

Conclusions and list of actions of the CMFB plenary meetings of

28 January 2021, 10.00-12.30

28 January 2021, 14.00-16.00

29 January 2021, 10.00-12.30

3 March 2021

<i>Actions</i>	<i>Deadline</i>	<i>Responsible</i>
(1) Prepare the questionnaire on SBRs and circulate it to the CMFB Members	Replies by 12 March 2012	Sponsors/Chair/Secretariat
(2) Refine the follow-up actions concerning globalisation and the TF ECI	Next CMFB EB meeting	CMFB EB
(3) Update the mandate of the TF ECI	Next CMFB EB meeting	CMFB EB
(4) Provide a detailed state of play on the CMFB TF on Development Banks	Next CMFB EB meeting	Eurostat
(5) Present final report of the CMFB TF SUFIR	Next CMFB meeting	Sponsors/TF Co-Chairs
(6) Update the CMFB work programme	On time for the ESF Bureau meeting of 22 February	Chair

Thursday, 28 January 2021

1. ADOPTION OF THE AGENDA AND MAIN DEVELOPMENTS SINCE THE CMFB MEETINGS OF AUTUMN 2020 (CHAIR)

- (7) The Chair, Gerard Eding, welcomed participants, including newcomers, and thanked for the work of leavers. He further referred to the changes in the composition of the CMFB Executive Body, thanking Ville Vertanen and Agris Caune for their work, and welcoming Pedro Oliveira and Eliana Psimolophites. He furthermore thanked the outgoing Chair, Andrea Brandolini, for the enormous efforts made over the last three years in the interest of the Committee's functioning.
- (8) The agenda was adopted without comments.

2. UPDATE ON LEI AND BUSINESS REGISTERS

(9) The sponsors introduced the item.

2.1 ESRB recommendation on identifying legal entities, proposed next steps and contributions by the CMFB (ECB DG-S)

(10) ECB DG-S (Francois Laurent) presented the item. The presentation covered the ESRB recommendation as well as the corresponding occasional paper in the making (to be published in Q12021). The implementation of the recommendation should be finalised by end-2023.

(11) Participants welcomed this new impetus to the proliferation of the LEI, especially concerning the news in relation to legal initiatives.

(12) A question was raised on the responsible Committee in the European Commission for the legal initiatives, so that the Committee could communicate joint interests of the statistical community. It was clarified that the LEI initiative was with DG JUST (due to its implications on company law), while DG FISMA was in the lead to follow-up on the ESRB recommendation. However, the LEI initiative should ideally reach beyond the financial sector and cover all legal entities.

(13) Eurostat informed that there is regular contact with DG FISMA in order to ascertain that business register/statistical aspects are taken into consideration.

(14) The Chair thanked for the presentation and concluded that the Committee will continue to promote the use of the LEI. The occasional paper will be distributed to Members once available.

2.2 Questionnaire on the implementation of the CMFB recommendations on the mutual use of the Statistical Business Registers (SBRs) by NSIs and NCBs for statistical and non-statistical purposes (Sponsors)

(15) The sponsors presented the item, outlining the main features of the draft questionnaire. New questions were added (e.g. to address the issue of a feedback loop vis-à-vis reporting entities). The deadline for the questionnaire was foreseen to be 12 March 2021.

(16) The questionnaire received overall support. However, some interventions highlighted that the title refers to SBRs used by NSIs and NCBs, while the questionnaire seems to address mainly NCBs. A symmetric approach could be taken, perhaps by adding a 2nd part, as currently only one question is addressed to NSIs.

(17) Other interventions underlined that this type of asymmetry reflected current organisational arrangements.

(18) A Member thanked the sponsors for introducing new questions to cover additional aspects not directly covered by the CMFB opinion.

(19) The sponsors responded that the asymmetry referred to the state of play as regards the use of SBRs; SBRs are usually hosted by NSIs and NCBs are typically asking for use more often. The level of asymmetry in the questionnaire had been reduced as compared to previous versions but the underlying situation still prevailed.

(20) NCBs and NSIs were kindly requested to cooperate when preparing their response and return a single response per Member State.

(21) The Committee approved the questionnaire and its timetable, subject to the addition of an open question concerning the access to ESCB's RIAD database by NSIs. Results will be presented to the CMFB plenary in July 2021.

3. EUROPEAN DATA STRATEGY (EUROSTAT)

- (22) Eurostat (Pierre Bischoff) presented the item.
- (23) The Committee appreciated the comprehensive presentation.
- (24) The issue of data sharing was not only high on the agenda of European, but also on that of international fora dealing with statistics, especially during the Corona-crisis.
- (25) Concerning the Data Governance Act Proposal, it was emphasised that sector-specific regulations remain in place; therefore, this is not a direct solution for sharing confidential data. The focus remains more on research, but guarantees confidentiality with considerable flexibility to share certain properties of the data – a solution that could be considered for administrative purposes as well, and its potential may be rather high.
- (26) The European Data Act Proposal could certainly open possibilities to improve official statistics via privately held data, providing a basis for both NSIs and NCBs to this end.
- (27) A question was raised concerning a potential role of the ECB/ESCB, to achieve a balanced input from the European statistical community.
- (28) ECB DG-S thanked for the clear and rich presentation. An initiative of such a high strategic importance could benefit from a joint involvement of the entire European statistical community, both by providing high value data and benefitting from new, potentially very valuable (e.g. privately held) data sources. Now the time is right to see how we can join our efforts in order to move ahead maximizing our impact and strongly putting forward the statistical interests in this arena.
- (29) Eurostat responded that the CMFB was the right forum to share information and gather joint views in relation to the European Strategy for Data. The public consultation would be another possibility for NSIs/NCBs to feed in, where a common ESS position would be formulated that could be envisaged for the ESCB as well. A common ESS-ESCB view may emerge from these positions, as the interests of the two systems producing official European statistics seem to be very similar.
- (30) The Chair thanked for the presentation and the rich discussion. The CMFB EB will reflect on the best way to align joint ESS-ESCB interests and formulate possible CMFB contributions to the European Strategy for Data initiative.

4. PROPOSED WAY FORWARD FOR (1) GLOBALISATION VISION AND (2) RECOMMENDATIONS OF THE CMFB TASK FORCE EXCHANGE OF CONFIDENTIAL STATISTICAL INFORMATION (CHAIR)

- (31) The Chair introduced the item by referring to the recommendations put forward to the Committee and recalling the proceedings of the autumn 2020 CMFB plenaries. The EB proposes the following actions:
 - 1. A critical review of the existing concepts and interpretation of confidential statistical information (taking up recommendation 1 of the TF ECI).
 - 2. A pilot cooperation project on the exchange of business register data for statistical purposes between a group of 4 or 5 volunteering NSIs and NCBs.
 - 3. The identification of possible opportunities offered by the EU digital/data strategy for the CMFB work in the field of globalisation and exchange of confidential statistical information.
 - 4. The close follow-up of the issues and progress of the guidance notes with respect to globalisation in the process of the update of the SNA and BPM, and if deemed necessary, the issuance of a CMFB advice/opinion.
 - 5. The update of the strategic model (OGSM) under the CMFB vision on Globalisation early 2022 and the definition of the CMFB work programme in this field for 2022 and subsequent years, also taking into account the outcome of the above mentioned work streams.

- (32) An exploration of a narrower concept for confidential statistical information received support, however other parts of the legal framework should be reviewed as well at some stage. The scope of the mandate of the TF should remain realistic, possibly anchored into the current legal framework and perhaps, as a start, to be restricted to business register information only. The full range of such information is currently seen as confidential and its exchange is very limited, but concrete and feasible results could be achieved over the medium term. Reporting agents should be provided more details as regards the potential sharing of information between NSIs and NCBs, enquiring their permission to allow data sharing. The standard process to facilitate the ESS-ESCB exchange of CSI should form part of the mandate.
- (33) Portugal offered to share experience as regards a collaboration project on the exchange of business register data for statistical purposes between the Portuguese NSI and NCB.
- (34) It was noted that MNEs were not addressed by the recommendations, although they formed a significant part of the vision – further work in this domain may be warranted.
- (35) Eurostat added that the CMFB itself might be somewhat limited in pushing proposals on all fronts outlined (esp. legislative initiatives), and Eurostat – ECB cooperation should support these undertakings. Concerning the update of BPM/SNA, although Eurostat and ECB DG-S were cooperating closely, the formulation of an EU opinion would most likely be very difficult. In order to help the update process, the CMFB could however be very useful in testing new methods of data collection.
- (36) ECB DG-S continued that the TF ECI may be in place for an additional period of time, and could benefit from a staged approach, in which business registers may be a good item to start with. While the TF may focus on aspects that can be realised within the current legal framework, it may also identify issues where the current legal framework proves to be insufficient, and provide further suggestions which may be useful input for ECB and Eurostat when the two institutions decide to open the discussion on the legal acts. In addition, references to the ESCB RIAD database should be re-introduced in the document. As regards CMFB opinions on the BPM/SNA update, the tight timetable is a serious constraint making the feasibility of this endeavour difficult, therefore making it necessary to carefully consider the list of issues.
- (37) The Chair concluded that the Committee
- Supported the proposals (subject to refinements) and preferred to make practical progress in all outlined areas. Many members put forward that addressing the known MNE issues should also be part of the follow-up, to be further discussed by the CMFB EB.
 - A second mandate of the TF ECI should be feasible. The workload has to be restricted in order to be realistic. The CMFB EB will draft and circulate the mandate for comments, along with a call for expression of interest.
 - Took note of the offer of the Portuguese statistical authorities to contribute to the pilot cooperation project on the exchange of business register data for statistical purposes between the NSI and NCBs. He called upon other members to volunteer as well.

5. NATIONAL ACCOUNTS AND BALANCE OF PAYMENTS

5.1 Consistency between National accounts and Balance of payments – Financial Accounts (ECB DG-S)

- (38) ECB DG-S (Mr Antonio Rodriguez Caloca) presented the item. The presentation not only highlighted the progress made, but also some significant remaining inconsistencies. Concerning the remaining discrepancies, while noting the substantive improvement since the start of this exercise (2016/2017), consistency in all countries has not been reached yet and more progress was expected by now given the fact that all countries have had already their benchmark revisions.
- (39) ECB DG-S thanked for the presentation and recalled the report of the ESCB TF on derivatives recently made available and that the consistency between National accounts and Balance of

payments has been (and will continue to be) a recurrent topic in the MIP visits and frequently justifies recommendations for follow up actions. ECB and Eurostat will continue to monitor the developments on this important endeavour. Countries with pending issues are strongly encouraged to work on them, so that significant progress can be achieved as soon as possible.

- (40) No comments were made.
- (41) The Chair thanked for the presentation and noted that, while progress has been made in the last few years, further improvements remain necessary given the importance of consistency, to provide a good service to the users. All of this is especially true in those cases where the inconsistencies have grown since the last benchmark revision. The CMFB will keep supporting this endeavour.

5.2 Addressing FDI Asymmetries (FDI network and ARM) (ECB DG-S/Eurostat)

- (42) Eurostat (Irene Madsen) and ECB DG-S (Carmen Picon) made the presentation.
- (43) Members thanked for the presentation and expressed pronounced support for this exercise. Further progress could be ambitioned by making the IT infrastructure easier to use (FDI Network). The use of CIRCABC would already be a clear improvement for both transaction and positions. The income pilot exercise received strong support as well, as the lessons learned from it could also help addressing the GNI reservations. Accelerating the work on the reduction of asymmetries could be achieved by sharing CSI and changes to the legal framework. It was mentioned that access to OECD BEPS data would be useful, although its use for statistical purposes is not currently foreseen in the law.
- (44) ECB DG-S thanked for the presentation and mentioned that ARM exercises focusing on key transactions paid off well and significantly contributed to the reduction of asymmetries. She praised the efforts of participants and organisers. Further investments into the quality of FDI data and a more extensive use of the FDI network is warranted as well. The income pilot exercise is very much welcomed and the ECB is looking forward to the main takeaways. While legal changes could make the treatment of asymmetries easier, it must not be seen as a precondition to progress on this work.
- (45) The Chair concluded that the CMFB welcomed and highly appreciated the results of the ARM, stressed the importance of the exercise, and endorsed its continuation in 2021. The CMFB agreed to conduct the proposed income pilot exercise. Preferably a preview of the results could be provided for the July 2021 CMFB plenary. Further efforts, including the increased usage of the FDI network, are very much encouraged, given its importance to, and tracking the progress in, reducing asymmetries.

6. EXCESSIVE DEFICIT PROCEDURE

6.1 Regular update report EDP activities (including MGDD update plans and materiality thresholds/cost effectiveness in EDP procedures) (Eurostat)

- (46) Eurostat (Luca Ascoli) presented the document.
- (47) As regards cost effectiveness in EDP statistics, the CMFB welcomed Eurostat's proposal to open a discussion, on CIRCABC, on issues for which implementation of the principle of cost effectiveness could be improved under the existing legal framework. However, a request was made to Eurostat to commit to a timeline and a formulation of next steps. While Eurostat shared the objective of the CMFB proposal to reflect on the burden put on Member States, Eurostat reminded the CMFB of the legal obligations and the mandate given to Eurostat by the Legislators through the EDP Regulation and other relevant legal acts. In particular, Eurostat shall regularly access quality of data, that is, compliance with the accounting rules, completeness, reliability, timeliness and consistency. Eurostat underlined that the EDP Regulation is not mentioning or identifying any specific situations, areas or issues for which any deviation from the quality criteria set in the EDP Regulation would be allowed. One CMFB member mentioned that it

seemed that the majority of Member States would find the typical number of action points from EDP visits agreeable, assuming that certain operations (like reclassifications) could be postponed to the next benchmark revision. The CIRCABC forum was opened and the discussion is currently ongoing.

- (48) The Chair thanked Eurostat for the progress report and concluded that the CMFB took note of the ongoing discussions on a balanced implementation of cost-effectiveness principle in EDP statistics. The outcome of the discussion will be presented in the next CMFB.

6.2 Progress report and way forward of CMFB TF Development Banks (Eurostat)

- (49) Eurostat (Luca Ascoli) presented the document.
- (50) Comments expressed support for taking the time needed to develop proper conclusions and a way forward, even if it might take longer than originally foreseen, but requested a clear calendar for further works. Classification criteria set out in the ESA regulation should be fully respected.
- (51) ECB DG-S recalled its strong preference to follow ESA2010 criteria as regards financial intermediation and avoid extensions (e.g. profitability). As soon as there is sufficient common ground, relevant Eurostat and ESCB working groups should be consulted, as foreseen in the TF mandate, and work streams other than classification issues (e.g. rerouting) should also be tackled in due course. Moreover, sub-sectorisation within the financial corporations' sector goes beyond the mandate and should not be tackled by the TF that already has a heavy workload.
- (52) Eurostat added that, due to COVID-19, certain new entities were created in some Member States. The classification of these entities is evidently performed on the basis of the current rules (ESA regulation and MGDD).
- (53) The Chair thanked for the progress report and concluded that the CMFB
- highly appreciated the progress made;
 - encouraged the TF to strike the right balance between the speed of proceeding and the sustainability / acceptance of the outcome;
 - would appreciate a more detailed state of play at the next meeting of the CMFB EB and CMFB plenary, thereby highlighting what is already agreed by the TF and what is still under discussion.

6.3 Update on EDP (COVID-19) methodological issues (Eurostat)

- (54) Eurostat (Luca Ascoli) reported on the state of play. Regarding the draft template on the Recovery and Resilience Facility (RRF) associated flows, it was noted that the first reporting would likely follow in October 2021. Among the issues which need further clarification, the retroactive application (when Member States can request reimbursement for expenses incurred in 2020) and the possibility to use RRF grants for financial operations were explicitly mentioned. As for the COVID template, a CMFB consultation is foreseen for February.
- (55) ECB DG-S warmly thanked for the contributions to improve the joint ECB/Eurostat COVID template received from the countries and for the data transmitted. This was important information for users of quarterly figures in particular.
- (56) A further comment mentioned that the information needs could be more balanced; the granularity still seems to be too high.
- (57) The Chair thanked for the update and comments and welcomed the upcoming CMFB consultations.

6.4 The informative value of national fiscal indicators in respect of debt at the European level (Bundesbank)

- (58) The Deutsche Bundesbank (Astrid Lemmer) presented the paper.

- (59) The compilation of EU supra-national government accounts was supported. ECB DGS also stressed that such compilations may be supported by existing data, to avoid duplication of efforts and to ensure consistency in the different macroeconomic statistics.
- (60) While the idea to reflect, for analytical purposes, EU debt in national figures was acceptable, the practical implementation leaves some questions unanswered. The commitment to repay debts may be linked to conditions that are not known at the time of reporting, an issue for which more conceptual work may be necessary.
- (61) Eurostat underlined that that funds borrowed to be on-lent to Member States are already reflected in national Maastricht debt. The only issue is non-repayable assistance.
- (62) The presenter further added that the allocation of course remained a political matter that requires further reflection. It was also added that the EUR 750 billion mentioned was in 2018 prices, to be revalued by 2% annually.
- (63) The Chair thanked for the presentation. The Committee supported the principle that accounts for the EU/euro area should reflect European debt in an appropriate manner, to ensure completeness and transparency.

Friday, 29 January 2021

7. UPDATE ON THE REVISION OF THE SNA AND BPM (EUROSTAT/ECB DG-S)

- (64) ECB DG-S (Celestino Giron) and Eurostat (Lena Frej-Ohlsson) presented the item.
- (65) The Committee appreciated the very clearly structured presentation on this complex issue.
- (66) One delegate raised the issue that the research agenda of GFS Advisory Committee of the IMF (GFSAC) raised questions whether certain guidance notes may or may not be amended following their approval.
- (67) It was also underlined that micro data collections are closely dependent on the development of accounting issues and therefore their availability or feasibility are important dimensions and should be properly tested.
- (68) Furthermore, a member drew attention to concerns that have surfaced amongst some users regarding the cross-country comparability of the measurement of non-market output in volume terms; the SNA/BPM review could address these issues. The OECD added that it will be looking into the issue with the UK statistical authorities.
- (69) While a consolidated EU opinion on all issues would be clearly too complex to manage, the most relevant matters might nevertheless be identified for the CMFB (time allowing) to express a point of view or exchange information.
- (70) The presenters additionally clarified that the GFSAC involvement would be organised in a consistent manner with the rest of the work streams, albeit that the new GFSM may be finalised after the SNA/BPM. Concerning the testing phase for recording of CIF/FOB using transactions data, the availability of such data would be further tested especially as regards feasibility/availability, prior to reaching conclusions. While the new SNA/BPM would be adopted by end-2025, the new ESA will then need to be elaborated in good time for implementation according to the European Harmonised Revision Policy in 2029. It could be anticipated – building on good past experience – that the new BPM would also be implemented in 2029 in the EU, in a fully consistent way with the new ESA.
- (71) Eurostat added in relation to the measurement of non-market services, that the SNA leaves more room for adjusting for quality changes, and an additional discussion is expected to follow during the update of the ESA2010. Country differences are observed to be driven both by different circumstances during COVID and by measurement challenges. It is important to understand that quarterly figures are always based on more restricted data sources than those based on annual sources.

- (72) The Chair thanked for the update and invited the Members to express their view on the consultations on the BPM guidance notes currently under public consultation via the following link: <https://www.imf.org/en/Data/Statistics/BPM>

8. CMFB TF SUFIR PROGRESS REPORT

- (73) The TF Co-Chairs Monika Wozowczyk (Eurostat) and Jens Mehrhoff (Deutsche Bundesbank) presented the report.
- (74) The Committee praised the large amount of work already undertaken by the TF.
- (75) A Member underlined that the TF would benefit from a stepwise approach and a clear prioritisation. The STC TF on the relevant issues could serve as an example, as it managed to identify five main demands for (non-financial) data and indicators from the ESS most needed by users at central banks to produce sustainable finance indicators. Focus on needs for certain indicators could help to set priorities for further TF work.
- (76) Another Member indicated that many users are not aware of the large number of data which are already available in official statistics and that an improved communication to users could be warranted.
- (77) ECB DG-S expressed its full support to the work of the TF, also underlining the importance of the interlinkage between financial and non-financial information as they are both necessary to be able to address the needs of users with respect to sustainable finance. This is why a close cooperation between the two statistical systems and joint initiatives are crucial to address user demands and take advantage of existing work, as for instance with regards to business registers. Furthermore, it is recommended that the TF reaches out to the IMF and the OECD to avoid overlaps with work carried out there.
- (78) The Co-chairs thanked for the comments and reiterated the invitation for additional Members from NSIs to join the TF.
- (79) The Chair concluded that the CMFB took note of the progress report, endorsed the suggested way forward (with a more focused prioritisation) and looks forward to the final report in time for the July CMFB.

9. CMFB TF BIG DATA, PRESENTATION OF FINAL REPORT

- (80) The TF Co-Chair (Filippo Moauro, Istat) presented the report.
- (81) It was suggested that big data as such would not appear as an individual work programme item for the CMFB, but that big data aspects would be integrated in the other work streams.
- (82) A Member mentioned that big data were used as data sources for official statistics for more than 10 years.
- (83) The Chair concluded that the CMFB expressed its thanks and gratitude for the final report and the work done by the TF members and chairs. The CMFB will refer to the results of this important work in different work streams of its work programme.

10. CMFB WORK PROGRAMME 2021-2022 – UPDATE AND AMENDMENTS FOLLOWING THE PLENARY DISCUSSION (CHAIR)

- (84) The Chair announced that, as a result of the discussions at this meeting, he would update the work programme, discuss it at the next CMFB EB meeting and circulate it for written comments afterwards. The work programme would need to be endorsed at the meeting of the European Statistical Forum on 22 April 2021.

11. ANY OTHER BUSINESS

- (85) The Deutsche Bundesbank referred to the Call for papers for the International Conference on "Statistics for Sustainable Finance", co-organised with the Bank for International Settlements, Banque de France and the Deutsche Bundesbank, to be held on 14-15 September 2021 in Paris (depending on the pandemic situation). https://www.bis.org/ifc/events/ssf_bdfbb_cfp.pdf
- (86) Banca d'Italia (Gianmatteo Piazza) delivered, for information, a presentation concerning the priorities of the Italian G20 presidency (A new G20 statistical initiative - The views of the Italian G20 Presidency)
- (87) The Chair thanked for the presentation. An intervention suggested further follow-ups and reporting from international initiatives, such as workshops organised in the realms of the DGI initiative.
- (88) Peter van de Ven announced his imminent retirement following 25 years of engagement to the Committee in the roles of member, chair and observer. He expressed his gratitude for having been able to contribute to the work of the CMFB. The chair addressed Peter, to commemorate his very valuable contribution to the work of the Committee, to express his thanks on behalf of the Committee and to wish him the best for the future. Several Members expressed their deep appreciation for Peter's dedicated work.