EUROPEAN CENTRAL BANK

OPINION OF THE EUROPEAN CENTRAL BANK

of 30 December 2005

at the request of the Ministry of Finance of the Slovak Republic on a draft Ministry of Finance measure stipulating the structure and identification of items in individual financial statements, the content of such items and the extent of financial statements data subject to disclosure by Národná banka Slovenska

(CON/2005/61)

1. On 8 December 2005 the European Central Bank (ECB) received a request from the Ministry of Finance of the Slovak Republic for an opinion on a draft Ministry of Finance measure stipulating the structure and identification of items in individual financial statements, the content of such items and the extent of financial statements data subject to disclosure by Národná banka Slovenska (hereinafter the 'draft measure').

2. The ECB's competence to deliver an opinion is based on the third indent of Article 2(1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions[1], as the draft measure contains provisions concerning a national central bank (NCB). In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, the Governing Council has adopted this opinion.

3. The main objective of the draft measure is to provide for the structure and identification of items in individual financial statements, the content of such items and the extent of financial statements data which are subject to disclosure by Národná banka Slovenska (NBS). The explanatory memorandum accompanying the draft measure states that under the draft measure, NBS should prepare its financial statements on the basis of International Financial Reporting Standards (IFRS) in order to allow monitoring of the performance of tasks and individual objectives under the NBS Act[2].

4. The ECB notes that the competence to decide on the accounting and financial reporting standards to be used by NBS lies with the national legislator. The ECB however wishes to draw attention to the accounting and financial reporting regime of the European System of Central Banks (ESCB) as required under Article 26.4 of the Statute and laid down in Guideline ECB/2002/10 of 5 December 2002 on the legal framework for accounting and financial reporting in the European System of Central Banks[3] (hereinafter the 'Accounting Guideline'). Although the Accounting Guideline does

1 OJ L 189, 3.7.1998, p. 42.

2 Act No 566/1992 Coll. on Národná banka Slovenska, as amended.

3 OJ L 58, 3.3.2003, p. 1.

not lay down binding rules for the NCBs' national reports and financial accounts, Article 2(2) stipulates that '[i]n order to achieve consistency and comparability between the ESCB and national regimes', the ECB recommends that NCBs should, to the extent possible, follow the rules set out in this Guideline for their national reports and financial accounts. The ECB understands that the Slovak Ministry of Finance only intends to make NBS subject to IFRS for a temporary period. The ECB notes that from the introduction of the euro in Slovakia, NBS will fall under the scope of application of the Accounting Guideline for ESCB accounting and financial reporting purposes, and recommends that from that moment onwards NBS should follow the rules set out in the Accounting Guideline for its national financial accounts. The ECB also notes that maintaining two separate accounting regimes (one for ESCB reporting, and one for national financial accounts) may prove to be financially and operationally burdensome.

5. This opinion will be published on the ECB's website.

Done at Frankfurt am Main, 30 December 2005.

[signed]

The President of the ECB

Jean-Claude TRICHET