

**MAIN CONCLUSIONS AND LIST OF ACTIONS OF THE**  
**CMFB MEETING HELD ON 1-2 FEBRUARY 2007**  
**(FINAL – 10 APRIL 2007)**

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**0. Opening of the meeting**

- 0.1. The Chairman opened the meeting and welcomed the participants, in particular the Director General of Eurostat and the representatives of Bulgaria and Romania.
- 0.2. Interpretation was available in English, French, German, Italian, Portuguese and Spanish.
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**1. Opening – Eurostat Director General**

- 1.1. The Director General of Eurostat, Mr Hervé Carré, gave a quick overview over the results achieved in the last two years by the CMFB and the challenges for the coming years. He stressed the importance of the CMFB due to its primary role, which is to advise the Commission on key issues on monetary, financial and balance of payments statistics and to maintain close links with both the Commission and the European Central Bank in liaison with the Statistical Programme Committee and the ESCB Statistics Committee.
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**2. Adoption of the agenda**

- 2.1. An information item on the exchange of sensitive information on EDP matters between Eurostat and Member States was added to item A.4 – Excessive Deficit Procedure – of the agenda. Item for information B.12 – Accounting and statistics Task Force (TFAS): latest developments – was added to item A.12 - Any Other Business of the agenda.

The agenda was adopted without further changes (cf. Annex 1).

The Bank of Portugal distributed a room document on the main issues discussed in the convention of the European Committee of Central Balance-Sheet Data Offices that took place in Évora, Portugal, in October 2006.

- 2.2. The Committee had already approved the main conclusions and list of actions of the CMFB meeting held on 29-30 June 2006. The minutes of the CMFB Executive Body meetings held in Dublin (19-20 October 2006) and in Frankfurt (5-6 December 2006) had been transmitted to the Committee. A log of the main CMFB activities since the June 2006 CMFB meeting (document B.1) had also been made available to the Committee.
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### **3. Organisational Matters**

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#### **3.1 *Work performed by the CMFB, 2005-2006 – Review by outgoing Chairman (Outgoing Chairman)***

3.1.1. The Outgoing Chairman, Mr Bill Keating, illustrated the main themes analysed and the main results achieved by the CMFB during the period 2005-2006. He particularly underlined:

- the pro-active role assumed by the CMFB in response to the conclusions of the ECOFIN Council of June 2005. The Council requested that the Economic and Financial Committee (EFC) should evaluate the role, areas of competence and functioning of the CMFB with regard specifically to its opinions on EDP matters.
- achievements related to EDP and the implementation of the Amendment to Regulation 3605/93, in particular: the consultation on the pre-notification questionnaire; the statutory role of the CMFB in relation to EDP matters; the communication with the EFC and the EFC Sub-Committee on Statistics (EFC SCS); the amendment to the procedures for EDP consultations.
- the EDP consultations run in 2005-2006 on the basis of the input provided by the Task Forces and the finalisation of the questionnaires and documentation provided by the CMFB Executive Body (stressing the fact that in some occasions the Executive Body felt it necessary to make significant alterations to the Task Force documentation).
- the opening of the Eurostat website dedicated to Government finance statistics and the guidelines on the "ex-ante advice".
- the development of statistics, such as the first release of the European annual accounts for institutional sectors and the work towards quarterly sector accounts; the implementation of chain-linking and FISIM, together with major benchmarking revision.
- methodological developments and co-ordination at the European level, in particular in producing the common European position that eventually resulted in a compromise proposal on the treatment of implicit liabilities related to unfunded employers' pension schemes.
- the opinion on the five years statistical programme 2008-2012 supporting and giving emphasis to statistical governance and prioritisation, without harming the essential building blocks for the compilation of good national accounts.
- enhancement of communication and relationship with users.

3.1.2. The Outgoing Chairman thanked the CMFB Secretariat, the CMFB Executive Body members and the CMFB members for the support they gave during the two years of his Chairmanship.

3.1.3. The Chairman, the CMFB members and Eurostat thanked the outgoing Chairman for the excellent work done and the results achieved. The Chairman thanked also the outgoing members of the Executive Body for their valuable contributions: Ms Bozenna Jakobiak, Mr Jean Cordier, Mr Mariano Gomez del Moral, Mr Aurel Schubert, Mr Staffan Wahlström and Mr Richard Walton.

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#### **3.2 *Work programme 2007-2008 of the CMFB (Chairman)***

3.2.1. In conformity with Article 11 of the Rules of procedure of the CMFB, the Chairman presented the work programme for the period 2007-2008. The programme was drafted in collaboration with the Executive Body, following consultation with the Commission (Eurostat) and the European Central Bank.

3.2.2. After highlighting the major developments and challenges affecting CMFB activities for the coming two years, the chairman listed the following main priorities for the work programme 2007-2008:

- to facilitate the timely provision of consistent and relevant macro economic statistics at European Union and euro area level;
- to contribute to the discussion on the reduction of the administrative burden and the rebalancing of priorities, including repercussions of changes in the Intrastat system on balance of payments and national accounts;
- on EDP matters, to continue to reinforce the credibility of the statistical system in general and of the government sector in particular;
- to continue following the work on public finance statistics;
- to follow both short and long term developments in balance of payments with particular attention to the implementation of Regulation 2560/2001, the new data collection systems and asymmetries;
- the implementation of the new FATS regulation;
- the review of SNA93 and BPM5;
- the treatment of pensions schemes;
- the implementation of the revised NACE;
- price statistics, in particular concerning quality adjustments of HICP, owner-occupied housing and indicators for the residential properties prices.

3.2.3. Furthermore, the CMFB:

- will promote good practices, common appropriate IT tools and efficient statistical techniques throughout the ESS and the ESCB, notably concerning the exchange and sharing of data and metadata;
- will ensure that the statistical requirements are taken into account in new or revised IAS and IFRS;
- will have to continue efforts to work towards a greater harmonisation of national and European revision policies;
- will support specific methodological developments, for example concerning seasonal adjustment;
- will maintain its close co-operation and communication with the EFC via the EFC Sub-Committee on Statistics;
- will continue to improve the CMFB website.

3.2.4. The Chairman underlined that the list of the priority points as announced does not aim to be exhaustive and that the CMFB will continue to follow important developments in all its other areas of interest, dealing with specific questions and changes in priorities as they arise.

The CMFB Members agreed with the proposed work programme.

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## 4. Excessive Deficit Procedure

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### 4.1. *Progress in updating the ESA95 Manual on Government Deficit and Debt (Eurostat)*

- 4.1.1. Eurostat reported on the actions to improve accessibility and quality of the ESA95 Manual on Government Deficit and Debt. In particular, Eurostat (i) announced the intention to regularly update the version of the manual available on the website on public finance of Eurostat to meet the requirements of better accessibility; (ii) described actions to enhance the updating process, in particular by focusing on the electronic version instead of the paper version; (iii) committed itself to ensuring better quality control of the drafting and updating of the chapters of the manual; (iv) announced the intention to work closely with national and institutional experts in the context of an Editorial Committee to further enhance the quality of the manual. The proposed actions will not affect the current procedure through which the CMFB endorses a chapter (written procedure).
- 4.1.2. The CMFB Members supported the proposals of Eurostat. Some of them stressed that substantial changes to the contents of the chapters should be approved by the CMFB through the normal procedure, and that such changes fall beyond the competence of the Editorial Committee. It was also suggested that the Editorial Committee could help in speeding up the release or the update of chapters that, in any case, should be in line with the opinion released by Eurostat. Some members asked for a re-edited version of document A.4.1 including the suggested procedural clarifications and for a timetable for the implementation of the suggested actions.
- 4.1.3. Eurostat clarified some procedural issues. It agreed on the importance of having updated chapters available as soon as possible (within a few weeks) after the publication of the opinion. Eurostat is currently working on a model on how to produce chapters in view of a harmonised approach and a quicker release. However, there are circumstances that slow down the updating of chapters, like the wish to take into account new relevant aspects not known when the opinion was released. The target remains to achieve better quality and faster release of the chapters.
- 4.1.4. The CMFB welcomed the progress made with respect to the update of the Manual and the availability of the updated electronic form. It agreed with the proposal of Eurostat to create an Editorial Committee with the purpose of editing and checking the Manual and noted that substantial changes to the Manual will follow the normal procedures established by the CMFB.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
As soon as possible	Re-edit document A.4.1. to incorporate the procedural clarifications	Eurostat

### 4.2. *EDP recent developments (Eurostat)*

- 4.2.1. Eurostat briefly informed the CMFB members on the work related to EDP in 2006 and on the annual report on public finance from the Commission to the European Parliament and the Council currently under preparation. Eurostat mentioned also some methodological issues under investigation and announced the calendar for dialogue visits in 2007.
- 4.2.2. Eurostat illustrated the actions undertaken to increase transparency of EDP related activities, in particular the release, in concert with the concerned Member State, of the main findings and results of the dialogue visits as well as of ex-ante and ex-post advices given (subject to the consent of the concerned Member State).
- 4.2.3. The CMFB took note of the report and the complementary information provided by Eurostat.

#### **4.2.a Exchange of sensitive information related to EDP (Eurostat)**

- 4.2.4. Eurostat informed the CMFB on the project of classifying (as of 1 February 2007) all sensitive information related to EDP (information will be classified with the marking "limited"). This implies that notes/letters/e-mails, etc. sent to Member States in the context of EDP are only for use by those in the European Institutions and in Member States' public services that need to access this information, which is not for publication. Examples of this kind of correspondence are: EDP reporting tables until published in the EDP press release; replies to the questionnaire related to EDP tables; bilateral clarifications sent in the context of the notifications; advance information sent by Eurostat to Member States on planned reservations/changes of data, etc., in the press release until published; provisional main conclusions and findings from EDP missions until published; follow-up letters from missions; and documents from EDP task-forces.
- 4.2.5. Eurostat has also established a procedure for formal ex-ante and ex-post advice provided to Member States on EDP related issues. This information exchange is classified as limited until decided otherwise (until Member States have agreed to publish the Eurostat advice on the web site).
- 4.2.6. Eurostat also alerted the ECB and DG ECFIN about the importance of confidentiality in the context of notifications, stressing that the notification tables, bilateral questionnaires and questionnaires related to the EDP tables are confidential and only for limited dissemination.
- 4.2.7. Furthermore, Eurostat established a formal list indicating the responsible reporting agencies in the context of EDP.
- 4.2.8. Finally, Eurostat strongly suggested avoiding the use of generic e-mail boxes in Member States for sending information related to EDP in order to avoid unauthorised access to sensitive information.
- 4.2.9. The CMFB took note of the information provided by Eurostat.

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#### **4.3. Amended procedures for the consultation of the CMFB about the statistics underlying the Excessive Deficit Procedure (CMFB Chairman)**

- 4.3.1. The present rules of procedure for CMFB consultations concerning the statistics underlying the EDP had been adopted by the CMFB in June 2004. The June 2005 ECOFIN conclusions stated that the role, areas of competence and functioning of the CMFB as well as its interactions with Eurostat, including the communication policy of the eventual Eurostat decisions in relation to EDP statistics, should be evaluated. The EFC Sub-Committee on Statistics had examined the situation and concluded that the current system had worked satisfactorily but had invited the CMFB to review its procedures in particular to enhance transparency and communication.
- 4.3.2. During the June 2006 meeting, the CMFB had discussed a "special light procedure" and other amendments to the procedures. In a written consultation on the proposed changes, some CMFB Members had proposed further amendments, mainly clarifying the applicability of the special light procedure. A revised text taking on board these proposals was presented for discussion in the plenary meeting.
- 4.3.3. Eurostat underlined that it considered the outcome of the discussion of its proposal to disclose all individual opinions as a missed opportunity to enhance transparency and accountability of CMFB procedures. It saw need for further reflections on the framework for these procedures in the future.
- 4.3.4. Eurostat re-assured the CMFB members that the introduction of the special light procedure is intended to cover exceptional cases related to straightforward issues that require a broader consultation. Eurostat confirmed also that the application of the special light procedure will be limited, the extensive procedure being the normal approach to consultations. Should Eurostat and the concerned Member State/s disagree whether the criteria for the special light procedure are met, the CMFB Chairperson would decide.

- 4.3.5. The CMFB, after the additional clarifications of Eurostat on the nature of the special light procedure, approved the amended procedures for the consultation on the CMFB about the statistics underlying the Excessive Deficit Procedure and agreed to send them to the EFC through the EFC Sub-Committee on Statistics.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
As soon as possible	Transmit the amended procedure, to the EFC through the EFC Sub-Committee on Statistics	CMFB Chair

## **5. Public Finance Statistics**

### **5.1. COFOG data – Progress Report (Eurostat)**

- 5.1.1. Eurostat informed the CMFB members about the latest developments on COFOG data. Starting from the statistical needs expressed by the EPC, the availability of COFOG data for European Union Member States improved, notably for the coverage of COFOG level I data. Nevertheless, some countries did not yet have plans for the supply of COFOG level II data. Eurostat is also advancing in the compilation of the manual on sources and methods for the compilation of COFOG statistics. A draft version of the manual will be presented to the next meeting of the COFOG Task Force at the end of February 2007.
- 5.1.2. Eurostat also informed the Committee that the EPC intends to prepare a report to the ECOFIN Council in June 2007, including the availability of COFOG level II figures, and that the provision of COFOG level II data in the regulation on the revised transmission programme (ESA95 Annex B) will continue to be on a voluntary basis. The ECB noted that one of priorities of the German Presidency is to enhance the quality of government finances. However, this enhancement cannot be successfully done without good COFOG data that underpins the assessment of government finances.
- 5.1.3. The CMFB took note of the progress report, of the invitation by Eurostat to continue and to step up the efforts to make more detailed COFOG data available to Eurostat, and to consider the issue of the publication of COFOG level II data.

### **5.2. Task force on the statistical measurement of the assets and liabilities of pensions schemes in general government (Eurostat/ECB's DG-S)**

- 5.2.1. Eurostat informed the CMFB members about the activities of the Task Force on the statistical measurement of the assets and liabilities of pension schemes in general government. The Task Force had produced a compromise proposal to reconcile the different opinions, recognising the difficulties encountered by particular countries (notably in Europe) and introducing more transparency for the users of national accounts. The proposed compromise implies the development of a compulsory supplementary reporting table, including all pension schemes. The compromise allows for flexibility and requires countries to explain why they report only some pension schemes in the core accounts on a full actuarial basis. It had, so far, received favourable international comments.
- 5.2.2. The work of the Task Force will focus, from now on, on practical aspects of the envisaged estimates. Three further meetings of the Task Force will take place in 2007 (with an extension of the mandate of the Task Force till end 2007). The main activities foreseen are the following:
- to finalise the design for the supplementary tables on pensions;
  - to circulate a questionnaire to all EU27 countries seeking feedback on the tables and the latest national developments in pension schemes and related modelling;

- to discuss borderline cases (in or out of core accounts);
- to agree on common basis for making modelling assumptions on main aspects such as discount rate, demographic developments and the specific issues associated with the social security pensions;
- to arrange special training courses (ECB DG-S) on the PROST software.

5.2.3. Several CMFB members expressed a favourable opinion on the compromise and on the work of the Task Force. Some members expressed concerns on the flexibility allowed by the compromise and the impact that choosing or not the option of inserting elements in the core accounts can produce on key statistics (for example, increase of the ratio government debt/GDP from 40% to 100%, increase of the household saving ratio by 1.5%). Furthermore, the international comparison will be misleading. Therefore, further analyses and discussions are still necessary. Other members underlined additional problems related to changes in institutional arrangements for pension schemes over time. A broad consensus was expressed in favour of further work of the Task Force on the criteria to include or not elements in core accounts, to analyse the impact on major key indicators, explore similarities between pension schemes and social security funds and to facilitate meaningful international comparability, which must always take into account institutional differences across countries and over time.

5.2.4. Eurostat stressed that the flexibility allowed in the compromise and proposed for the SNA review will be limited in the revised ESA.

5.2.5. The CMFB thanked the Task Force for the report and the work done. Some members mentioned unavoidable limits to comparability while others noted the possible negative consequences of flexibility in respect to international and over time comparability due to changes in systems or in the reporting. The Task Force will address the problems raised by members and the issue of criteria. The CMFB agreed to extend the timetable of the Task Force till December 2007 with the final report due for the CMFB meeting in January 2008 and a progress report for the meeting in June 2007.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
June 2007	Progress report to the CMFB	Eurostat and ECB DG-S
January 2008	Final report to the CMFB	Eurostat and ECB DG-S

## 6. Quarterly Sector Accounts

### 6.1. *Joint ECB's DG-S/Eurostat Task Force on quarterly European accounts by institutional sectors – Progress report (ECB's DG-S/Eurostat)*

6.1.1. ECB DG-S and Eurostat informed the CMFB members on the work of the Task Force and on the coming events. The publication of the integrated quarterly financial and non-financial accounts is foreseen for 1<sup>st</sup> June 2007. A joint press conference with Commissioner Almunia and the ECB Executive Board Member González-Páramo will take place in Brussels. In view of this event, the Task Force is working hard with the support of the CMFB. The work focuses on:

- the systematic treatment of discrepancies between financial and non-financial accounts looking at the discrepancies between the Rest-of-the-World Account and Balance of Payments; countries were invited to present the work done at national level in this area with the aim of improving the consistency at national level. The Task force agreed to analyse first annual data and then quarterly ones;
- the introduction of the new ESA95 data structure definition (key family) for the transmission of quarterly sector accounts data;

- the concerns on the transmission deadlines for general government quarterly data and quarterly sector accounts (at present at 90 and 95 days after the end of the reference quarter, in the future at 90 days for both);

The next meeting of the Task Force is scheduled on 15 March and will deal with the manual on sources and methods, revision policy and national compilation practices in financial and non-financial accounts.

6.1.2. Eurostat and ECB DG-S confirmed that the June 2007 release for quarterly sector accounts will refer to the fourth quarter 2006, at T+150 days. The regular production will take place at T+120 days starting from the first quarter of 2007.

6.1.3. ECB DG-S stressed:

- that the euro area sector accounts was one of the most successful projects in the last two years;
- the awareness of users of the interrelations between financial and non-financial accounts and the importance that a single consistent database has for economic and monetary analysis;
- the key value added represented by the integrated financial and non-financial accounts that eliminates residuals that have no economic meaning;
- the fact that the balancing at the European level has no impact on national aggregates, aiming to eliminate asymmetries and introduce other adjustments at the European level;
- that the integration process is not separate for annual sector accounts that will be derived as sum of quarterly accounts, emphasising the role and priority put on quarterly sector accounts;
- the issue of the revision policy, that will be further discussed in the CMFB;
- the importance that policy makers attach to this work.

6.1.4. The CMFB took note of the report of the Task Force. The CMFB welcomed the progress made in various respects, notably the consistency of data transmission and the work on the report on sources and methods. The CMFB approved the programme envisaged by the Task Force for future work.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
June 2007	Progress report to the CMFB	Eurostat and ECB DG-S

***Joint ECB's DG-S/Eurostat Task Force on the Rest-of-the-World Account - Final report (ECB's DG-S/Eurostat)***

6.2.1. ECB DG-S and Eurostat presented the main achievements and the final report of the Task Force on the Rest-of-the-World Account. The final report includes new elements with respect to the progress report already discussed and welcomed by the CMFB in June 2006: the analysis of some issues raised by the CMFB in the June 2006 meeting; the results of the survey run in September-October 2006; recommendations for addressing the identified reasons of discrepancies between BoP and RoW.

6.2.2. Few conceptual differences between ESA and the balance of payments manual were identified and most of them will probably disappear with the current process of revision of the SNA (and in due time ESA) and BPM5. The remaining differences depend on national compilation methods and timing (of revisions) of Balance of Payments and Rest-of-the-World Account. Very often such differences result in large asymmetries. The Task Force proposed recommendations to reduce or eliminate the inconsistencies.



6.2.3. The most relevant recommendations concern:

- the gap between imports and exports in case of transit trade. In some countries, transit trade data are included in BoP data compiled according to the community concepts, but not in the Rest-of-the-World data, which are compiled according to the national concept. Transit trade would impact only on the gross value of goods imported and exported in a case where the goods in transit would enter and leave the country with the same declared value. Unfortunately this is not the case. In practice, the value of the goods re-exported can be up to ten times higher than the value of the goods in transit which entered the country. This creates remarkable differences between the net value of trade in goods recorded in BoP and the Rest-of-the-World Account. The Task Force suggests treating such a difference as a service, to avoid effects on major national accounts indicators. Consideration has also been given to the accounting treatment of the transitory agent (considered as resident in the European Union). The treatment at national level may differ;
- repairs should be recorded on a net basis both in BoP and National Accounts;
- international construction activities lasting less than 1 year should be recorded as services both in Balance of Payments and National Accounts;
- both distributed income and retained earnings from collective investment institutions should be recorded in BoP and National Accounts under a new property income category, as foreseen in the new (SNA and BoP) Manuals. The Task Force recommends also that the split of retained income into debt and equity income, as currently requested by the ESA, is re-considered;
- FISIM: the Task Force supports further endeavours to identify FISIM in BoP in anticipation of the revised BoP Manual and to propose methods for this;
- revision practices, where efforts should be pursued to harmonise the national accounts and balance of payments approaches both at national and euro area/EU level.

6.2.4. Several CMFB members congratulated the task force for the valuable work done and the final report. Some of them asked for further analysis/consideration on specific issues: (a) transit trade, (b) e-commerce and possible legal restrictions to the use of credit cards data; (c) definition of valuable goods for tourists, compatibility of the recommendation with the prospected outcome of BPM6; (d) implementation aspects (taking into account also the impact on national accounts); (e) revision policy and timing to coordinate national accounts benchmarking revisions and input from balance of payments; (f) impact on simplification and reduction of the statistical burden of the recommendations; (g) best practices.

6.2.5. Regarding transit trade and transfer pricing, concerns were expressed in relation to multinationals operations, definition of the units and the residence criteria, mirror effects, possible generation of asymmetries, impact of developments related to customs simplification, compatibility with ESA95 rules and availability of data.

6.2.6. ECB DG-S, echoing some CMFB Members, stressed the importance of a quick implementation of the recommendations. Furthermore, it highlighted the increasing importance of having access to existing administrative data, including credit cards data. On the latter, the Task Force in its future work should analyse the implied legal aspects, possibly supported by legal experts of the Commission and the ECB.

6.2.7. The CMFB welcomed the report and thanked the members of the Task Force for the very valuable work done. The CMFB in general approved the recommendations, but some members expressed some reservations and required further analysis of the recommendations related to transit trade. The CMFB asked the Task Force to provide a revised version of the report for approval via written procedure, while requesting further work on the statistical recording of transit trade and on e-commerce and on the legal aspects related to the use of credit card data. The Task Force was requested to produce an additional report on these issues and make recommendations for implementation for the June meeting.

### **6.3. State of play on quarterly European sector accounts (Eurostat/ECB's DG-S)**

- 6.3.1. Eurostat and ECB DG-S informed the CMFB about the state of play of the transmission of the annual and quarterly accounts for institutional sectors and welcomed the efforts made by Member States in this field, in particular Portugal and Ireland for their first supply of annual data. In view of the 1<sup>st</sup> June 2007 official release of quarterly sector accounts for the euro area and the European Union, it is important for Eurostat and ECB DG-S to dispose of both annual and quarterly sector accounts. The steps toward the publication foresee: (a) the estimation of missing countries/data; (b) the benchmarking on general government data; (c) the estimation of the Rest-of-the-World Account eliminating intra flows; (d) balancing on a quarterly basis. To achieve this target, annual data have to be supplied by end of February 2007 and quarterly data, whose coverage and timeliness are already good, in correspondence to the deadlines fixed by the Regulation. Efforts in anticipating the expiration of derogations would be very much appreciated.
- 6.3.2. The Netherlands, with reference to the suggested policy of deriving the annual sector accounts for the euro area and the European Union from the aggregation of quarterly figures, underlined the still existing strong difference between the quality of annual and quarterly data sources in that country, and stressed the importance of having a separate annual estimate to which it benchmarks its quarterly figures.
- 6.3.3. The CMFB took note of the state of play of quarterly sector accounts and welcomed the progress in their preparation. It encouraged Member States to work towards timely delivery of both annual and quarterly data for institutional sectors so to meet the requirements in view of the first release of quarterly sector accounts for the euro area and the European Union.
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### **6.4. STC Groupe de Réflexion on Financial Statistics within the Euro Area Accounts Framework – Final Report (Chairman Groupe de Réflexion, R. Álvarez)**

- 6.4.1. The Chairman of the Groupe de Réflexion (GdR), Mr Rafael Álvarez, presented the final report of the GdR. The GdR was set up by the ECB's STC in September 2005 to provide advice on a medium-term strategy for the compilation of quarterly integrated euro area accounts with a Eurosystem focus, particularly for ensuring the optimal usage of the euro area accounts (EEA) for monetary policy preparations. The Group, which presented a follow-up report of its activity to the CMFB in June 2006, issued its final report in September 2006. The report was approved by the STC. Since that date, the STC has mandated its Working Groups to undertake actions in line with the recommendations and suggestions of the report.
- 6.4.2. The work of the GdR was developed between September 2005 and September 2006, parallel to the preparation by the ECB and Eurostat of the first version of the annual integrated EEA (which were published on 31<sup>st</sup> May 2006) and of the quarterly integrated EEA, with a time-lag closely before T+120 days (during the period of discussion of the GdR, it was announced that the first release of the quarterly EEA would have been referred to 2006 Q4 and disseminated by 2007 Q2). Therefore, it was assumed by the GdR that it should concentrate on a medium-term strategy.
- 6.4.3. The GdR:
- recommended that in addition to the preparation of the EEA with a time-lag of closely before T+120 days, the ECB/Eurostat should compile an aggregated presentation of the EEA closely before T+90 days by the second quarter of 2010. This medium term target is aimed at increasing the policy relevance of the EAA for the ECB Governing Council and other users. In this context, the GdR acknowledged the usefulness for the preparation of EAA of both the euro area building blocks (based on contributions by the NCBs to the ECB of quarterly/monthly statistics on MFI, OFI, security statistics, BoP, General Government Statistics) and of quarterly national financial accounts also provided by the NCBs.
  - provided preliminary ideas about the content of the aggregated EAA presentation taking into account user's requests.

- in the framework of the provision of counterpart sector information for securities, the GdR recommended extending the security-by-security data collection systems to cover information corresponding to all resident holders of securities (of both resident holdings of foreign securities, as at present, and of resident holdings of securities issued by residents). The GdR suggested some follow-up actions to implement this recommendation.
- in relation to the ways for achieving consistency between euro area financial and non financial accounts, the GdR addressed a number of specific recommendations for which closer cooperation between NCBs and NSIs is deemed of major importance.
- concerning the revision policy of the already published quarterly EAA, the GdR recommended that it should not depend on the revision policy of any specific set of data-input. Apart from that, and other general considerations, the Group did not issue more concrete recommendations on the subject because the matter should be discussed further by the ECB and Eurostat, once some experience on the production of EAA has been gained. Such a discussion should also involve a wider consultation of national accounts compilers (financial and non-financial accounts).

6.4.4. The CMFB took note of the final report, welcomed the work of the GdR and thanked the Chairman and the members of the GdR for their work and the follow-up done so far.

## **7. Balance of Payments**

### ***7.1. Regulation 2560/2001 defining a threshold for statistical reporting on cross-border payments and new legal framework on payment services – Progress report (Eurostat)***

- 7.1.1. Eurostat informed the CMFB members on the evaluation of Regulation 2560/2001, the ongoing negotiations between Council and European Parliament on the Directive on payment services in the internal market and its possible impact on the threshold for reporting BoP data.
- 7.1.2. Concerning Regulation 2560/2001, art. 6 already removed BoP reporting obligations by payment institutions for cross-borders transactions up to 12 500 €. According to art. 8, a Commission evaluation should assess, among other things, the advisability of increasing this threshold to 50 000 € in the future. The Commission produced a paper on the basis of consultations among expert groups but, in the framework of the negotiations in the Parliament and Council on the Directive on payments services in the internal market, decided to suspend the evaluation of the Regulation till the adoption of the Directive.
- 7.1.3. Concerning this Directive, the European Parliament proposed an amendment removing any national reporting obligations for payments for BoP statistics. Such an amendment has been deleted from the latest text available and the Parliament is now re-considering its position. The European Parliament and the Council aim to adopt the Regulation by the end of the first quarter 2007.
- 7.1.4. Therefore, even if the Directive is adopted without affecting the threshold, the threshold issue will be taken up again in the framework of Regulation 2560/2001. The Commission intends to publish the draft evaluation report by end of the second quarter 2007 including recommendations on the threshold for BoP reporting. Meanwhile, although national action plans showed that Member States took significant steps to reduce the vulnerability to the threshold, by end 2006 still 17 out of 27 countries rely, to various extent, on bank settlements. The Commission committed to keep the CMFB informed on the forthcoming developments.
- 7.1.5. Belgium informed the CMFB members on legal problems that it faced in switching to a survey system (including credit card data) instead of relying on bank settlements. Indeed, art. 6 of Regulation 2560/2001 is formulated in rather general terms and may be open, according to the

internal legal service of the National Bank of Belgium to a very wide interpretation, independent from the context of Regulation 2560/2001, that would affect the collection of BoP data in general. DG MARKT gave an advice stating that art. 6 refers only to credit institutions and does not apply to declaring agents in general, but this advice does not come from a legislator and, therefore, is not legally binding. Belgium suggested that the CMFB takes the initiative to ask for an unambiguous reformulation of art. 6 in due course.

- 7.1.6. The discussion focussed on: (a) the possibility of a raising of the threshold or a complete ban for BoP reporting through banks; (b) the risks following from a very wide interpretation of Art. 6 of Regulation 2560/2001 for BoP data collection in general and for specific requirements on credit card issuers.
- 7.1.7. Several CMFB members expressed concern on the possible legal interpretation of Art. 6. An extensive interpretation, as described by Belgium, would strongly harm the reporting of BoP data in those countries that continue to use settlements data in one form or another.
- 7.1.8. ECB DG-S recalled the general goal of the Directive on payments, i.e. to avoid additional statistical requirements for EU cross-borders payments versus domestic payments. If the general goal is met, the BoP may lose an important source in some countries, but some information may still be collected through alternative approaches based on microdata, for example from credit card issuers.
- 7.1.9. Some members proposed to recall the legal interpretation given at the time of the finalisation of Regulation 2560/2001 and the Chairman invited Belgium to circulate the legal interpretation given by DG MARKT on Art. 6. Eurostat stressed that both the Directive and Regulation 2560/2001 are or were going to be discussed by the European Parliament and the Council, therefore, CMFB members could make their Member States' representative aware of their concerns. In this context, ECB DG-S recalled the new situation derived from the November 2006 ECOFIN conclusions, promoting actions for reducing the statistical burden, but asking, at the same time, for an unlimited access to administrative data for statistical purposes.
- 7.1.10. The CMFB took note of the update provided by Eurostat on the situation concerning Regulation 2560/2001 and on the legal issues reported by Belgium. It encouraged members to brief their delegates in European fora on their concerns and asked Eurostat to keep it informed about any further developments.
- 7.1.11. The letter circulated to the Executive Body informing on the initiative of Eurostat with respect to DG MARKT will be circulated to CMFB Members. ECB DG-S will circulate to CMFB members the official ECB opinion on the Belgian case (published on the website of the ECB at [http://www.ecb.int/ecb/legal/pdf/en\\_con\\_2006\\_25\\_f\\_sign.pdf](http://www.ecb.int/ecb/legal/pdf/en_con_2006_25_f_sign.pdf)).

The CMFB agreed to send an official letter to DG MARKT spelling out the problems identified during the discussion, i.e. the concerns of many Member States that have relied on the existing legal situation and based their plans for BoP statistics on the current threshold or on the 50 000 € threshold, and the legal aspects raised by Belgium. The draft letter, with a reference to the work currently done in Member States to make their BoP statistics independent from the payment systems, will be circulated to CMFB members for approval before being sent to DG MARKT.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
As soon as possible	Letter to DG MARKT on problems related to BoP reporting requirements	Chairman
As soon as possible	Circulate to CMFB the letter sent by Eurostat to the Executive Body	Eurostat
As soon as possible	Circulate the opinion on the Belgian case	ECB DG-S
As soon as possible	Circulate DG MARKT advice	Belgium through the CMFB Secretariat

## **7.2. *First round of pilot quality reports required by the BoP Regulation - Progress report (Eurostat)***

7.2.1. Eurostat informed the CMFB members about the progress concerning the pilot quality reports required by the BoP Regulation 184/2005. Following the approval of the BoP Committee in June 2006 of the standards and content, the assessment procedure and the dissemination policy of the quality reports, the pilot phase started in October 2006. The quality reports focus on five main components of output quality: methodological soundness, stability, plausibility, consistency and accuracy. The pilot phase started with the transmission of the questionnaires, pre-filled by Eurostat, to Member States that returned them completed by end of November 2006. Eurostat assessed the reports during January 2007 and gave a feed-back to member States in view of the discussion of the results foreseen in the March 2007 BoP Committee.

Thanks to the fruitful coordination with Member States, this first round of pilot quality reports achieved a unanimous agreement on contents and assessment procedure and allowed useful and practical conclusions to be drawn. It also allowed the preparation of a quality database in Eurostat giving a framework for discussing and improving BoP data quality at the European level. Eurostat confirmed that the reporting procedures, as foreseen in Regulation 184/2005 will be subject, as all regulations, to the new comitology procedure with scrutiny.

7.2.2. The CMFB noted a high degree of consensus on the format, contents, procedures and timing of the quality reports and congratulated the BoP Committee for the work done. The CMFB asked to be kept informed on the developments on the matter.

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## **8. *Prioritisation and simplification***

### **8.1. *Commission communication on the reduction of the response burden, simplification and priority-setting in the field of Community statistics – (Eurostat)***

8.1.1. Eurostat informed the CMFB members on the Commission communication on the reduction of the response burden, simplification and priority-setting in the field of Community statistics. The Communication was adopted by the Commission in November 2006 and is part of a more general communication of the Commission on the reduction of the administrative burden, particularly on small and medium enterprises. Eurostat had worked together with Member States to formulate the proposal that covers three aspects: (a) simplification; (b) priority setting and (c) better integration of NSIs in the process of programming Community statistics.

8.1.2. Concerning simplification, concrete proposals have been made for three specific domains: Intrastat (see agenda item 8.2), business surveys and agriculture.

8.1.3. Actions have also been taken to develop generic tools in the context of the 2008-2012 statistical programme to reduce the administrative burden on enterprises. The proposals currently discussed in the Council and at the European Parliament push for a better use of available administrative data, European sampling, use of microdata and improved tools for the collection of data.

8.1.4. The five year programme emphasises also priority setting through the establishment of cost/benefit analyses for new and existing projects.

8.1.5. The five year statistical programme foresees also an increased involvement of Member States in the planning. A discussion with Member States on the legal basic acts is progressing, and more consideration will be given to users, an example is the reform of the CEIES.

- 8.1.6. ECB DG-S informed the CMFB about the invitation received by its Director-General to make a presentation at the EPC on 13 February 2007 on how to streamline the statistical burden by a better sharing of data. Besides data sharing, unlimited access to administrative data would also be the main focus of the presentation. ECB DG-S asked for contributions from CMFB members on (a) examples of concrete bottlenecks for the access to administrative data and on (b) successful examples of using such data in Member States.
- 8.1.7. Some CMFB members underlined that the use of administrative data is already a practice or even an obligation in their countries. Whilst welcoming and recognising the underlying goal, some members noted that the approach proposed by the Communication is sector oriented and does not sufficiently take into account the global effect on the statistical system. They saw a risk that essential elements for the compilation of, for example, national accounts will be lost.
- Some members stressed that the proposed actions are geared only to the compilation of European aggregates and could negatively affect needed national statistics. Others drew the attention to the problems involved in the use of administrative data and to the trade off between the reduction of the statistical burden and the increasing demand for statistics on services.
- 8.1.8. The CMFB agreed to the general goal of reducing the response burden and to rebalance priorities and welcomed the efforts in this direction. At the same time it stressed that quality of statistics must be maintained at the European and, when needed, at the national level.
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## **8.2. *The simplification of Intrastat: the two track approach – (Eurostat)***

### **8.3. *The impact of the possible introduction of the one single flow system on Intrastat – The case of Cyprus – (Cyprus)***

- 8.2.1. The Chairman proposed to discuss agenda items 8.2 and 8.3 together.

Eurostat illustrated the proposed approach to reduce the statistical burden associated to Intrastat and recalled the political pressure attached to the simplification of Intrastat as expressed in the November 2006 ECOFIN Council conclusions. Two options are proposed: (a) the single flow approach and (b) simplifications within the existing system, in particular raising the reporting threshold. Both options will be analysed by Eurostat together with Member States.

- 8.2.2. Eurostat gave a presentation on advantages and disadvantages of the single flow approach. It noted that preparatory actions would be needed before the implementation of such a system including the determination of the core data set to be implemented, better use of administrative data like VAT, the harmonisation of the collection in Member States in view also to reduce asymmetries, the facilitation of exchange of confidential data, the adaptation of the thresholds (lower thresholds to increase the coverage of the single flow approach), establishing a data exchange system and developing estimation techniques.
- 8.2.3. As an alternative approach, the increase of the reporting threshold would have almost the same impact as the single flow approach with a 95% data coverage target. Its advantages would be that there is no impact on timeliness but only on coverage, as timeliness could even improve, and the impact would affect only the detailed level and not aggregates. There would also be no difficulties in implementation because of the continuity of the system.

A new Working Group on simplification in Intrastat was set up and three sub-groups will investigate different related aspects.

- 8.2.4. Cyprus presented a paper illustrating the possible consequences of the single flow approach on major macroeconomic data, in particular in countries where exports and imports have a relatively important impact on GDP. Due to the existing problems related to asymmetries (affected in particular by triangular trade) the introduction of the single flow would result in significant changes to key

indicators such as GDP, GNI, debt ratio, etc. Furthermore it would introduce distortions in the current account deficit with possible effects on the exchange rate. Further problems would arise with regard to timeliness and data quality.

Therefore, Cyprus proposed to further analyse the impact of the introduction of the single flow approach on key indicators, encouraging studies in this direction.

8.2.5. In the following discussion the following main points were made:

- several CMFB members considered a target for implementation of the single flow approach as premature;
- the introduction of the single flow would have strong repercussions not only on external trade but on most of the key macroeconomic indicators, from BoP statistics to national accounts and GNI statistics. These repercussions should be analysed in detail;
- the issues of triangular trade and globalisation should be carefully analysed (also in collaboration with the Task Force on multinationals);
- the legal aspects of data exchange inside the European Statistical System should be clarified;
- the cooperation among Member States should be enhanced;
- BoP and national accounts compilers should clearly state their requirements in terms of external trade statistics and specify them in the appropriate fora (NAWG, BoP WG and CMFB);
- the alternative option (the increase of the threshold) has to be carefully explored;
- the need to enhance the electronic treatment of data;
- a significant simplification of Intrastat may necessitate a major revision of the BoP, national accounts and other macroeconomic statistics in the Member States, which should be carefully coordinated at the European level;
- the need to use all available information, in particular that related to VAT;
- the creation of an ad hoc task force should be envisaged. The task force should specify the requirements of BoP and National Accounts and explore the consequences of the two alternative approaches on these statistics.

8.2.6. The CMFB thanked Eurostat and the Statistical Office of Cyprus for their clear presentations. It agreed with the general aim to reduce the burden on enterprises, but at the same time saw a strong need to discuss further in detail how to reach it. Many concerns were expressed on the possible impact of the single flow system on BoP, national accounts, and on quality and timeliness in general. The CMFB recommended that a thorough investigation of all relevant questions and all possible options should take place before concrete decisions are taken. It also expressed concerns about having a timetable before the way forward is sufficiently clarified.

8.2.7. A task force addressing the specific questions of Intrastat concerning BoP and national accounts will be created. A possible mandate and organisational arrangements will be discussed with Eurostat and the Executive Body. In any case, overlaps with other task forces are to be avoided.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
March 2007	Discussion on the mandate and scope of the task force on the impact of Intrastat on BoP and national accounts	Chairman, Eurostat, Executive Body

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## 9. National and financial accounts

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### 9.1. Major statistical revisions – guidelines on communication (Eurostat, ECB DG-S)

9.1.1. In the conclusions of the November 2006 meeting the ECOFIN Council had asked the CMFB to examine the issue of a coherent approach as regards the public communication of major statistical revisions in Member States and put forward a proposal by mid 2007. In adherence with the Code of Practice that under principle 8 "Appropriate statistical procedures" recommends that "revisions follow standard, well-established and transparent procedures", Eurostat and ECB-DG-S made a proposal for guidelines which cover (a) the pre-announcement; (b) the documentation and (c) the communication about major co-ordinated revisions.

9.1.2. CMFB members in general welcomed the proposal. A number of comments were made:

- some members asked to clarify what is a major revision, with a suggestion to address the guidelines to revisions of important macroeconomic figures;
- some members, on the basis of national experience, expressed concerns about indicating the expected size of revisions and suggested a slightly less prescriptive formulation of this point;
- several members stressed the importance of the co-ordination of benchmarking revisions at the European level, in particular in view of the forthcoming revisions related to the implementation in national accounts of NACE rev. 2, the revision of the ESA95 and the possible simplification of Intrastat;
- clarifications were asked on the statistical field of application of the guidelines;
- emphasis was put on communication inside the ESS;
- the importance of specifying the causes of revisions (changes in methods, concepts, classifications, European benchmarking) were stressed;
- the requirement of documentation in a language commonly used in the ESS at the same time as the release was criticized;
- the share of best practices and the exchange of views on implementation methods were considered useful.

Eurostat and ECB DG-S agreed to take on board several suggestions made and to rephrase some parts of the guidelines to reflect the outcome of the discussion.

9.1.3. The CMFB in principle welcomed and approved the draft guidelines both with regards to format and content. In the light of the discussion, some slight improvements will be introduced in the guidelines, that will be transmitted to the SPC, STC and then to the EFC, via its subcommittee on statistics.

<b>Deadline:</b>	<b>Recommendation or Action:</b>	<b>Responsible:</b>
As soon as possible	Finalise the guidelines and transmit them to the SPC, STC and EFC via the EFC subcommittee on statistics	Eurostat/ECB DG-S

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## 10. Revision of SNA 93 and BPM 5

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### *SNA93 Progress report (Eurostat)*

10.1.1. Eurostat informed the CMFB Members about the progress made on the review of the SNA93. The ISWGNA prepared a document in December 2006 covering the recommendations from the AEG. The report and the recommendations will be transmitted to the UN Statistical Commission for approval in the next meeting scheduled on 27/2-2/3. In parallel, the drafting of the chapters of the SNA has started and several of them are already available on the website. Eurostat distributed its comments on chapters 9 and 14 for information to the NAWG and the Directors of national accounts to reinforce the transparency of the process. On difficult chapters, Eurostat will distribute its comments in advance to the NAWG and the Directors of national accounts to support the search for a coordinated European position.

10.1.2. A few issues are still being discussed:

- unfunded pension schemes (see item A.5.2. of the agenda);
- research and development, which the SPC agreed in November 2006 are conceptually investments to be included, as a long term objective, in the core accounts. Since practical and specific questions still have to be solved, a satellite account system will be set up to address these difficulties. The decision to switch to core accounts will be taken when sufficient experience will be gained on satellite accounts.
- military expenditure, for which the SPC supported the AEG recommendation to consider it as capital formation.
- capital services on assets owned by non market producers, for which the SPC did not support the inclusion of the return on capital in the value of government output. (In the meantime, as positions were quite split on this issue, ISWGNA organised an electronic consultation. It showed that the AEG confirmed the initial recommendation to include the return of capital into the value of non market output, with flexibility for implementation. Each organisation will make proposals for a way forward on this issue in view of a room document to be presented in the meeting of the UN Statistical Commission. Eurostat will propose to leave the current SNA unchanged, in line with the SPC position, because of the significant conceptual and implementation difficulties and also because allowing flexibility will hamper comparability. The room document will be ready by mid-February 2007.)

The AEG will meet in March 2007 also to start, among other issues, the discussion on the implementation issues.

Eurostat will start working on the revision of the ESA95 after the meeting of the UN Statistical Commission at the end of February-beginning of March 2007. Concerning the timetable, since the ESA95 is a legal text with administrative uses, it requires a more precise specification that will take some further years after the finalisation of the SNA. Therefore, based on the past experience and tabling on a finalisation of the SNA in 2008/2009, the revision of the ESA will not reasonably take place before 2012.

10.1.3. ECB DG-S informed the CMFB on the progress on the classification and terminology of financial assets and sub-sectoring of financial corporations. The results of the questionnaire sent worldwide were incorporated in the draft chapter posted on the website for comments till 12 February 2007.

10.1.4 The CMFB noted the current state of play and welcomed the progress made in the revision of the SNA and the additional information provided by Eurostat and the ECB DG-S.

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## ***BPM5 and OECD benchmark definition of Foreign Direct Investment - Progress report (Eurostat/ECB DG-S)***

- 10.1.5. Eurostat informed the CMFB members on the progress achieved in the revision of the IMF Balance of Payments Manual and the OECD benchmark definition of Foreign Direct Investment. Both revisions are on schedule. The latter is foreseen by early 2008; the former will go through a process of consultation and review in 2007 after the release on the IMF website of the draft in February/March 2007. The electronic form will be finalised by end 2008 and the hardcopy in 2009. The title of the manual will be "balance of payments and international investment positions" and the abbreviation will be BPM6.
- 10.1.6. On FDI, the main issues discussed in the OECD Workshop on International Investments Statistics and in the Benchmarking Advisory Group were: (a) SPEs and capital in transit; (b) ultimate investing/hosting countries; (c) mergers and acquisitions; (d) future work to establish closer links between FDI and FATS and evaluate the benefits of a joint register.
- 10.1.7. On the revision of BPM5, the BoP Committee discussed, among others, the following issues: (a) write-offs and write-downs; (b) durable goods and valuables in travel; (c) FDI; (d) definition of remittances; (e) coordinated direct investment survey.
- 10.1.8. The CMFB took note of the progress report.
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## **11. EU/EMU Short-Term Statistics**

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### ***Principal European Economic Indicators – Follow-up (Eurostat)***

- 11.1.1. Eurostat gave an update on PEEIs and activities of the FROCH Group. The PEEI initiative produced major achievements for several key short-term indicators (among them, in particular, HICP, GDP flash estimates and short-term business statistics), but there is still work to be done. Higher visibility will be given to PEEIs as part of a list of main economic indicators to be released in the website of Eurostat. Eurostat thanked the Member States for their commitment and the efforts in setting-up the PEEIs and the FROCH Group for the essential input in the exercise.
- 11.1.2. Eurostat informed the Committee that the SPC in the February 2007 meeting would probably decide to discontinue the FROCH Group. Nevertheless, the work on PEEIs will not be abandoned but will continue to be followed in more traditional ways (competent Working Groups and coordination role of Eurostat). If needed, this could be followed by the "Statistical Challenges" task force that the SPC will create (together with other two strategic task forces). This task force, chaired by Ms Bohata (Eurostat) and Ms Jeskanen-Sundström (Statistics Finland) could resume part of the tasks of the FROCH Group.

The FROCH Group approach was successful and lessons can be retained from it:

- the Group was co-chaired by Eurostat and a leading member of the SPC;
- the Group put together users and producers;
- other relevant bodies participated to the activities of the Group: OECD and CMFB;
- the SPC endorsed and supported the activities;
- the Group worked towards policy objectives retained at high political level (ECOFIN Council and EFC).

11.1.3. ECB DG-S also expressed its appreciation of the progress during the last five years and the analysis of the successful factors. Nevertheless, it stressed that there is still considerable work to be done, in particular on those 9 (out of 19) PEEIs that did not yet achieve the objectives (in particular import prices and output prices on services). ECB DG-S welcomed the work led by INSEE on flash estimates, notably of employment figures. It underlined that the issue of seasonal and working day adjustment still requires a follow-up.

11.1.4. The CMFB took note of the report. The CMFB very much welcomed the progress made in this area in many respects and encouraged the search for further progress in the way outlined by Eurostat and the ECB DG-S.

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## 12. Any Other Business

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### *Task Force on Accounting Standards (TFAS): latest developments*

12.1.1. ECB DG-S informed the CMFB about the re-vitalisation of the Task Force on Accounting Standards (TFAS). The Task Force had existed for some time and looked at the effects of the changes in International Accounting Standards on statistics. There are reasons to prolong the mandate of Task Force, currently handled by a new joint Eurostat-ECB/DG-S Chair, and envisage a meeting in March 2007. The Task Force may deal with issues related to the development of IFRS for small and medium size enterprises, in the framework of reducing the reporting burden and improving the efficiency of statistical reporting. In particular work will focus on the questionnaire for the enterprises in the sample of the IFRS and on the use of administrative data for those enterprises that are not in the sample. The project of the Task Force will be presented to the regulatory committee in Brussels at the beginning of February 2007.

12.1.2. Italy stressed the importance of the impact of the introduction of the new IAS, in particular for national accounts. The different classification criteria for accounts of enterprises will impact on the availability of adequate basic statistics for the compilation of national accounts (notably the simplification for small and medium size enterprises).

12.1.3. The CMFB took note of the information. It noted the importance of this issue in the context of the simplification and reduction of the statistical burden. It also underlined the risks of the impact of the new IAS on national accounts. The Chairman invited CMFB members interested in participating to the work of the Task Force to directly address Jean-Marc Israel at the ECB.

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12.1.4. The Chairman announced the forthcoming launch of the **consultation on securitisation**. A longer than usual time will be granted to return the replies to the questionnaire because of the technical complexity of the consultation and the size of the background documentation.

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The Chairman thanked the participants, the interpreters and Eurostat for the organisation and closed the meeting. The next CMFB meeting is scheduled for 28-29 June 2007.

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## CMFB 1-2 February 2007 – LIST OF PARTICIPANTS

### Luxembourg - Jean Monnet Building (room M6)

<b>BELGIUM</b>	Mr Rudi ACX Mr Roger DE BOECK	Banque Nationale de Belgique Banque Nationale de Belgique
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<b>CROATIA</b>	Mr Ivan ŠUTALO	Central Bureau of Statistics of Croatia
<b>TURKEY</b>	Mr Fikret KARABUDAK	Central Bank of Turkey
<b>EUROSTAT</b>	Mr Hervé CARRE, Mrs Marie BOHATA, Mr Laurs NØRLUND, Mr Roberto BARCELLAN (Secretary), Mr Klaus REEH, Mr Pedro DIAZ MUÑOZ, Mr Gallo GUEYE, Mr Luca ASCOLI, Ms Maria-Helena FIGUEIRA, Mr Mushtag HUSSAIN, Ms Daniela COMINI, Mr Paolo PASSERINI, Mr Andreas KRÜGER, Mr Hervé RENNIE, Ms Elena VAN ECK, Ms Beatrice THIRY, Mr Eduardo BARREDO CAPELOT, Mr John VERRINDER, Ms Monika WOZOWCZYK, Mr Denis LEYTHIENNE, Mr Markus VAN WERSCH, Mr Gilles DECAND, Mr Ales CAPEK, Mr Nikolaus WURM, Mr Brian NEWSON	
<b>DG ECFIN</b>	Mr Franck SCHONBORN	
<b>EUROPEAN CENTRAL BANK</b>	Mr Steven KEUNING, Mr Jean-Marc ISRAËL, Mr Gabriel QUIROS, Mr Francis GROSS, Mr Reimund MINK, Ms Alda MORAIS	
<b>OECD</b>	Mr François LEQUILLER	

## Annex 1



Committee on Monetary, Financial and Balance of Payments Statistics

Plenary session  
1-2 February 2007

Luxembourg  
Jean Monnet Building, Room M6

### Agenda 25.01.2007

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

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

***The meeting starts at 9.30 on 1 February 2007***

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

*The allocation of times for each item is provisional*

1. **OPENING** (Eurostat, Director General) (10' – 9:40)
2. **ADOPTION OF THE AGENDA** (Chairman) (5' – 9:45)
3. **ORGANISATIONAL MATTERS** (Chairman, Secretariat)
  1. Work performed by the CMFB, 2005-2006 – Review by outgoing Chairman (Outgoing CMFB Chairman) (15' – 10:00)
  2. Work Programme 2007-2008 of the CMFB (CMFB Chairman) (20' – 10:20)
4. **EXCESSIVE DEFICIT PROCEDURE**
  1. Progress in updating the ESA95 Manual on Government Deficit and Debt (Eurostat) (10' – 10:30)
  2. EDP recent developments – Progress report (Eurostat) (15' – 10:45)
  3. Amended procedures for the consultation of the CMFB about the statistics underlying the Excessive Deficit Procedure (CMFB Chairman) (20' – 11:05)
5. **PUBLIC FINANCE STATISTICS**
  1. COFOG data - Progress report (Eurostat) (15' – 11:20)
  2. Task Force on the statistical measurement of the assets and liabilities of pension schemes in general government – Progress report (Eurostat/ECB's DG-S) (20' – 11:40)
6. **QUARTERLY SECTOR ACCOUNTS**
  1. Joint ECB's DG-S/Eurostat Task Force on quarterly European accounts by institutional sectors – Progress report (ECB's DG-S/Eurostat) (20' – 12:00)
  2. Joint ECB's DG-S/Eurostat Task Force on the Rest-of-the World Account - Final report (ECB's DG-S/Eurostat) (30' – 12:30)

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***Break for lunch – the meeting resumes at 14:15***

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3. State of play on quarterly European sector accounts (Eurostat/ECB's DG-S) (20' – 14:35)
4. STC Groupe de Réflexion on Financial Statistics within the Euro Area Accounts Framework – Final Report (Chairman Groupe de Réflexion, R. Álvarez) (20' – 14:55)

#### **7. BALANCE OF PAYMENTS**

1. Regulation 2560/2001 defining a threshold for statistical reporting on cross-border payments and new legal framework on payment services – Progress report (Eurostat) (35' – 15:30)
2. First round of pilot quality reports required by the BoP Regulation - Progress report (Eurostat) (20' – 15:50)

#### **8. PRIORITISATION AND SIMPLIFICATION**

1. Commission communication on the reduction of the response burden, simplification and priority-setting in the field of Community statistics – (Eurostat) (30' – 16:20)
2. The simplification of Intrastat: the two track approach – (Eurostat) (20' – 16:40)
3. The impact of the possible introduction of the one single flow system on Intrastat – The case of Cyprus (40' – 17:20)

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***End of first day - the meeting resumes at 9:30 on 2 February 2007***

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#### **9. NATIONAL AND FINANCIAL ACCOUNTS**

1. Major statistical revisions – guidelines on communication (Eurostat, ECB DG-S) (30' – 10:00)

#### **10. REVISION OF SNA 93 AND BPM 5**

1. Progress report (Eurostat/ECB's DG-S) (SNA 93; BPM 5) (60' – 11:00)

#### **11. EU/EMU SHORT-TERM STATISTICS**

1. Principal European Economic Indicators – Follow-up (Eurostat) (20' – 11:20)

#### **12. ANY OTHER BUSINESS**



## **PART B - POINTS FOR INFORMATION<sup>1</sup>**

### **CMFB INTERNAL MATTERS**

1. Main developments since the last CMFB meeting in July 2005, minutes of the Executive Body meetings held in Dublin in October 2006 and in Frankfurt in December 2006, list of the task forces reporting to the CMFB (CMFB Secretariat)

### **BALANCE OF PAYMENTS**

2. The Balance of Payments Committee (Eurostat)
3. Balance of Payments Working Group – Progress report (Eurostat)
4. Draft Regulation on FATS, Joint WG FATS & Workshop on outward FATS – Progress report (Eurostat)
5. Working Group on External Statistics - Progress report (ECB's DG-S)

### **NATIONAL AND FINANCIAL ACCOUNTS**

6. Revision of the ESA 95 transmission programme – Progress report on the Draft Regulation (Eurostat)
7. Financial Accounts Working Group - Progress report (Eurostat)
8. Working Group on Monetary Union Financial Accounts – Progress Report (ECB's DG-S)
9. Quality Report on Quarterly Financial Accounts for General Government (Eurostat)

### **SHORT-TERM PUBLIC FINANCE STATISTICS**

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

### **STATISTICAL INFRASTRUCTURE**

11. SDMX initiative - Progress report (Eurostat/ECB's DG-S)

### **INTERNATIONAL ACCOUNTING STANDARDS (IAS)**

12. Accounting and Statistics Task Force (TFAS): latest developments (Eurostat/ECB's DG-S)

### **PRICES**

13. HICP activities – Progress report (Eurostat)

### **EU/EMU SHORT-TERM STATISTICS**

14. Seasonal adjustment activities – Progress report (Eurostat/ECB's DG-S)

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