



MAIN CONCLUSIONS AND LIST OF ACTIONS OF THE CMFB MEETING HELD ON 30-31 JANUARY 2003

FINAL VERSION

1. The CMFB members approved the **agenda** for the meeting. At the request of DG ECFIN, an additional item concerning the draft regulation on quarterly financial accounts for general government was added under part 4 of the agenda (excessive deficit procedure, see point 18 below). The **minutes** of the CMFB meeting held on 4-5 July 2002, as well as the **reports of the Executive Body (EB)** meetings held in Rome (29-30 October 2002) and Frankfurt (12-13 December 2002) had already been approved by the Committee according to its Rules of Procedure. Both the agenda and the list of participants are provided in an annex to this list of actions.
2. Mr Keuning and Mr Lehtonen, former Chairmen of the Committee, reviewed the **work conducted by the CMFB during the last two years**. Much work has been carried out in the field of balance of payments statistics (draft regulation, analysis of asymmetries, harmonised reporting form for multinational enterprises, quality considerations, revision policies, etc.) The Committee also played a role in the follow-up of the EMU Action Plan, and discussed matters related to seasonal adjustment and data transmission standards. The CMFB has continued providing opinions in the context of excessive deficit procedure, and is in the process of setting out in greater detail the role of the Committee in these consultations. On external communication, the CMFB has set-up a web site (which will be maintained by the ECB), and adopted a logo. The members of the CMFB thanked Mr Keuning and Mr Lehtonen for their achievements and commitment during their chairmanships.
3. Mr Cordier, CMFB Chairman, presented his **work programme for the next two years**, prepared in co-operation with the EB. The two main challenges for the Committee will be the integration of Candidate Countries, and quality considerations (methodological problems, links with business accounting and international accounting standards, frequency and timeliness of data, estimations and revisions, and inter-sectoral coherence). The document presented by Mr Cordier further detailed the main domains where the CMFB will play a role during the next two years (statistical infrastructure, balance of payments statistics, statistics for the excessive deficit procedure, integrated framework for quarterly accounts, etc.) The CMFB endorsed the work programme for the next two years. Mr Cordier noted that the activities of the Committee in between the plenary sessions will be reported to the CMFB members using a "log" in a format similar to the one presented under item C.1. of the agenda. The Committee will adopt in the coming months a CIRCA framework for internal communication (transmission and stocking of documents).

4. The CMFB endorsed a document presented by the EB on **revision of CMFB areas of interest and rules of procedure**. The document updates without major changes the current range of interest of the Committee, and takes into account the Memorandum of Understanding signed by the Commission (Eurostat) and the ECB (DG Statistics). One CMFB member provided comments about the breakdown between different categories of topics. The CMFB adopted the document, which is provided in annex of this list of actions. It will also be placed in the CMFB web site.
5. The CMFB discussed the progress report of the **Joint Eurostat/ECB Task Force on quarterly European accounts by institutional sector**. Mr Bier (ECB) mentioned that, at the July 2002 CMFB meeting, the Task Force was asked to (a) propose a timetable for its work programme, (b) conduct a stocktaking exercise on national practices, (c) consider conceptual issues, (d) examine the consistency of the rest of the world (RoW) and balance of payments (BOP) accounts, and (e) draft a proposal for legislation. He also noted that progress is needed both for political (EMU Action Plan, Economic and Financial Committee (EFC)) and analytical reasons.
6. He noted that there has been progress in the last months on these five issues. On (b) the Task Force reported that Member States would be able to compile relevant data for general government and RoW (or BOP) sectors, but few can yet provide all data for household or corporation sectors. On conceptual issues (c) the Task Force restated the conceptual equivalence of the RoW and BOP accounts and examined the treatment of the European Institutions. On (d) the Task Force recommended using European BOP (rather than the sum of Member States' RoW accounts) to measure the European RoW account (at least in the beginning). As for (e) the Task Force formulated a questionnaire in the form of a transaction-by-sector table that it proposes should be the basis of future quarterly transmission. Finally, as for the timetable (a) the Task Force presented in the document a work programme for the coming months.
7. The CMFB members welcomed the progress of the Task Force. In the discussion that followed, they stressed that close co-operation between balance of payments statisticians and national accountants is needed, and that links with monetary union financial accounts and money and banking statistics are also necessary. The adoption of option 2 (use of BOP data to compile the RoW) would require some more detail than the current proposal included in the draft BOP regulation, and would require shortening of the transmission deadline for quarterly BOP data. The members of the CMFB asked for a small task force to check the feasibility of this option. Most of the members also noted that the timetable proposed by the Task Force was very demanding, and they requested some prioritisation. The CMFB members also asked the Task Force to devote some effort on estimation procedures and on the problem of asymmetries. Some members noted that the Task Force should also address the problem of reconciliation between quarterly non-financial and financial accounts. They stressed the need to conduct test exercises first, and that clear procedures are needed for national publication and data transmission.
8. The CMFB concluded that the project is very demanding and ambitious. The Task Force will review the timetable according to the following priorities. The next step should be to look at real data. Then the task force will have to re-assess the

transaction details needed for the project. There is a need for legislation, but this should be "light" at first and supported later on by comitology. The project should give priority to data used for the compilation of key indicators (e.g. household savings). The Task Force should also come up with proposals for transparent balancing techniques within the framework of the whole set of sector accounts. It should co-ordinate with other EU groups on methodological issues, and address the matter of the co-ordination concerning the publication of European and Members States' data. The Task Force will report back to the CMFB on these issues in June 2003. A Task Force should be set up under the BOP working groups to consider the BOP issues, and report back to the BOP Working Group in October 2003.

9. Mr Israël (ECB) described the current status of the **update of the ECB Guideline ECB/2000/4 on balance of payments statistics**. The Guideline is at present being discussed by the ECB Legal Committee (LEGCO), and afterwards it will be transmitted for comments (by written procedure) to the ESCB Statistics Committee (STC) and the CMFB.
10. Mr Meganck (Eurostat) referred to the current status of the **draft regulation on balance of payments statistics**. Eurostat organised a meeting of Directors of BOP statistics on 12 December 2002 in order to prepare the discussion at the CMFB. He stressed that it is a framework regulation concentrating on output requirements (no reference to the input), and that changes in the annexes occurring after the adoption of the regulation (including the level of detail, geographical breakdown, quality indicators and reports, etc.) will be left to the Committee (under comitology procedures) planned to be set up for this purpose.
11. He also mentioned that the level of annual detail for services and foreign direct investment requested by the Commission is that included in the recently published Manual on Statistics of International Trade in Services. The geographical breakdown would be that requested by the main users (DG Trade). The Commission is not in a position to reduce this request, because these data are very much needed for trade negotiation purposes. In order to allow for flexibility, Eurostat has included an article in the regulation allowing for the transmission of best estimates, as suggested by some Member States. As for the quarterly request, Mr Meganck reminded the committee that the additional details (and timeliness considerations) asked for by the Task Force on European Quarterly Sector Accounts will be studied in the coming months by the small task force set up for this purpose (see point 8 above).
12. Some CMFB members suggested during the discussion a revision of the modalities of the planned Committee, and proposed that this Committee should eventually work under Article 5 of Council Decision 1999/468/EC instead of Article 4 (it should be a regulatory committee instead of a managing one). Some members also suggested that the Committee should also be involved in data transmission mechanisms, and Article 13 should be accordingly revised. Some concerns were also expressed about the quality and the confidentiality of some very detailed data that would be requested.
13. Eurostat will inform the SPC in March 2003 on the progress of this regulation, and will start the legislative procedure afterwards. As for the additional quarterly

information (and the timing) asked by the Task Force on Quarterly Sector Accounts, the small task force set up for this purpose will report to the BOP Working Group in October 2003. This should not postpone the adoption of the current draft regulation. New requirements will be dealt by the Committee. CMFB members can transmit drafting comments on the main text of the regulation until the end of February 2003.

14. By July 2004 the Commission will have to write a report on the application of **Regulation 2560/2001 concerning cross-border payments**. This report will address the question (among others) of the advisability of raising the threshold for balance of payments reporting from € 12,500 to € 50,000 in 2006. At the request of the EB sub-group on BOP, the CMFB agreed to conduct a quantitative exercise, also involving Candidate Countries, on the possible effects of this rise, in the framework of the Technical Group Asymmetries and Codification, to be finalised by May 2003. On the basis of this exercise (and of any other relevant information) the CMFB will prepare a document on this issue. Moreover, Eurostat will further discuss this matter with the relevant Commission services in the coming weeks, and the ECB will associate the payments systems departments in the discussion.
15. Mr Franchet (Eurostat) informed the CMFB that the Commission adopted in November 2002 a **Communication to the European Parliament and the Council on euro-zone statistics**, to be transmitted to the European Council of March 2003. The EFC discussed this document on 15 January 2003 (the outcome was sent to all CMFB members on 3 February 2003), and the ECOFIN will review it (under point A of the agenda) on 18 February 2003. The main guidelines are (1) to support the further development of European macro-economic statistics based on sound methodological principles (and, in particular, to give support to the set of Principal European Economic Indicators); (2) to support a rigorous compliance monitoring of statistics for the excessive deficit procedure and the stability and growth pact; and (3) to ensure that all necessary measures are taken to strengthen and safeguard trustworthy official statistics, including the scientific independence of Eurostat and the national statistical institutes.
16. Mr Franchet also informed the CMFB that the EFC adopted the **5th progress report on the implementation of information requirements in EMU** (the document was transmitted to all CMFB members for the meeting), and it will also be transmitted to the ECOFIN Council of 18 February 2003 under point A of the agenda. Eurostat noted that the Friends of the Chair (FROCH) group (where the CMFB is represented) had been involved in this progress report and, moreover, the "action plan network" had been consulted for the tables included in the document.
17. The Commission also adopted in November 2002 a **Communication to the European Parliament and the Council** on the needs and the means to upgrade the quality of budgetary statistics. This Communication includes an annex related to a **"code of best practice"** on the compilation and reporting by Member States, and the provision of data by the Commission, within the context of the excessive deficit procedure. This document was discussed during the last EFC in January 2003 and has been sent to the EFC for written consultation. After the formal endorsement at its meeting on 10 February, it will be transmitted to the ECOFIN Council on 18 February 2003.

18. The CMFB provided on 10 May 2001 a positive opinion on a proposal for a Regulation of the European Parliament and the Council implementing Council Regulation 2223/96 with respect to **quarterly financial accounts for the general government**. During the meeting DG ECFIN asked the CMFB members for an addendum on this legislation in order to get quarterly data for the public debt according to the Maastricht definition. DG ECFIN stressed that this does not imply quarterly notification procedures. Some CMFB members mentioned that this information would in principle be available, but they needed time to think about the proposal. The question of the co-ordination with the annual data was also raised. CMFB members will provide written comments on this issue to the CMFB secretariat no later than Friday 14 February 2003.
19. The CMFB discussed the role of the Committee in the consultations related to the excessive deficit procedure (EDP). A draft document on "**Procedure for CMFB consultations in the context of EDP**" was transmitted to all CMFB members on 20 January 2003 for written comments. Their remarks were considered in the draft that the Executive Body discussed on 29 January 2003 (the evening before the CMFB meeting). The secretariat circulated to all CMFB members during the meeting a revised version that included the additional comments provided by the members of the Executive Body.
20. The members of the CMFB welcomed the document, which serves to clarify and bring transparency to the role of the Committee in this process. CMFB members expressed concerns with the short time that might be allowed for some consultations. Moreover, they noted that the country concerned by a given consultation should be in a position to explain its arguments. Some CMFB members pointed out that the timing of the working groups should be adapted across the whole year, in order to provide opportunity for in-depth discussion in one of these groups. Moreover, some members also mentioned that consultations should preferably not be launched during difficult (holiday's) periods. Some concerns were expressed about the eventual participation of DG ECFIN in the "light" task force set up for very urgent cases. Eurostat mentioned that it does not try to unnecessarily speed up fundamental issues. However Eurostat also receives specific requests from Member States for quick action, and a "fast-track" procedure is needed in those cases. Eurostat asked for a pro-active attitude from national statistical institutes and national central banks in situations where they detect in time issues which merit investigation. It also mentioned that it was difficult to adapt the timing of the working groups.
21. The CMFB members may address further drafting suggestions on the document to the CMFB secretariat no later than Friday 7 February 2003. The document might be the object of further revision only depending on the outcome of the EFC document on the "code of best practices" (see item 17 above). The CMFB agreed that 30 working days should be allowed in principle for all the cases eligible for the "fast-track" procedure (in line with the "code of best practices"). The CMFB recommended also as a general rule that no late information (after the task force) should be transmitted by the country concerned (as this country would be represented in the task forces dealing with the subject, even in the case of the "light" task force mentioned in the document in case of extreme urgency).

22. The 4th EFC report endorsed by the ECOFIN in November 2001 invited the SPC, in co-ordination with the CMFB, to make proposals in order to operationally assess the various dimensions of **quality**. In January 2002, the CMFB set up a Joint ECB/Eurostat Task Force on output quality, with the mandate to define a set of indicators to operationally assess the various dimensions of quality, and to provide guidance to users when interpreting statistical data. The report of the Task Force to the CMFB concentrates on balance of payments statistics, and it is based on the IMF's Data Quality Assessment Framework (DQAF). Pilot and feasibility studies were conducted during the second half of 2002; moreover the ECB devised a quality tool in order to obtain these indicators. Member States are invited to conduct an empirical exercise during March/April 2003 on the quality indicators (applied to their BOP contributions to the European aggregates), in order to prepare the discussion of the Task Force in May/June 2003 and the report to the CMFB in June 2003. The Task Force also recommended to communicate the results (only on the aggregates) to the main internal users after the completion of the empirical exercise.
23. The CMFB members welcomed the progress report of the Task Force on output quality. They recommended that the indicators be assessed during the empirical exercise, and to come to the 2003 June CMFB meeting with a set of priorities (key and ancillary indicators). Moreover the CMFB asked the Task Force to prepare a "prototype" report for June 2003, if possible with real data. The CMFB members asked the Task Force to eliminate any reference to the accuracy dimension in the report (because this dimension refers mainly to the input).
24. As for **quality indicators in quarterly national accounts**, the informal meeting of Directors of National Accounts, which met on 29 January 2003, noted that this would be a very demanding task. A task force will meet in spring 2003 in order to define a mandate and the work programme, and would report to the CMFB in June 2003. Work should start modestly focusing on a few key issues such as revisions of quarterly national accounts.
25. The CMFB discussed a document on **further convergence of revision practices (first experiences in BOP)** prepared by the ECB and Eurostat. Indeed Member States had stressed during the meetings of the BOP working groups that a prerequisite for further harmonisation of revision practices is that both Eurostat and the ECB converge on their transmission deadlines. The document presented to the CMFB showed the alignment achieved by both institutions. It was stressed that revisions could be provided at the specified times but that it was not mandatory to send revisions on all such occasions.
26. The CMFB members welcomed the document and stressed that it was a very important topic, which merit further discussion in the future. They provided some technical remarks on the document (for example, possible lack of consistency in the proposal between stocks and flows). They mentioned that revisions are important in order to improve the quality of the data. Some members were concerned by the number of the revisions imposed by the ECB-Eurostat agreement. On the other hand the argument was made that the sizes of the revisions are more troublesome for the users than their frequencies. The CMFB members also stressed the need for further integration between balance of payments statistics and national accounts revision practices (taking into account that in some Member States the first set is an input for

the second). Some CMFB members asked to concentrate the ECB and Eurostat's requests on the T+9 and T+21 deadlines (although the transmission of the fourth quarter is also important for both Eurostat and the ECB). On this point, Eurostat mentioned that it could eventually study the transmission of detailed services at T+9, as long as the data are effectively sent to Eurostat within this deadline and a set of quarterly data consistent with the annual figures is also transmitted. The CMFB invited Eurostat and the ECB to come to the June 2003 CMFB meeting with a revised version of the document, which should reflect those comments and include contributions from national accounts statisticians. Further thought about the appropriate routes towards a better co-ordination of the revision policies of statistics in Europe appeared necessary.

27. Mr Bier presented to the CMFB a document on **priority areas for an efficient flow of statistical data between the European Statistical System (ESS) and the European System of Central Banks (ESCB) (progress report and code of practice)**. The aim is that each of the data sets needed for short-term analysis are transmitted throughout both the ESS and the ESCB in GESMES/CB and in a timely fashion. While efforts have been made, progress remains behind schedule. In order to implement an efficient flow of statistical data, and to identify/amend statistical data flows, a Code of Practice has been developed by Eurostat and the ECB. An updated report including any comments from the working groups involved and progress tables per main domains and reporting institutions will be submitted to the CMFB meeting in June 2003, in order to prepare the next EFC progress report.
28. The CMFB also discussed a document presented by Mr Bier on "**general economic statistics: progress report on punctuality and correctness compared to national releases**". National central banks were requested to check if the most up-to-date nationally released data (for a small set of key national indicators) are those included in the ECB databank. After finalising the 6-month test period in February 2003, the STC will review the results and decide on the further practice. The Chairman pointed out that it was an organisational problem rather than a technical one, and CMFB members noted that statistical infrastructure is one of the main priorities of his chairmanship for the next two years. One possibility that would merit some reflection is to implement "shared sites" where all bodies have the same information at the same time. This point will be further discussed by the CMFB in June 2003.
29. Ms Sneijers (Eurostat) described the progress on **financial services statistics**. The Regulation of the European Parliament and the Council amending Council Regulation 58/97 concerning structural business statistics was adopted in November 2002. In order to implement this regulation four Commission regulations have to be adopted through comitology procedure (on derogations, definitions, the series of data to be transmitted, and technical format). She also described the progress on business statistics on credit institutions, voluntary data collection on NACE 65.2 (other financial intermediation) and 67 (financial auxiliaries), and data collection on insurance services and pension funds. The CMFB noted the progress, stressed the importance of improving the available statistics on the relevant sectors (such as insurance corporations), and asked for another progress report in June 2003.

30. The CMFB discussed a document presented by Mr Defays (Eurostat) on **accounting and statistics**. Eurostat started in 2000 to investigate the relationships between business accounting and statistics, and set up an internal Eurostat focal point with the participation of the various interested units, and a task force with representatives from Member States, DG MARKT, ECB, FEE (Fédération des Experts Comptables Européens), and CBSO (European Committee of Central Balance Sheet Offices). Regulation 1606/2002, published in September 2002, requires publicly traded companies to apply international accounting standards (IAS) for the preparation of their consolidated financial statements, at the latest by 2005. This regulation will quite likely affect official statistics through different channels (for example, a large volume of business data is collected from questionnaires sent by enterprises directly to national statistical institutes). Eurostat has launched several exercises in order to assess the potential impact of IAS (which offers both opportunities and risks). Some conclusions can be drawn from the activities conducted so far: the relations between accounting and statistics differ greatly between countries and statistical fields; some countries consider extending the application of the Regulation to non-consolidated accounts; not all IAS will necessarily be adopted in the EU. As IAS will impact differently across countries and statistical domains, Eurostat proposes to adopt a strategy of decentralisation and co-ordination. This co-ordination will be ensured via the discussion of the impact of IAS in the various working groups involved, and through the establishment of a Eurostat-ECB “steering committee”.
31. The members of the CMFB expressed some concerns about the impact of IAS. A major problem would be the lack of attention paid so far to the computation of the profit and loss account of enterprises (as well as their value added). Some members also suggested that national statistical institutes and central banks might be invited to participate in the steering committee on a voluntary basis, in order to take advantage of their expertise. CMFB members also recommended reviving contacts with the European Financial Reporting Advisory Group (EFRAG), in order to discuss some concrete issues such as insurance transactions, or some standards that have not been fixed yet, as well as the BOP project with multinational enterprises. The next STC meeting in February 2003 will discuss a document on the impact of IAS on money and banking statistics. Banks have noted that the exercise to be IAS-proofed, and Basle II-proofed as well, is very demanding, and that some standards have not been fixed yet. Thus the CMFB asked to drive some concrete actions in that field. It welcomed the launching of the steering committee, and suggested making publicly available on a dedicated web site the reports on past and ongoing activities in order to stress the concern of statisticians and share relevant information. It also suggested to try to survey the core statistical needs that the reporting system of private firms should be able to meet, and recommended to address (with priority) the issue of the use of XBRL (eXtensible Business Reporting Language, an XML-based open standard for accounting reporting), stressing that economies of scale should be exploited by private firms as regards their various reporting commitments. Mr Franchet would inform the Commission of the need to address the matter at the European level in the interest of the harmonisation of statistics, and suggested that the Governing Council of the ECB could be informed as well. The CMFB asked the Task Force to report on progress at the next meeting of the CMFB in June 2003.

32. Eurostat presented to the CMFB the progress report on the implementation of the most urgent economic statistical requirements for **Candidate Countries**. This document was discussed during the EFC High-Level meeting with Candidate Countries held in Copenhagen on 30 October 2002. The report indicates that substantial progress has been made by the statistical authorities in Candidate Countries in recent years in most fields. However, important concerns remain as progress has been uneven between countries and statistical areas, and there are important lags in a number of countries on some key indicators. The High-Level EFC meeting invited the Commission and the ECB, in close collaboration, to provide for endorsement by the High-Level meeting of spring 2003 an action plan on economic, monetary and financial statistics. The action plan should specify for the key indicators the countries in which the most urgent progress is required, and suggest commitments for urgent action that the countries concerned should make to improve the situation.
33. Mr Franchet mentioned that the accession of Candidate Countries provides an opportunity for discussing more efficient ways of working through task forces, working groups, and committees. Some best practices of the SPC (for example, exchange of views forms) could be adopted by the CMFB (and viceversa). This item could be discussed between the SPC Partnership Group and the Executive Body during 2003.
34. This was the last CMFB meeting for Ms Ana Sanchez (Banco de España). It was also the last for Eduardo Barredo, the CMFB secretary, who will be replaced by Mr Gallo Gueye. The CMFB members thanked both for their contribution to the Committee. Mr Cordier thanked the CMFB members for their participation, the EB members for their support, and the CMFB secretariat for its assistance. The **next CMFB meeting** will (provisionally) be held on 26-27 June 2003.

**Committee on Monetary, Financial
and Balance of Payments Statistics**

**LUXEMBOURG, 30-31 January 2003
Bâtiment Jean Monnet, Salle M6
Commencing 9:30 h**

Draft Agenda - 10 January 2003

PART A - CMFB INTERNAL MATTERS

1. Adoption of the agenda (5' - 09.35) (*Mr Cordier*)
2. Outgoing Chairman's review of the work conducted by the CMFB (10' - 09.45) (*Mr Keuning / Mr Lehtonen*)
3. Incoming Chairman's work programme for the next two years (20' - 10.05) (*Mr Cordier*)
4. Review of CMFB areas of interest and rules of procedure (20' - 10.25) (*CMFB secretariat*)

PART B - ITEMS FOR DISCUSSION

1. Quarterly Sector Accounts

- a. Progress report of the Joint ECB/Eurostat Task Force on quarterly European accounts by institutional sectors (draft Regulation, compilation of RoW and consistency with BOP, treatment of EU institutions, further work) (*Eurostat/ECB*) (60' - 11.25)

2. Balance of Payments

- a. Recent developments in the regulatory framework (*Eurostat/ECB*) (10' - 11.35)
- b. Draft Regulation on balance of payments statistics (*Eurostat*) (40' - 12.05)
- c. Revision of Council Regulation 2560/2001 (*EB sub-group BOP*) (15' - 12.30)

[break for lunch - the meeting resumes at 14.15]

3. Statistics on the EMU

- a. Follow-up of the EMU action plan (5th progress report) (*Eurostat/ECB*) (30' - 14.45)
- b. Follow-up of the Communication of the Commission to the spring 2003 European Council on euro zone statistics (*Eurostat*) (30' - 15.15)

4. Excessive deficit procedure

- a. Follow-up of the Commission communication on the needs and the means to upgrade the quality of budgetary statistics (EDP best practices) (*Eurostat*) (30' - 15.45)
- b. Procedure for CMFB consultations in the context of EDP (*Mr Cordier*) (30' - 16.15)

5. Quality frameworks

- a. Report of the Joint ECB/Eurostat task force on quality (balance of payments) (*ECB/Eurostat*) (30' - 17.15)
- b. Follow up on national accounts. Oral report (*Eurostat*) (15' - 17.30)

[end of first day - the meeting resumes on 31 January at 09.00]

6. Revision Policy

- a. Further convergence of revision practices (first experiences on BOP) (*Eurostat/ECB*) (40' - 09.40)

7. Data capture and exchange

- a. Follow-up of the co-ordination group on priority areas for an efficient flow of statistical data between the ESS and the ESCB. Progress and Code of practice on data exchange. (*ECB/Eurostat*) (30' - 10.10)
- b. Improving the system of data quality checks for national general economic statistics (*ECB*) (20' - 10.30)

8. Financial Services Statistics

- a. Financial Services Statistics Working Party. Progress report (*Eurostat*) (30' - 11.00)

9. International Accounting Standards

- a. Task Force Accounting and Statistics. Progress report (*Eurostat*) (45' - 11.45)

10. Any other business

11. Candidate Countries

- a. Statistical follow-up of ministerial dialogue between ECOFIN council and Candidate Countries (*Eurostat/ECB*) (60' - 12.45)

PART C - POINTS FOR INFORMATION¹

CMFB Internal matters

1. Main developments since last CMFB meeting in July 2002 and minutes of the Executive Body meetings held in Rome (September 2002) and Frankfurt (December 2002) (*CMFB secretariat*)

Balance of Payments

2. Balance of Payments Working Group. Progress report (*Eurostat*)
3. Working Group Balance of Payments and External Reserves. Progress report (*ECB*)
4. Ad-Hoc Committee on Asymmetries - Progress report (*Ad-Hoc Committee Asymmetries*)
5. Steering Group Multinationals - Progress report (*Steering Group Multinationals*)
6. Technical Group Direct Reporting - Progress report (*TG Direct Reporting*)

Financial Accounts

7. Financial Accounts Working Group - Progress report (*Eurostat*)
8. Working Group Monetary Union Financial Accounts. Progress report (*ECB*)

Short-term Public Finance Statistics

9. Short-term public finance statistics - Progress report (*Eurostat*)

HICP

10. HICP - Progress report (*Eurostat*)

FATS

11. Working Group FATS - Progress Report (*Eurostat*)

¹ The points for information will be discussed during the meeting only if a representative informs the CMFB secretariat two weeks before the meeting

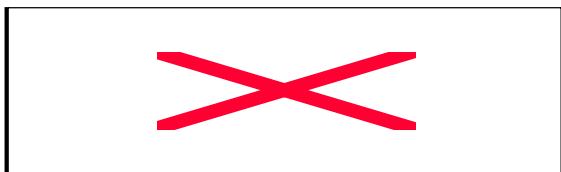
CMFB 30-31 JANUARY 2003 - LIST OF PARTICIPANTS

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LATVIA	Mr Agris CAUNE Ms Maija KURCALTE	Bank of Latvia Central Statistical Bureau of Latvia
LITHUANIA	Ms J. MARKELEVICIUS Mr Raimundas BARZDZIUS	Statistics Lithuania Bank of Lithuania
MALTA	Mr Anton CARUANA GALIZIA	Central Bank of Malta
POLAND	Ms Bożenna JAKÓBIAK Mr Paweł MICHALIK	Central Statistical Office National Bank of Poland
ROMANIA	Ms Adriana CIUCHEA Mr Marian MUSTAREATA	Romanian Institute of Statistics and Economic Studies National Bank of Romania
SLOVAKIA	Mr Pavol BALAZ Mr Gregor BAJTAY	Slovak Statistical Office National Bank of Slovakia

SLOVENIA	Mr Stanislav MARN Mr Janez FABIJAN	Statistical Office of the Rep.of Slovenia Bank of Slovenia
TURKEY	Ms Semra GÜLERGÜN	Central Bank of the Republic of Turkey
EUROSTAT	Mr Yves FRANCHET Mr Bart MEGANCK Mr Pedro DIAZ MUNOZ Mr Klaus REEH Mr Brian NEWSON Mr Marco DE MARCH Mr Dieter GLATZEL Mr Jean-Claude ROMAN Ms Petra SNIJERS Mr Daniel DEFAYS Ms Alice ZOPPE Mr Matti SIKSTROM Mr Luca ASCOLI Mr Paolo PASSERINI Mr Roberto BARCELLAN Mr Denis LEYTHIENNE Mr Gallo GUEYE Mr Eduardo BARREDO CAPELOT Ms Francine KESSLER	
DG ECFIN	Mr Frank SCHÖNBORN	
E C B	Mr Steven KEUNING Mr Michel STUBBE Mr Jean-Marc ISRAEL Mr Werner BIER	
OCDE	Mr François LEQUILLER	



Rules of Procedure (revised on 30-31 January 2003)

**THE COMMITTEE ON MONETARY, FINANCIAL
AND BALANCE OF PAYMENTS STATISTICS,**

having regard to Council Decision 91/115/EEC of February 25th, 1991 as amended by Council Decision 96/174/EC of 26 February 1996 establishing the Committee on Monetary, Financial and Balance of Payments Statistics, and in particular Article 6 thereof,

has drawn up the following

RULES OF PROCEDURE

Article 1: Proceedings

The Committee shall decide to conduct its proceedings either on the basis of meeting in an EEA session or on the basis of meeting in a session comprising only the representatives of the Member States of the European Union.

Article 2: Range of interest and role of the Committee

The range of interest of the Committee is defined in Annex 1 of these Rules of Procedure.

The Committee shall take part in the process of co-operation in statistical matters between the Commission (Eurostat) and the European Central Bank (DG Statistics), taking due account of the Memorandum of Understanding signed by both institutions, and maintaining close links with each, in liaison with the Statistical Programme Committee and the ESCB Statistics Committee.

The Committee shall act in an advisory capacity.

Article 3: Membership

The Committee shall be composed of one, two or three representatives per Member State, coming from the institutions principally concerned with compiling financial, monetary and balance of payments statistics, and of representatives of the Commission (Eurostat) and the European Central Bank (DG Statistics). The current list of the members of the Committee is annexed to these internal rules; it shall be kept up to date by the Secretariat.

In exceptional cases where they are unable to attend, the Members of the Committee may arrange to be represented as long as they inform the Chairman and the Secretariat.

A representative of the Economic and Financial Committee has the status of Permanent Observer. International organisations and other bodies may also be invited to participate as observers at the Committee meetings. Observers can be given the floor by the Chairman.

The Members and Permanent Observer of the Committee listed in Article 4 of the Council Decision may be accompanied by an expert, as long as the Secretariat is informed in time and the Chairman does not object to his or her attendance. An expert can be given the floor by the Chairman, at the request of the Member or Permanent Observer.

Article 4: Chairman and Vice Chairman

The Chairman shall be a member of the Committee and come from one of the Member States of the European Union. The election of the Chairman shall be carried out by ballot, which shall be held in secret if the Committee so decides, and by a simple majority of Member States' votes. The Chairman's place on the Committee will normally be filled by a new representative from the institution of the Member State providing the Chairman.

The Chairman shall be elected for a period of two years (January year N - December year N+1).

The new Chairman shall be elected in the last meeting (usually in June/July year N-1) of the current Chairman's mandate. The current Chairman shall not be entitled to vote in that election. His/her Member State's vote will be cast by the new representative mentioned above and by the Member State's other representatives on the Committee.

The Chairmanship may not be held twice in succession by the same Member State.

One Vice-Chairman shall be elected from among the members of the Committee and shall be appointed in such a way as to ensure that both national central banks and national statistical offices are represented in the chair. This means that if the Chairman comes from a national central bank, the Vice-Chairman must come from a national statistical office and vice versa. The election shall be carried out by ballot, which shall be held in secret if the Committee so decides, and by a simple majority of Member States' votes. The term of the Vice-Chairman shall coincide with that of the Chairman of the Committee.

If the current CMFB Chairman steps down during his term of office, he/she will be replaced by the current Vice-Chairman until the end of his former mandate. This does not preclude that the newly appointed Chairman is also elected Chairman for a next term, provided that the term of his/her chairmanship under the current mandate does not exceed one year. A new Vice-Chairman will then be nominated by the new Chairman and approved by the CMFB according to the procedure in the previous paragraph, unless the remaining period under the current mandate is less than six months. In that case, the executive body appoints one of its

members as acting Vice-Chairman for the remaining period. If the former Vice-Chairman (who replaces the previous Chairman) comes from a national central bank, the newly appointed (acting) Vice-Chairman must come from a national statistical institute and vice versa. If the new Vice-Chairman is chosen from within the executive body, a new executive body member is selected as described in article 9 below.

If the current Vice-Chairman steps down during his term of office, he/she will be replaced by a member of the executive body from his/her constituency (national central bank or national statistical institute), following a nomination by the Chairman and the approval of the CMFB. A new member of the executive body will then be selected as described in article 9 below.

Article 5: Voting procedure

Voting in the Committee shall be confined to the adoption of these Rules of Procedure and any amendment to them, and to the election of the Chairman, Vice-Chairman and other Executive body members; and shall be by a simple majority of votes cast. The vote of each Member State shall be split into a half vote for the national statistical institute and a half vote for the national central bank. The Commission (Eurostat) and the European Central Bank have one vote each.

In the absence of a representation of a Member State's national central bank or national statistical institute at the meeting, the half vote belonging to the absent institution is transferred to the representative of the institution of the same Member State that is present.

Article 6: Consultation of the Committee

The Committee may be consulted by the Commission (Eurostat) and the European Central Bank (DG Statistics). If necessary, the Chairman will then draft and circulate a questionnaire for the purpose of ascertaining the Committee's views on matters concerning the range of interest of the Committee. The Chairman, assisted by the Executive Body, shall prepare a summary record of the consultation.

Article 7: Frequency and timing of meetings

The Committee shall meet at least twice a year.

In agreement with the Commission (Eurostat) and the European Central Bank (DG Statistics), the dates of Committee meetings shall be co-ordinated as far as possible with those of meetings of the Statistical Programme Committee and the European System of Central Banks' Statistics Committee.

Article 8: Organisation of meetings

8.1 Convening of meetings and Agenda

The Chairman shall convene meetings.

The Secretariat shall draft an agenda for each meeting, taking account of the requirements of the Commission (Eurostat) and of the European Central Bank (DG Statistics) and of the

requests of other Committee Members or the Permanent Observer, which it receives from the Chairman. The Chairman shall finalise the agenda in liaison with the secretariat.

In response to a request from a Member, or on his own initiative, the Chairman may enter an item on the agenda at the beginning of a meeting, on the condition that the Committee agrees. Items on the agenda for information will not be discussed during the meeting unless a Member requests to do before the meeting.

The notice convening the meeting and the agenda shall be sent by the Secretariat to arrive at least 15 days before the meeting. In urgent cases, this period may be reduced to 8 days.

8.2 List of actions and main conclusions

The draft list of actions and main conclusions of each meeting shall be drawn up by the Secretariat. After approval by the Chairman, this list shall be sent to the Committee Members and the Permanent Observer within 15 days of the meeting.

The list of actions and main conclusions shall reflect the main outcomes of the meeting. Minority views will be reflected if at least three members request the Chairman during the meeting to do so.

In the absence of written observations received by the Secretariat in the following 30 days, the list of actions and main conclusions are deemed to have been approved.

If substantial written comments on the list of actions and main conclusions have been received by the Secretariat within the above time limit, a second version shall be submitted to the Committee for approval according to the same procedure.

Article 9: Executive body

The proceedings of the Committee shall be prepared regularly by an executive body. In particular, the executive body shall identify issues arising from requests of users or suppliers of statistics and submit them to the Committee for consideration.

The executive body shall be elected by the Committee on the proposal of the incoming Chairman.

The executive body shall be chaired by the Chairman of the Committee.

No votes shall be taken in the executive body.

The executive body shall be assisted by the Secretariat of the Committee.

In addition to the Chairman, the members of the executive body shall comprise:

- i) the previous Chairman of the Committee;
- ii) the Vice-Chairman of the Committee;
- iii) three members of the Committee that come from a national central bank in the EEA;
- iv) three members of the Committee that come from a national statistical institute in the EEA;
- iv) a committee member of the Commission (Eurostat); and
- v) a committee member of the European Central Bank (DG Statistics).

The term of the members of the executive body referred to in (iii) and (iv) coincides with that of the Chairman of the Committee. These members of the executive body shall be eligible for re-nomination. The Chairman of the European Central Bank Statistics Committee should always be a member of the executive body.

If a member of the executive body steps down during his term of office, he/she will be replaced by someone from his/her constituency (national central bank or national statistical institute), after being nominated by the Chairman and approved by the Committee. This does not apply, however, to the previous Chairman, who will not be replaced if he steps down before his term of office ends.

The above rule is applied in such a way that no more than one member of the executive body is a committee member from a single Member State.

If the executive body member of the European Central Bank (DG Statistics) or the Commission (Eurostat) steps down, he will be replaced both at the CMFB and at the executive body by his successor in these institutions or, pending appointment, by a substitute.

Article 10: Secretariat

The Secretariat's main responsibilities are the following:

- to assist the Chairman in the performance of his duties;
- to draw up draft agendas for meetings;
- to provide operational support for meetings;
- to draw up the draft list of actions and main conclusions of Committee meetings;
- to organise a technical liaison between the Committee and other bodies;
- to keep the Committee's archives;
- to keep the Committee's web site up to date (under the direct responsibility of the Chairman).

The duties of the Secretariat shall be undertaken jointly by Eurostat and the Directorate General Statistics of the European Central Bank

Article 11: Work Programme

At the meeting following his or her election, the new Chairman shall present to the Committee for approval a work programme for his or her term of office. This programme, drawn up in co-operation with the executive body, following consultation with the Commission (Eurostat) and the European Central Bank, shall cover the full range of interest of the CMFB. Once approved by the Committee, the work programme shall be sent for information to the Statistical Programme Committee and the Statistics Committee. At the end of his or her term of office, the Chairman shall present to the Committee a review of the work performed by the Committee under his or her chairmanship.

Both the Commission (Eurostat) and the European Central Bank may put in place work programmes for the two-year period of the Chairman. These programmes may cover the range

of interest defined in Annex 1. They may be presented jointly to the Committee so that it can see that the two are complementary and avoid duplications.

Article 12: Candidate Countries

Two representatives from each Candidate Country (one coming from the national statistical institute and one from the national central bank) shall be invited to participate in the plenary meeting as observers.

Article 13: External Relations

The Committee may be represented at the meetings of the Statistical Programme Committee and the Statistics Committee by the Chairman or the Vice-Chairman.

The Committee may nominate a member to participate in meetings of international organisations or other meetings in matters falling under its purview.

Article 14: Financial aspects

The Commission shall assume the costs incurred by Committee Members coming from the Member States of the European Union for attending meetings, subject to the limit set by the administrative regulations in force.

Done in Brussels, 5 July 2002.

Article 2 revised, 27 June 1991.

Various revisions, including Articles on Proceedings, the Executive Body, voting procedure and election of two Vice-Chairmen, June 1993, with additional amendments recommended at the October and December 1993 meetings of the Executive Body. These amendments agreed by CMFB plenary meeting 3-4 February 1994.

Article 3 and 7 revised 30-31 January 1995.

Article 3, 4, 5, 7, 8 revised 30-31 January 1997.

New Article 2, 6, 11, 12, 13. Rest of Articles revised. These amendments agreed by CMFB plenary meeting 1-2 July 1999.

Articles 4, 8, 9, 10, 12, and Annex 1, revised. These amendments agreed by CMFB plenary meeting 4-5 July 2002.

Article 2 and Annex 1, revised. These amendments agreed by CMFB plenary meeting 30-31 January 2003.

RANGE OF INTEREST OF THE CMFB (*)

MACROECONOMIC DOMAINS

SPECIFIC INTEREST

Balance of Payments
Foreign Direct Investment and other elements of the
International Investment Position

Financial Accounts
Quarterly Sector Accounts
Public Finance Statistics
Providing opinions in the context of the Excessive
Deficit Procedure
Financial Services Statistics
Co-ordination in other fields of common interest

INTEREST IN CO-OPERATION WITH THE SPC
(THE SPC ACTING AS THE RESPONSIBLE
BODY)

HICP
FATS
Trade statistics in relation with BOP

HORIZONTAL ACTIVITIES

INTEREST IN CO-OPERATION WITH
THE SPC AND ESCB's STC

Seasonal adjustment methodology and
practices
Data capture and exchange

Quality frameworks
Accounting standards
Revision policy
EMU action plan

(*) the Council Decision of 26 February 1996, amending
Decision 91/115/EEC establishing the CMFB states: "the
Committee may express opinions on its own initiative on
any question relating to those statistics that are of common
concern to the Commission and NSIs, on the one hand, and
the European Monetary Institute and NCBs, on the other".