approach which consists in using in the first place a qualitative analysis and applying a quantitative threshold for difficult cases was supported by the DMES, which considered that both the qualitative and quantitative approaches should be made operational.

Following a questionnaire sent to Member States, the reinvested earnings approach was not supported and will be put on the ESA Research Agenda.

- 5.6 The next steps will be to finalise the main body of the Regulation, the individual chapters, and the Transmission Programme (see item 5.2.b). Eurostat intends to consult the CMFB and the DMES after the ESA Review Group meeting in March.
- 5.7 Furthermore, Eurostat encouraged Member States to update their estimates of the impact that the introduction of the revised ESA will have on the main aggregates in 2014 in view of the discussion that will take place at the ECOFIN Council in May 2010. Eurostat underlined the need of informing the EFC regularly about progress and resource needs.
- 5.8 Finally, Eurostat explained that the planned FISIM task force would be established in spring 2010 in order that it could reach its conclusions before the end of 2011. This would allow the outcome of the task force to be taken on board before the adoption of the ESA planned for 2012. Eurostat agreed with the proposal in the exchange of views forms to examine cross border R&D in the R&D Task Force, and that the ESA research agenda should build on the SNA research agenda while taking due account of the specific ESA issues or other EU priorities.

#### **Discussion**

- 5.9 There was a general agreement that outstanding problems should be solved as far as possible before the draft of the revised ESA would be submitted to the Commission in June 2010. It was suggested that the second best option for those outstanding issues, which could not be fully solved before June 2010, would be to add them to on the research agenda. It was underlined that the research agenda should not be open-ended and agreements should be reached in time.
- 5.10 Regarding the market/non-market delimitation, there was some discussion about the order in which quantitative and qualitative criteria were to be applied. Eurostat explained that the current discussion took due account of the views expressed at the FAWG and ESA Review Group. There was a general agreement that operational rules are needed. Regarding prices and volumes, the current solutions for quality adjustments in this area were not ideal but represented the best compromise among the various options. Eurostat agreed that comparability is major issue, and added that research will continue on this and related issues.
- 5.11 Some CMFB members expressed concerns that some chapters would not be ready for the next ESA Review Group meeting in March. Eurostat explained that most draft chapters were already available and even the most difficult chapters were ready in substance. Eurostat was also encouraged to solve as many outstanding issues as possible at the March ESA Review Group meeting, that is before the planned consultations of the DMES and the CMFB. In general, it was agreed that the issues should be solved to the extent possible within the statistical community.
- 5.12 As regards the impact study to be prepared for the Council in May, some members noted that it would be difficult to prepare because some issues were still open. Nevertheless, the need to keep the Council informed was underlined. Eurostat explained that, in case of failing precise figures, the impact study could deliver intervals instead and that funding for the studies was available.

#### **Conclusion**

- 5.13 The Chairman thanked Eurostat for the presentation. It was concluded that there is a need to solve outstanding issues but there is also a clear time constraint because the revised ESA has to be ready in order to prepare for its implementation in 2014. The Chairman noted that it is necessary to process towards a solution within the statistical community, and the most difficult issues should be put on the research agenda with an agreed timetable. Furthermore, it should be recognised that not all problems may be solved but for those issues, which cannot be fully solved, there is a need to agree on a convention. It was underlined that the planning up until 2014 is ambitious and that the research agenda should not be used to reopen issues, including those where agreement had been reached at international level.
- 5.14 Finally, the Chairman noted that the issue of resources should be brought to the attention of the ECOFIN Council in due time.

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## 5.2.b *Draft Transmission Programme*

### **Presentation**

- 5.15 Eurostat explained that the discussions on the ESA Transmission Programme (TP) had started in summer 2009 after finalising the majority of the methodological issues. The initial comments by the CMFB, the DMES/DirNA, and the comments received at technical level had been taken into account in the draft prepared for the ESA Review Group meeting in November 2009. However, only general issues had been discussed at that meeting due to time constraints. Subsequently, technical groups including the TF QSA, the FAWG, the Regional Accounts WG, and the NAWG had provided comments. This second version, amended to take into consideration a further written consultation and the comments expressed by the DMES and the CMFB, would be the basis for the detailed discussions at the forthcoming ESA Review Group meeting in March 2010.
- 5.16 Among the main issues identified so far was the need to reach a compromise between user needs (now and in 20 years time) and resource constraints (current and in future), and the need to identify the least needed data and to fill the gaps for future user needs.
- 5.17 Another issue was derogations. While Eurostat largely agreed with “structural” derogations, such as existing derogations for past data in new Member States, Eurostat was against the introduction of large sets of derogations that could hamper the collection of NA data and prevent users to have a complete view of NA data at EU and country level.
- 5.18 Eurostat was aware of a need for derogations during a transitional period. Furthermore, Eurostat was considering different types of derogations for smaller countries, including longer deadlines or fewer details. In this respect, the rules would have to be carefully designed in order to capture relevant aspects of the EU totals, such as important contributions in the financial sector from some small countries.
- 5.19 Eurostat also mentioned confidentiality as an area for discussion, especially when evaluating the trade-off between timeliness, quality, and consistency with other data. Eurostat added that there is no optimal solution and that the statistical community could only strive for a best compromise.

### **Discussion**

- 5.20 There was a general recognition that the objectives in terms of EU aggregates, timeliness, etc. are reasonable as such. It was underlined that the NA compilers will have to meet some of the user needs and make it acceptable to the user community that not all user requirements can be met with the resources available.
- 5.21 It was suggested that the burden on producers and suppliers of data, e.g. more surveys, is not fully recognised in the draft proposal and that the TP seems too demanding. It was noted that a forward looking programme should include both new requirements but also deletions. It was generally agreed that the TP tables should be reviewed one-by-one at the relevant working groups, and that a short clear explanation was needed to understand the rationale behind new data requests. There was also support for reviewing existing tables and the level of details required.
- 5.22 The coherence between the different parts of the draft TP should be improved, for example, the consistency between main aggregates and detailed tables, timeliness for the transmission of various data, and requirements for historical series, etc. should be further analysed. The discussion on revision policy, which is taking place in a parallel process, would also need to be taken into account.
- 5.23 Several members emphasised the need for a transitional phase, especially for new data requirements. The experience from the current TP shows that new requirements can only be implemented on a step-by-step basis due to constraints in both human and financial resources, and that especially smaller Member States will need relevant training and other support to develop the necessary competences.
- 5.24 As a specific point, it was noted that the compilation of regional growth at constant prices for NUTS3 would require the compilation of regional prices and the cost would be high compared to the benefit. Furthermore, there was some concern about the requirements for timely and reliable regional government data.
- 5.25 An important issue would be the choice of committee procedure for amending the TP.

- 5.26 Eurostat acknowledged several of the comments and added that there has been a change over the past 15 years in user requirements, e.g. from annual accounts towards quarterly accounts. The new TP should be stable over the next 20 years so it needs to be forward looking. On the shorter term, Eurostat encouraged Member States to provide comments on the current draft before the ESA Review Group meeting in March and indicate the types of problems foreseen, be it human resources, basic statistics, or other concerns.

**Conclusion**

- 5.27 The Chairman thanked Eurostat for the presentation and noted that the Transmission Programme is a very difficult issue because it is directly linked to issues like transmission deadlines, data flows, and resource needs for the collection and compilation of the data for the next 10-20 years.
- 5.28 It was concluded that there is a need to make progress in this field, and the CMFB encouraged Eurostat to take the various views expressed during the meeting into account, especially to find a good balance between user needs and producer resources and other constraints, and the Chairman recalled several of the other elements taken up during the discussion.
- 5.29 Finally, the Chairman added that there is a need for a stable transmission programme. There is also a need to consider carefully the committee procedure that will be used for amending the Transmission Programme because a less flexible procedure may put higher demands and expectations on the initial specifications of the Transmission Programme. This is a strategic issue, which may require further reflections.

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**5.2.c Specific implementation issues**

**Presentation**

- 5.30 ECB DG-S explained several ESCB guidelines and Regulations will have to be updated following the revision of ESA. The compilation of some statistics, including the euro area accounts, depends on input from non-financial and financial sectors, and it is important that the legal framework and the implementation are coordinated across the domains. Hence, a 'high level' timetable for the amendment of the relevant ESCB Guidelines and Regulations had been agreed by the STC, and the discussions in the relevant ESCB Working Groups have started. It is expected that amendments will be approved in 2012.

**Discussion:**

- 5.31 It was emphasised that the relevant Guidelines and Regulations should be adopted as early as possible, and no later than 2012, in order to allow both suppliers of data and compilers to prepare for new data requirements. For example, if suppliers of data would have to change their IT systems, it could have an impact on their budget planning much earlier than date of the first transmission.
- 5.32 Eurostat clarified that the starting point for the ESA revision in legal terms was the consolidated version of ESA-95, and that references to ESA in other Commission and Council regulations would be updated as a part of the normal legal procedures.

**Conclusions:**

- 5.33 The CMFB thanked the ECB for the presentation, especially for highlighting that ECB Regulations and Guidelines will have to be amended in a separate legal process from the ESA revision process. The CMFB fully supported the ECB initiatives in this area. The need to have a structured process of implementation was emphasised.

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**5.3 COORDINATION ISSUES RELATED TO THE IMPLEMENTATION OF NEW NATIONAL ACCOUNTS AND BALANCE OF PAYMENTS TRANSMISSION PROGRAMMES**

- 5.34 The Chairman proposed to discuss the four presentations on the issue before opening the discussion. The four presentations covered the roadmap, two presentations on the current planning in Portugal and the Netherlands, and a proposal for a survey on the plans.

**Presentation**

- 5.35 Eurostat and ECB presented the roadmap towards 2014 for the implementation of the BoP and NA. As regards the Transmission Programme (TP) for NA, the discussion is already well under way. As regards the TP for BoP, this will be discussed in detail in a workshop early February and in the BoP WG in April 2010 and requirements for backdata and other data are not yet fully fixed. The two institutions underlined the coordination aspects and the importance of identifying possible mismatches between the two TPs at an early stage.
- 5.36 Portugal made a presentation of their preliminary planning. The planning involved five steps: coordinating methodologies and procedures between Banco de Portugal and the Instituto Nacional de Estatística, adjusting sources and methods, starting data compilation, other implementation aspects and regular production by 2014. For each step several critical issues were highlighted, for instance re-defining the boundaries of the institutional sectors, re-defining and enlarging the concept of economic assets and capital formation, encompassing all pension liabilities and extending the directional principle to fellow enterprises. In December 2009 when the initial discussions took place, it had seemed premature to start the planning but the outcome and current planning had shown that there is a need to prepare long time in advance.
- 5.37 The Netherlands provided an outline of the discussions, which had taken place so far between the NSI and NCB. Centraal Bureau voor de Statistiek and De Nederlandsche Bank had set up a common task force for the BPM6 implementation. The most important aspect considered so far was the timing since new reporting and compilation procedures should be in place by January 2013 at the latest. A number of critical issues had been identified such as imputation needs, cross-border pensions liabilities, conversion matrices, and the transitional period where the collection of data according to new methodology will take place in parallel with the compilation of data according to old methodology.
- 5.38 The CMFB Secretariat briefly explained that many practical implementation issues towards 2014 can be identified already now although some elements are not yet fixed. The aim of the proposed survey is to exchanging information about the national plans in a structured way. It is expected that the exercise will lead to a greater understanding in all Member States about the critical steps ahead. It was underlined that the survey will not be used as a checking list but as a mean to share information. The results will be presented to the CMFB at the next meeting in July 2010.

**Discussion:**

- 5.39 The aim of a coordinated approach and exchanging information was generally supported.
- 5.40 Several CMFB members mentioned problems related to the length of backdata and the deadlines for providing revised backdata in 2014. Furthermore, problems with the consistency within and between various data sets due to the timing of the transmissions of monthly, quarterly, and annual data during 2014 were mentioned, as well as the need to analyse linkages and dependencies between data sets. Finally, the problems related to the parallel production of data according to old and new methodology, and the question of reference period were raised.
- 5.41 Eurostat and ECB DG-S noted that the comments highlighted the need for coordination, and that the input would be useful for fine-tuning of the requirements.

**Conclusion**

- 5.42 The Chairman thanked for the presentations, especially those prepared by Portugal and the Netherlands, and noted that it is important to start the coordination – if even at a fairly high level – at an early stage. The two country presentations had shown that an early start will ensure a higher awareness of the constraints and linkages between the NA and BoP revisions. It was concluded that the results of the survey could be used as an input for further coordination for the implementation of the ESA and BoP revisions. The light survey should be launched in spring with replies in May 2010, and the subject would be taken up again at the CMFB meeting in July 2010.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
April/May 2010	Launch light survey	CMFB Secretariat



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## 6. FINANCIAL STABILITY STATISTICS - EUROPEAN SYSTEMIC RISK BOARD

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### Presentation

- 6.1 ECB DG-S presented an overview of the future European Systemic Risk Board (ESRB). The draft proposal for the ESRB is currently being discussed by the Parliament. It is expected that the proposal, together with a proposal for establishing three European Supervisory Authorities (ESAs), will be adopted in 2010. The ESRB will cover macro-prudential risks while the three ESAs will cover micro-prudential risks.
- 6.2 The ECB shall ensure the Secretariat of the ESRB. Although the Regulations are not yet in place, the practical arrangements are under preparation. Formally, the ESRB will determine its data needs when it is established but the ECB is already now considering which data may be needed. The data requirements will predominantly cover financial statistics, which will be provided by the supervisory authorities (ESAs) and the NCBs. A major challenge will be the need for harmonisation, especially for supervisory data, and a specific problem will be the definition of a financial group needed for the analysis of financial stability (different from a statistical unit). It is expected that there will be some data requirements on ESS data, in particular for integrated EU accounts by institutional sector and property prices.
- 6.3 Regarding data flows, it is expected that the ESRB Secretariat to a large extent will make use of the existing infrastructure for ESCB- and ESS-data. Some confidential micro-data from the ESAs may pass directly to the Secretariat. It was underlined that double reporting should be avoided.

### Discussion

- 6.4 Regarding non-euro area countries, ECB DG-S explained that the ECB Governing Council may only legislate in the area of financial stability for euro area countries. For the 'pre-ins', the Governing Council would be able to adopt a set of Recommendation with the same content but without the same legislative binding. It will be decided later how to proceed.
- 6.5 Regarding confidentiality, there may be some restrictions on which ESRB data may be used by the ECB rather than the other way around, and there is a need to reflect on the aggregation level needed for ESRB purposes.
- 6.6 Generally, the STC has started discussing the issues. For example, the project on Securities Holdings Database may feed into the assessment of interconnectedness of financial institutions. Nevertheless, it may take some time after the ESRB has been established before they can come out with requirements.

### Conclusion

- 6.7 The CMFB thanked ECB DG-S for the presentation. It was noted that the ESRB requirements will mostly affect NCBs and supervisory bodies but there may be some spill-over to NSIs and Eurostat. ECB DG-S was invited to keep CMFB informed about further developments.

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## 7. NATIONAL ACCOUNTS

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### 7.1 EUROSTAT NATIONAL ACCOUNTS CONFERENCE – FOLLOW-UP

#### Presentation

7.1 Eurostat informed about the Conference on National Accounts, which had taken place in September 2009. It was found at the Conference that the statistical community could improve the analysis of data and communication of results. The Conference also emphasised the integrated financial and non-financial accounts, EU KLEMS, flash estimates and other high frequency data. The dialogue with stakeholders including users should be improved to anticipate future developments and to identify policy priorities. Finally, the reduction of the burden and the limited resources would make it necessary to explore new ways to compile statistical information.

#### Discussion

7.2 Several of the CMFB members noted that the need for more timely data, such as a GDP flash estimate at t+30 days, could not be discussed without enlarging the topic to cover the reliability and cost aspects. In particular, if the estimations would be a pure forecasting exercise and if the reliability would not match the quality expected from statistics in general, it may have an impact on the perception of statistics. One member (UK) explained that the implementation of a GDP flash estimate at t+30 days had required a careful review of the production process for the sub-components in order to arrive at sufficiently reliable results.

7.3 It was noted that the number of priorities is very high and that not everything can be implemented at the same time. For National Accounts, the discussion of the Transmission Programme would be one element in setting the priorities.

#### Conclusion

7.4 The Chairman thanked Eurostat for the presentation and concluded that the CMFB took note of the suggestions for the follow-up on the Conference, both the strategic dimensions as well as the more concrete proposals. Furthermore, the suggestions arising from the Conference should be taken into account when discussing the Transmission Programme.

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### 7.2 TOWARDS A REVISION POLICY FOR NATIONAL ACCOUNTS AND BALANCE OF PAYMENTS: OUTLINE FOR IMPACT STUDY

#### Presentation

7.5 Eurostat and ECB DG-S explained about the proposal for a survey to assess the impact at national level of a further harmonisation of revision policies. At earlier meetings it had been found that a harmonisation of revisions policies between National Accounts and BoP would be an important step forward, but that several practical and legal issues would have to be solved, not only at EU level but also at national level.

7.6 An outline of the survey was presented together with a timeline. It was proposed to postpone the launch of the impact study compared to the initial planning but to maintain that the results of the impact assessment should be presented at the January 2011 CMFB Plenary meeting.

#### Discussion

7.7 While there was a strong support for a common revisions policy, the discussion confirmed that further work is needed in order to identify the practicalities, legal constraints, and specific user needs at national level. It was also noted that needs arising from different users are not always compatible. Several examples showed the problems of aligning source statistics and integrated statistics, or aligning different types of aggregated statistics based on the same basic sources. Hence, there is also a need to identify priorities.

- 7.8 There was some discussion about the timing of the survey since the results could be useful when planning changes to the production system for the coming years. It was clarified that both financial and non-financial statistics would be covered.
- 7.9 Finally, ECB DG-S emphasised that national users would also benefit from an alignment of revision policies at EU level because changes in data could be compared more easily or with fewer reservations. Eurostat added that the intention with the survey is to prepare the grounds for a guideline on revision policies.

**Conclusion**

- 7.10 The Chair thanked ECB DG-S and Eurostat for their presentation and clarifications, and the members of CMFB for their contributions to the discussion. It was concluded to go ahead with the survey as outlined in the document, subject to the comments made, and the results should be discussed at CMFB Plenary meeting in January 2011.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
Autumn 2010	Launch survey	Eurostat/ECB DG-S
January 2011	Present results to CMFB	Eurostat/ECB DG-S

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**7.3 QUARTERLY SECTOR AND EURO AREA ACCOUNTS**

**7.3.a Task Force on quarterly European accounts by institutional sector - Progress report**

**Presentation**

- 7.11 Eurostat presented the progress report. The task force had recently been concentrating on transmission issues, the revision of the ESA transmission programme in the area of sector accounts, and improvements of quality. It was expected that an inventory of sources and methods would be released on CIRCA soon. The task force had also started exploratory discussions on how to take the sector accounts forward in light of the Stiglitz-Sen-Fitoussi recommendations. For the near future, the task force would continue improving cross-country comparisons and explore methods for reducing the time needed for the compilation of EU aggregates.
- 7.12 ECB DG-S added that the sector accounts will be important to support the future ESRB because they provide information on how sectors link and interact. Furthermore, the CMFB was asked to support the work plan, in particular the work towards realising the PEEI target of t+90 days for euro area and EU aggregates.

**Discussion**

- 7.13 It was clarified that the work programme of the task force would treat broader subjects, such as the Stiglitz-Sen-Fitoussi report and revision policies, in the context of sector accounts.
- 7.14 There was some discussion about the request for timely data and possible inconsistencies between sector accounts and EDP for government sector data transmitted in March and September. It was suggested to prepare a document outlining the pros and cons of different options, if possible so that it could feed into the discussions of the new transmission programme.

**Conclusion**

- 7.15 The Chairman emphasized that the production of the integrated financial and non-financial quarterly sector accounts is a main achievements in the co-operation between the ESS and ESCB, and congratulated everybody involved at all levels. He thanked Eurostat and ECB DG-S for the presentation and clarifications.
- 7.16 It was concluded that the CMFB took note of the progress and agreed with the future work programme. The questions related to timeliness will be discussed in the context of the ESA transmission programme, and it was suggested to prepare a short factual document on the options. Furthermore, the comments on the mandate in relation to the Stiglitz-Sen-Fitoussi report and revisions policy were well noted.

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### **7.3.b Publication of key indicators by country**

#### **Presentation**

- 7.17 Eurostat explained that since October 2009 a set of non-financial key indicators had been published by country. The indicators covered household saving rate, household investment rate, profit share for non-financial corporations, and investment rate for non-financial corporations. These new indicators showed important differences between countries - differences which do not show up in the EU totals but which are important when analysing developments at country level.
- 7.18 Some Member States have yet not been able to deliver data or not yet agreed to the publication of their data but it was made clear that the full release of their data would broaden the scope for analysts. It was planned to publish the data at t+100 or t+105.
- 7.19 Eurostat was also working with DG ECFIN on proposals for indicators combining financial and non-financial data such as the debt to income ratio, which would further heighten the relevance of the sector accounts. Some of these indicators are already available for annual data but quarterly series will provide additional information. Seasonal adjusted data was considered as a natural extension in this area.

#### **Discussion**

- 7.20 DG ECFIN welcomed the progress and thanked Member States, Eurostat, and the ECB for their efforts, and supported the suggestions for further improvements in, e.g., coverage and timeliness. Eurostat confirmed OECD and IMF were involved in the work on the definitions of the indicators in order to widen the acceptance of the indicators. It was noted that the ESCB WG on Euro Area Accounts had asked Eurostat to specify more clearly the relevant quarterly financial accounts indicators, and that further work was needed to clarify certain issues.

#### **Conclusion**

- 7.21 The Chairman thanked Eurostat for the presentation. The CMFB agreed with the proposal to extend the dissemination of the relevant key indicators along the lines proposed in the document, subject to the specific quality concerns raised by some countries. Furthermore, work will continue on the publication of financial indicators and the combination of financial and non-financial indicators.

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### **7.3.c Financial statistics for euro area accounts: Progress report on the implementation of the STC Mandate to the WG EAA on the Groupe de Réflexion Recommendations**

#### **Presentation**

- 7.22 ECB DG-S explained that the STC in 2006 had mandated the WG EAA to ensure the compilation of euro area financial accounts at t+90 days. As an interim result, a subset on households and non-financial corporations was compiled in 2008, but there was still a need to improve early estimates for other sectors. Since then, several reliability tests have been undertaken comparing estimations at t+90 with data at t+120. In December 2009, the positive results in terms of quality and timeliness were submitted to the STC, which agreed to go ahead with an experimental production of early estimates at t+90. The results will be evaluated by the STC in 2011.

#### **Discussions**

- 7.23 The issue of the timing and consistency of government data for EDP purposes and other purposes such as integrated euro area accounts was taken up again. ECB DG-S confirmed that early country data for the government sector would be treated as confidential data and only used for estimations of euro area totals.
- 7.24 Eurostat informed about the results on the non-financial side.

#### **Conclusions**

- 7.25 The Chairman thanked ECB DG-S for the presentation, especially because of the inevitable links between financial and non-financial accounts. It was concluded that the CMFB took note of the progress report and supported the work towards the production of integrated accounts at t+90 days. The Chairman added that the t+80 versus t+90 discussion will remain an issue for the coming period.

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## 8. INTERNATIONAL ACCOUNTING STANDARDS

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### 8.1 TASK FORCE ON ACCOUNTING AND STATISTICS – COMPLETION OF THE TAXONOMY PROJECTS AND POSSIBLE WAY FORWARD

#### Presentation

- 8.1 Eurostat and ECB DG-S presented an overview of the recent task force activities. Among the activities mentioned were the IASB (International Accounting Standards Board) consultation on accounting standards for SME, the initiatives by DG MARKT relating to the option for Member States to exempt micro-enterprises from producing standardised accounts, following the work of the accounting regularity committee, liaising with European committee on Central Balance sheet offices and XBRL.
- 8.2 Based on the outcome of the XBRL pilot project, the major focus of the task force during 2008/2009 had been shifted from working on technology means for transferring data towards the development of a taxonomy for statistical variables of enterprises based on the International Financial Reporting Standards (IFRS). As a first step, it was found that there is no IFRS based taxonomy available in the EU. As a second step, a review of several Regulations showed that most of them require breakdowns, which do not fit the IFRS such as regional breakdowns or use definitions that are not aligned with accounting concepts. In the end, a small number of variables from the Short Term Statistics and the Structural Business Statistics Regulations matched the IFRS for non-financial corporations, while in the case of financial corporations (mainly credit institutions, and to a lesser extent insurance corporations) the number of matches in the SBS financial annexes was higher. As the results pointed to less matches than had been expected, the next step will be to review statistical definitions in all kinds of business-related statistical regulations, once these regulations are due for revisions. The task force expects to report back to the CMFB in June 2010 or January 2011.

#### Discussion

- 8.3 The work of the task force was appreciated by CMFB members. Although the immediate results were less positive than expected, they indicated that the way forward, towards the general objective of reducing the burden, would entail a closer examination of the existing statistical concepts and variables in order to evaluate whether the gap between business accounting and statistics could become smaller in the future.
- 8.4 It was suggested that the new chapter in ESA devoted to the relationship between businesses and NA should take account of the task force results.
- 8.5 The task force was encouraged to follow-up on the proposal by DG MARKT on micro-enterprises expressing a preference for simplified accounts instead of abolishing the requirements.
- 8.6 Eurostat and ECB DG-S thanked for the comments and said that it would be a long term project to align definitions between statistics and business accounting.

#### Conclusion

- 8.7 The Chairman noted the high support for the work carried out by the TF and the more focused approach. He thanked the task force (Eurostat and ECB DG-S) for the presentation.
- 8.8 The Chairman concluded that CMFB welcomed the progress achieved by the TF and agreed with the recommendations outlined in the documents. Furthermore, the task force was encouraged to follow-up on the proposal regarding micro-enterprises.
- 8.9 Finally, the Chairman added that an alignment of concepts and definitions across statistical domains should be supported, as it will result in a more efficient process and better alignment of outputs if it applies through the full statistical production chain. Hence, the conclusions of the task force were welcomed.

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## **9. PRODUCTION OF EU STATISTICS**

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### **9.1 COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE PRODUCTION METHOD OF EU STATISTICS: A VISION FOR THE NEXT DECADE**

9.1 Eurostat presented the Commission document on a vision for the next decade regarding the production methods for EU statistics. The shortcomings of the traditional stovepipe production approach were highlighted and it was advocated that there is a need for greater integration and greater collaboration in order to improve quality, to respond to user needs, and to reduce the burden on respondents. It was underlined, that the picture across countries was varied.

9.2 The CMFB thanked Eurostat for the presentation.

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### **9.2 A USER AND PRODUCER'S APPROACH TO INCREASING EFFICIENCY AND EFFECTIVENESS IN STATISTICS PRODUCTION: ECB EXPERIENCES**

9.3 ECB DG-S presented how the ESCB in December 2007 had agreed on a strategic plan for the future in order to meet increasing user needs and acknowledging the resource constraints. The business register for financial corporations (RIAD) was mentioned as one important step, which allowed sharing of information between NCBs, and the next step would be a possible integration with the ESS Euro-Groups Register. Regarding micro-data, the Centralised Securities Database (CSDB) had ensured a more efficient collection of information since the data was collected once but could be used by all ESCB members. Furthermore, it was already now foreseen that the CSDB could become a valuable source of data for the new ESRB. The ESCB data dissemination model with selected euro area statistics and national breakdowns in one single database but with presentational lay-out specific to each NCB was also emphasized as an example which combined efficiency, consistency and diversity.

9.5 The CMFB thanked ECB DG-S for the presentation.

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## **10. ANY OTHER BUSINESS**

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13.2 The Chairman thanked the participants, the interpreters, and Eurostat for the organisation and closed the meeting.

Next CMFB meetings are 1-2 July 2010 and 3-4 February 2011.

**CMFB 28-29 January 2010 – LIST OF PARTICIPANTS**

<i>Country</i>	<i>Delegate</i>	<i>Organisation</i>
<b>BELGIQUE/BELGIË</b>	Mr Roger DE BOECK	Banque Nationale de Belgique
	Mr Rudi ACX	Banque Nationale de Belgique
<b>BULGARIA</b>	Ms Gergana MIHAYLOVA	National Statistical Institute
	Mr Emil DIMITROV	Bulgarian National Bank
<b>CESKA REPUBLIKA</b>	Mr Jan HELLER	Czech Statistical Office
	Mr Petr VOJTISEK	Czech National Bank
<b>DANMARK</b>	Ms Kirsten WISMER	Danmarks Statistik
	Mr Tue M. MATHIASSEN	Danmarks
<b>DEUTSCHLAND</b>	Mr Gerhard ZIEBARTH	Deutsche Bundesbank
	Mr Robert KIRCHNER	Deutsche Bundesbank
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	Ms Agnes NAARITS	Statistical Office of Estonia
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	Mr Joe MCNEILL	Central Bank and Financial Services Authority of Ireland
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	Mr Andreas KARAPAPPAS	Bank of Greece
	Mr Nicos KAMBEROGLU	Bank of Greece
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	Mr Marian Laurentiu MUSTAREATA	National Bank of Romania
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	Mr Ari TYRKKÖ	Statistics Finland
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	Mr Gunnar BLOMBERG	Sveriges Riksbank
<b>SWITZERLAND</b>	Mr Philippe KÜTTEL	Swiss Federal Statistical Office
<b>UNITED KINGDOM</b>	Mr Joe GRICE	Office for National Statistics
	Mr Stephen SABINE	Bank of England
<b>CROATIA</b>	Ms Verica ROKNIC	Central Bureau of Statistics
	Mr Igor JEMRIĆ	Croatian National Bank
<b>TURKEY</b>	Mr Fikret KARABUDAK	Central Bank
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<b>SERBIA</b>	Mr Milan SOJIC	National Bank of Serbia
<b>KOSOVO</b>	Mr Mentor GECI	Central Bank of Kosovo
<b>OECD</b>	Mr Nadim AHMAD	
<b>IMF</b>	Mr Alfredo M. LEONE	
<b>EBC DG-S</b>	Mr Werner BIER, Mr Francis GROSS, Mr Jean-Marc ISRAËL, Mr Reimund MINK, Mr Gabriel QUIRÓS, Ms Alda MORAIS	
<b>DG ECFIN</b>	Mr.Alexandru ZEANA, Ms. Alice ZOPPE	
<b>EUROSTAT</b>	Mr Gallo GUEYE, Mr Roberto BARCELLAN, Mr Luca ASCOLI, Ms Daniela COMINI, Mr John VERRINDER, Mr Denis LEYTHIENNE, Mr Carsten OLSSON, Mr Herve RENNIE, Mr Lars NORLUND	



Committee on Monetary, Financial and Balance of Payments  
Statistics

Plenary session  
28-29 January 2010

Luxembourg  
Jean Monnet Building, Room M6

## **Agenda**

Documents will be made available on CIRCA at the following address:

<http://forum.europa.eu.int/Members/irc/dsis/cmfb/home>

***The meeting starts at 9.30 on 28 January 2010***

### **PART A - ITEMS FOR DISCUSSION**

**1. OPENING**

**2. ADOPTION OF THE AGENDA (CHAIRMAN)**

**3. ORGANISATIONAL MATTERS**

1. Organisational matters (Chairman)

**4. EXCESSIVE DEFICIT PROCEDURE**

1. EDP activities – Progress report (Eurostat)
2. Manual on Government Debt and Deficit – Progress report (Eurostat)

**5. REVISION OF INTERNATIONAL STANDARDS**

1. 2008 SNA – Progress report (Eurostat)
2. State of play on the revision of the ESA 95
  - General progress (Eurostat)
  - Draft Transmission Programme (Eurostat)
  - Specific implementation issues (ECB DG-S)
3. Coordination issues related to the implementation of new National Accounts and Balance of Payments transmission programmes
  - a. Roadmap (Eurostat/ECB DG-S)
  - b. National presentation (NL)
  - c. National presentation (PT)
  - d. Draft questionnaire (CMFB Secretariat)

**6. FINANCIAL STABILITY STATISTICS <sup>1</sup>**

1. European Systemic Risk Board (ECB DG-S)

**7. NATIONAL ACCOUNTS**

1. Eurostat National Accounts Conference – follow-up (Eurostat)
2. Towards a revision policy for National Accounts and Balance of Payments: Outline for impact study (Eurostat/ECB DG-S)
3. Quarterly sector and euro area accounts:
  - a. Task Force on quarterly European accounts by institutional sector - Progress report (ECB DG-S/Eurostat)
  - b. Publication of key indicators by country (Eurostat/ECB DG-S)
  - c. Financial statistics for euro area accounts: Progress report on the implementation of the STC Mandate to the WG EAA on the Groupe de Réflexion Recommendations (ECB DG-S)

**8. INTERNATIONAL ACCOUNTING STANDARDS**

1. Task Force on Accounting and Statistics – completion of the taxonomy projects and possible way forward (Eurostat/ECB DG-S)

**9. PRODUCTION OF EU STATISTICS**

1. Communication from the Commission to the European Parliament and the Council on the production method of EU statistics: a vision for the next decade (Eurostat)
2. A user and producer's approach to increasing efficiency and effectiveness in statistics production: ECB experiences (ECB DG-S)

**10. ANY OTHER BUSINESS**

***Meeting expected to end at 13:00 on 29 January 2010***

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<sup>1</sup> See also items 7.3.a and B.9

## **PART B - POINTS FOR INFORMATION<sup>2</sup>**

### **CMFB INTERNAL MATTERS**

1. Main developments since the last CMFB meeting (CMFB Secretariat)

### **BALANCE OF PAYMENTS**

2. FATS related issues – Progress report (Eurostat)
3. RoW Task Force – Progress report (Eurostat/ECB DG-S)
4. FDI network – Progress report (Eurostat/ECB DG-S)
5. Working Group on External Statistics – Progress report (ECB DG-S)

### **MONEY AND BANKING STATISTICS**

6. Attribution of banknotes within euro area members states – Progress report (ECB DG-S) [postponed]
7. Investment fund statistics (ECB DG-S)

### **NATIONAL AND FINANCIAL ACCOUNTS**

8. Financial Accounts Working Group - Progress report (Eurostat)
9. Working Group on Euro Area Accounts – Progress report (ECB DG-S)
10. NACE Rev. 2 implementation plans for National Accounts (Eurostat)
11. EU-KLEMS – Progress report (Eurostat) [postponed]

### **PUBLIC FINANCE STATISTICS**

12. Pensions – Progress report (Eurostat/ECB DG-S)
13. COFOG data – Progress report (Eurostat)

### **COORDINATION**

14. EuroGroups Register – Progress report (Eurostat)
15. Principal Global Indicators (Eurostat/ECB DG-S)

### **STATISTICAL INFRASTRUCTURE**

16. SDMX initiative – Progress report (Eurostat/ECB DG-S)

### **PRICES**

17. HICP activities - Progress report (Eurostat)

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<sup>2</sup> The points for information will be discussed during the meeting only if a representative informs the CMFB secretariat two weeks before the meeting