

## **Procedures for the consultation of the CMFB about the statistics underlying the Excessive Deficit Procedure**

**(Adopted by the CMFB via written procedure on 27 September 2013)**

**This document states the rules of procedure as regards the consultations launched in order to get a formal opinion from the CMFB concerning the statistics underlying the Excessive Deficit Procedure. In accordance with Article 8c, paragraph 2 of Council regulation 2103/2005 and the Code of best practice on the compilation and reporting of data in the context of the Excessive Deficit Procedure, and with article 10 of Regulation 479/2009 EC, these consultations serve to advise Eurostat when resolving methodological issues that are complex or of general interest, concerning the correct national accounting treatment of government measures. In these consultations, each CMFB Member acts independently.**

The document describes the four steps of the procedure and presents a table fixing the time limits allotted to them.

### **1. Submission step**

The CMFB Chair receives requests for formal consultations either:

- from Eurostat when the consultation is requested by a Member State, or by the Commission on its own initiative or following a request from the Council or the Committees which assist them (Article 2 and 3 of Council Decision 2006/856/EC); or
- from any Member of the CMFB when the consultation may be launched on the initiative of the CMFB (Articles 2 and 3 of Council Decision 2006/856/EC). In this case, the CMFB Chair considers the request together with Eurostat, and decides whether a formal consultation of the CMFB is necessary.

The requests are submitted in writing, preferably by an electronic letter. The requests must be accompanied by a detailed explanation of the case, including all relevant information.

The CMFB Chair, after consulting Eurostat, decides on the timetable of the following steps of the consultation, giving consideration to both the complexity of the case and the urgency of the request.

Either an ‘extensive procedure’, in which case a working group is set up, or a ‘fast track procedure’ may be agreed upon. An extensive procedure is used when the concerned case requests an in depth analysis without presenting any urgency.

The specific time limits that apply generally for these procedures are set in the Appendix below.

Flexibility in timing should allow to deal with all circumstances, including cases when an in depth analysis, carried out by an ad hoc task force, is needed in a short time frame.

Should Eurostat and the Member States concerned or any other CMFB Executive Body Member disagree whether the criteria for the 'fast track procedure' are met, the CMFB chairperson would decide upon the procedure to be followed.

Any rejection of a request is communicated to the CMFB with the appropriate explanations. At the same time, the CMFB Chair informs the EFC.

## **2. Preparation and investigation step**

### 2.1.

a) Where a consultation is requested by Eurostat (or by any Member of the CMFB) and when a fast track procedure has been decided, the CMFB Chair, assisted by the CMFB Executive Body, shall hold the consultation on the basis of a background note and questionnaire prepared by Eurostat or, where the consultation is requested by a Member State, prepared by Eurostat and the requesting CMFB Member.

b) The background note shall provide:

- (i) an overview of the basic information available,
- (ii) an exhaustive presentation of the applicable regulation and/or standards that are applicable to the case, a clear and structured background note stating the pros and cons of various options,
- (iii) a decision tree and worked examples (where necessary),
- (iv) and a draft questionnaire.

c) In all those cases, in order to make the reviewing process by the CMFB Executive Body of the submitted documentation and questionnaire as efficient and productive as possible, Eurostat provides after consultation of the ECB DG-S, all CMFB Executive Body Members with a set of documentation and questionnaire that should offer:

- (i) their full expertise in the related issues,
- (ii) a clear and neutral presentation of the statistical issues of the dossier.

d) Should the Member State on behalf of which the consultation is launched by Eurostat wish it, this Member State can provide the CMFB with a complementary documentation, respecting the same features.

e) The whole documentary set is reviewed by the Executive Body.

### 2.2.

a) When a consultation is launched using an extensive procedure, involving a CMFB task force (referred to as: task force), the Chair passes on an invitation from Eurostat to all CMFB Members to state their interest in participating in the task force concerned, possibly inviting a limited number of experts for the sake of efficiency. The task force is made up on a voluntary basis. The Chair verifies to the extent possible that the task force composition is well-qualified and balanced (by country, by institution). If the subject under analysis is specific to a given country, this country must be represented. The ECB is represented in all task forces. The task force may also, where necessary, request a subject matter expert to attend the task force as a consultant on the relevant matter.

b) The CMFB Chair, acting on a case-by-case basis and in-line with the majority view of the CMFB Executive Body, appoints the chair, and if necessary the co-chair, of the task force. In those cases where the chair of the task force would not be a Eurostat representative, the CMFB chair would decide upon it after in depth consultation with Eurostat. The secretariat is provided by Eurostat and the ECB DG-S. The CMFB Executive Body agrees upon the mandate of the task force.

c) The CMFB Chair, with the assistance of the Executive Body, will state the tasks requested in writing to the chairperson of the task force on the basis of the mandate and timetable proposed by Eurostat.

d) The task force should start its work at short notice. It shall provide:

- (i) an overview of the basic information available,
- (ii) a clear and structured background note stating the pros and the cons of various options,
- (iii) a decision tree and worked examples (where necessary),
- iv) and a draft questionnaire.

The task force has the responsibility to propose a straightforward and operational advice about the national accounting treatment of the issues. The task force should build up its analysis and recommendation in the framework of ESA, referring to specific paragraphs. It should strive to reach a consensus. If that is not possible, it should also reflect minority views in the proposed consultation material.

e) The material provided by the task force should be transmitted for comments to the Eurostat National Accounts and Financial Accounts Working Groups (NAWG and FAWG) which consist of experts from all Member States. If the case cannot be discussed at a meeting of those Working Groups due to time constraints, comments in writing may be mailed to Eurostat. Telecommunication facilities are to be used intensively at this stage so as to facilitate the search for a convergence of opinions. The results of the consultation of the Working Groups should be circulated to their members.

f) The task force may integrate further comments into the background note. They shall mention in an annex any minority views to the solutions proposed. They should indicate where comments of NAWG and FAWG have not been reflected in the background note. They should propose a draft questionnaire for the consultation of the CMFB.

g) The chair(s) of the task force pass(es) the material (draft questionnaire; task force background note with the list of the members of the task force and comments from NAWG and FAWG members; other relevant material) to the CMFB Executive Body.

h) In order to make the reviewing process by the CMFB Executive Body of the proposed documentation and questionnaire as efficient as possible, Eurostat provides after consultation of the ECB DG-S, all CMFB Executive Body Members with a tentative final set of documentation and questionnaire that should present the statistical issues of the dossier in the clearest and most neutral way.

i) Should the Member State on behalf of which the consultation is launched by Eurostat wish it, this Member State can provide the CMFB with a complementary documentation before the consultation material has been sent out by the CMFB Chair, respecting the same features.

j) The CMFB Executive Body reviews eventually the whole set of documentation.

2.3. The CMFB Chair decides on the final documentation and on the questionnaire (the final version of the questionnaire in the form of 'tick-box' questions) to be sent to the CMFB Members and launches the consultation.

### **3. Consultation step**

Based on the Appendix (time limits chart), the Chair decides the deadlines of each phase, taking in particular into account the degree of complexity of the matter.

The consultation is made in three successive phases:

3.1. The NSIs and the NCBs that are members of the CMFB return their written replies to the questionnaire to the CMFB Chair, with copies to the CMFB Secretariat. They provide their replies to the ‘‘tick box’’ questions. They also provide the additional arguments (named ‘‘additional arguments’ thereafter) supporting their replies at least if they are not fully in line with the reasoning offered in the background note. The additional arguments should refer to ESA and the jurisprudence based on it. A ‘no opinion’ option is always offered with every question.

During the consultation step, CMFB Members shall act independently providing the best professional input to the consultation. They can share views on technical issues related to the case.

3.2. The ECB DG-S conveys afterwards its answer and potential comments to the CMFB Chair, with copies to the CMFB secretariat. It acts independently, providing the best professional input to the consultation.

3.3.

a) The Chair prepares a summary record of the replies and drafts the CMFB opinion reflecting the majority view of the CMFB Membership which results from the individual answers of NSIs and NCBs of EU Member States and of the ECB to the ‘‘tick box questions’’, disregarding ‘no opinion’ options and non-response, if any. When a quorum of 50% of the CMFB Members plus one vote is not met (without counting the ‘no opinion’ votes), a new and final consultation is launched. The initially non-responding Members are invited to vote positively and negatively during this short second consultation. Otherwise, the following procedure is followed immediately:

b)

(i) The draft opinion, together with the summary record of the answers to the ‘tick box’ questions and all the ‘anonymised’ individual replies (including the ‘no opinion’ ones) with all their ‘additional arguments’, are sent to the CMFB Executive Body Members to assist the Chair in finalising the opinion. If necessary, the CMFB Chair may contact individual CMFB Members to seek clarification of their opinions and national accounts arguments.

(ii) If a wide divergence of views persists with regard to the opinion, the CMFB Chair would call a meeting of the Executive Body to finalise the opinion.

(iii) The Chair consults the CMFB Executive Body on a draft version of the CMFB opinion before finalising the CMFB opinion. If the case refers specifically to a Member State which has a member in the Executive Body, that Member would not be involved in drafting the opinion.

The CMFB opinion should provide a full account of the arguments endorsed by the majority of the CMFB Membership.

It should indicate whether the opinion has resulted from ‘a majority’ (over 50 % of the effective answers to the ‘tick box’ questions), ‘a large majority’ (over 75% of the effective answers to the ‘tick box’ questions) or a ‘very large majority’ (over 90% of the effective answers to the ‘tick box’ questions). The CMFB should strive to reach a consensus and should give a balanced account of the arguments exchanged during the consultation process giving due consideration to documented minority views. In case it does not prove possible to come up with a clear majority view, the CMFB opinion should reflect this outcome. It is reminded that the opinion of the CMFB is always contingent upon the information available to the CMFB Members while holding the consultation.

c) The CMFB Secretariat sends the opinion to all the CMFB Members with, for the information of the CMFB Members only, all the ‘anonymised’ individual full version replies (answers to ‘tick box’ questions

including ‘no opinion’, ‘additional arguments’ and results of possible bilateral consultations with the Chair). CMFB Members may make public their own individual opinion only. Neither CMFB Members nor the CMFB Chair and the CMFB Secretariat are allowed to disclose the individual opinion of any other CMFB Member.

#### **4. Concluding step**

The CMFB has a consultative responsibility.

Eurostat, as the statistical authority of the Commission, eventually decides about the cases and evaluates the consequences as regards the government deficits and debts. It informs the institutions concerned and simultaneously publishes its decision as well as the CMFB opinion. The decisions of Eurostat and the CMFB opinion are communicated to the EFC. The decisions of Eurostat should be systematically included in the ESA Manual on Government Deficit and Debt which is regularly updated.

The CMFB Secretariat will ensure that both the Eurostat decision and the CMFB opinion are put on the CMFB web site ([www.cmfb.org](http://www.cmfb.org)).

The CMFB opinion will be put on the web site within one month of finalisation even if the Eurostat decision has not been announced.

**Indicative time limits  
(at most, in working days)**

Steps	Extensive procedure	Fast track procedure
<b>1. Submission</b>	3	2
<b>2. Preparation and investigation</b>		
2.1. a) and b)		2
2.1. c)		5
2.1. d)		2
2.1. e)		5
2.2. a)	5	
2.2. b)	-	
2.2. c)	3	
2.2. d)	20	
2.2. e)	10	
2.2. f)	5	
2.2. g)	5	
2.2. h)	5	
2.2. i)	5	
2.3.	2	2
<b>3. Consultation</b>		
3.1.		10
3.2.		2
3.3. a)		3
3.3. b) (i)		2
3.3. b) (ii)		(2)
3.3. b) (iii)		3
3.3. c)		2
<b>Total</b>	85	40
<b>4. Decision</b>		-

For every step, the prescribed times include the drafting and communication of the conclusions, closing the current step and opening the next one when appropriate.