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(Acts whose publication is obligatory)

**REGULATION (EC) No 2516/2000 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
of 7 November 2000**

**modifying the common principles of the European system of national and regional accounts in the Community (ESA) 95 as concerns taxes and social contributions and amending Council Regulation (EC) No 2223/96**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285 thereof,

Having regard to the proposal from the Commission (¹),

Having regard to the opinion of the Economic and Social Committee (²),

Acting in accordance with the procedure laid down in Article 251 of the Treaty (³),

Whereas:

- (1) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community (⁴) (ESA 95) contains the reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Community, in order to obtain comparable results between Member States.
- (2) Article 2 of Regulation (EC) No 2223/96 sets out the conditions under which the Commission may adopt amendments to the ESA 95 methodology which are intended to clarify and improve its content.
- (3) It is therefore necessary to refer the clarifications concerning the recording of taxes and social contributions in ESA 95 to the European Parliament and to the Council as these clarifications modify basic concepts.
- (4) Article 2 of the protocol on the excessive deficit procedure relating to Article 104 of the Treaty states that the government deficit means net borrowing of the general

government sector as defined in the European system of integrated economic accounts (ESA).

- (5) The Statistical Programme Committee (SPC), set up by Council Decision 89/382/EEC, Euratom (⁵), the Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC (⁶), and the Gross National Product Committee (GNP Committee) can state their opinion on the country-specific accounting treatment of taxes and social contributions whenever they consider it relevant.
- (6) The SPC and the CMFB have been consulted.
- (7) The measures necessary for the implementation of Regulation (EC) No 2223/96 should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission (⁷),

HAVE ADOPTED THIS REGULATION:

**Article 1**

**Purpose**

The purpose of this Regulation is to modify the common principles of ESA 95 as concerns taxes and social contributions so as to ensure comparability and transparency among the Member States.

**Article 2**

**General principles**

The impact on the net lending/borrowing of general government of taxes and social contributions recorded in the system shall not include amounts unlikely to be collected.

(¹) OJ C 21 E, 25.1.2000, p. 68.

(²) OJ C 75, 15.3.2000, p. 19.

(³) Opinion of the European Parliament of 13 April 2000 (not yet published in the Official Journal), Council Common Position of 26 June 2000 (OJ C 245, 25.8.2000, p. 1) and Decision of the European Parliament of 3 October 2000 (not yet published in the Official Journal).

(⁴) OJ L 310, 30.11.1996, p. 1. Regulation as amended by Regulation (EC) No 448/98 (OJ L 58, 27.2.1998, p. 1).

(⁵) OJ L 181, 28.6.1989, p. 47.

(⁶) OJ L 59, 6.3.1991, p. 19. Decision as amended by Decision 96/174/EC (OJ L 51, 1.3.1996, p. 48).

(⁷) OJ L 184, 17.7.1999, p. 23.

Accordingly, the impact on general government net lending/borrowing of taxes and social contributions recorded in the system on an accrual basis shall be equivalent over a reasonable amount of time to the corresponding amounts actually received.

### Article 3

#### Treatment of taxes and social contributions in the accounts

Taxes and social contributions recorded in the accounts may be derived from two sources: amounts evidenced by assessments and declarations or cash receipts.

- (a) If assessments and declarations are used, the amounts shall be adjusted by a coefficient reflecting assessed and declared amounts never collected. As an alternative treatment, a capital transfer to the relevant sectors could be recorded equal to the same adjustment. The coefficients shall be estimated on the basis of past experience and current expectations in respect of assessed and declared amounts never collected. They shall be specific to different types of taxes and social contributions. The determination of these coefficients shall be country-specific, the method being cleared with the Commission (Eurostat) beforehand.
- (b) If cash receipts are used, they shall be time-adjusted so that the cash is attributed when the activity took place to generate the tax liability (or when the amount of tax was determined, in the case of some income taxes). This adjustment may be based on the average time difference between the activity (or the determination of the amount of tax) and cash tax receipt.

### Article 4

#### Verification

1. The Commission (Eurostat) shall verify the implementation by Member States of the principles laid down in this Regulation.
2. From 2000 onwards, Member States shall provide the Commission (Eurostat) before the end of each year with a detailed description of the methods they plan to use for the different categories of taxes and social contributions in order to implement this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 7 November 2000.

For the European Parliament

The President

N. FONTAINE

3. The methods applied and the possible revisions shall be subject to agreement between each Member State concerned and the Commission (Eurostat).

4. The Commission (Eurostat) shall keep the SPC, the CMFB and the GNP Committee informed of the methods and the calculation of the aforementioned coefficients.

### Article 5

#### Implementation

Within 6 months of the adoption of this Regulation, the Commission shall introduce in the text of Annex A to Regulation (EC) No 2223/96, pursuant to the procedure in Article 4 thereof, the changes needed for the application of this Regulation.

### Article 6

#### Committee procedure

Article 4 of Regulation (EC) No 2223/96 shall be replaced by the following:

##### 'Article 4

1. The Commission shall be assisted by the Statistical Programme Committee (hereinafter referred to as "the Committee").
2. Where reference is made to this Article, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

The period laid down in Article 4(3) of Decision 1999/468/EC shall be set at three months.

3. The Committee shall adopt its rules of procedure.'

### Article 7

#### Entry into force

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Communities*.

2. Member States may ask the Commission for a transitional period of no more than two years in which to bring their accounting systems into line with this Regulation.

For the Council

The President

L. FABIUS