C/2025/3740

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Requirements for budgetary frameworks of the Member States – amending Directive

European Parliament legislative resolution of 23 April 2024 on the proposal for a Council directive amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States (15396/2023 – C9-0006/2024 – 2023/0136(NLE))

(Consultation)

(C/2025/3740)

The European Parliament,

— having regard to the Council draft (15396/2023),

— having regard to Article 126(14), third subparagraph, of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C9-0006/2024),

— having regard to Rule 82 of its Rules of Procedure,

— having regard to the report of the Committee on Economic and Monetary Affairs (A9-0440/2023),

1. Approves the Council draft as amended;

2. Calls on the Council to notify Parliament if it intends to depart from the text approved by Parliament;

3. Asks the Council to consult Parliament again if it intends to substantially amend its draft;

4. Instructs its President to forward its position to the Council and the Commission.

Amendment 2

AMENDMENTS BY THE EUROPEAN PARLIAMENT (*)

to the Council draft

COUNCIL DIRECTIVE

amending Directive 2011/85/EU on requirements for budgetary frameworks of the Member States

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 126(14), third subparagraph, thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the European Central Bank ([1]),

Whereas:

(1) In order to ensure Member States' compliance with the obligations under the Treaty on the Functioning of the European Union (TFEU) in the area of budgetary policy, and in particular with regard to avoiding excessive government deficits, Council Directive 2011/85/EU ([2]) laid down detailed rules concerning the characteristics of the budgetary frameworks of the Member States.

(2) Building upon the experience gained with the economic and monetary union since Directive 2011/85/EU came into force, it is necessary to amend its requirements regarding the rules and procedures forming the budgetary frameworks of the Member States.

(3) In 2019, the European Court of Auditors published a report examining the Union requirements on national budgetary frameworks and recommending the Commission to review those requirements, taking into account international standards and best practices. The European Court of Auditors proposed specific actions to improve the scope and effectiveness of national budgetary frameworks, particularly as regards medium-term budgetary frameworks and independent fiscal institutions ([3]).

(4) Commission Communication of 5 February 2020 ([4]) pointed to substantial but uneven progress in the development of national budgetary frameworks considering that Union law only sets minimum requirements and that implementation and compliance with national provisions had been very diverse. That Communication also considered the extent to which the framework would support economic, environmental and social policy needs related to the transition towards a climate-neutral, resource-efficient and digital European economy, complementing the key role of the regulatory environment and structural reforms.

(*) Amendments: new or replacement text is marked in bold italics, and deletions are indicated by the symbol ▌.

([1]) OJ C 290, 18.8.2023, p. 17.

([2]) Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306, 23.11.2011, p. 41).

([3]) European Court of Auditors special report of 2019 on the 'EU requirements on national budgetary frameworks: need to further strengthen them and to better monitor their application'.

([4]) Communication COM(2020)0055 of 5 February 2020 from the Commission 'Economic governance review, Report on the application of Regulations (EU) No 1173/2011, 1174/2011, 1175/2011, 1176/2011, 1177/2011, 472/2013 and 473/2013 and on the suitability of Council Directive 2011/85/EU'.

(5) Commission Communication of 11 December 2019 on the European Green Deal ([5])called for a greater use of green budgeting tools to redirect public investment, consumption and taxation to green priorities and away from harmful subsidies. The European Climate Law sets a Union-wide climate neutrality objective by 2050 and requires Union institutions and Member States to progress in enhancing adaptive capacity. The Commission committed to working with the Member States to screen and benchmark green budgeting practices. Commission Communication of 24 February 2021 on the new EU strategy on adaptation to climate change ([6]) pointed to the macro-fiscal relevance of climate change and highlighted the need to increase ***the*** Union's resilience to the impacts of climate change. The European Semester provides an additional framework to support such efforts and the Technical Support Instrument offers practical assistance for their implementation.

(6) Commission Communication of 9 November 2022 on orientations for a reform of the EU economic governance framework ([7]) highlighted the need to strengthen debt sustainability and reduce high public debt ratios while promoting sustainable and inclusive growth in all Member States. The key objectives of the orientations are to improve national ownership, simplify the framework and move towards a greater medium-term focus, combined with stronger and more coherent enforcement.

(7) In order to enhance compliance with the provisions of the TFEU, and to prevent in particular the occurrence of excessive government deficits in the sense of Article 126 TFEU, there should be specific provisions in the law of the Member States to strengthen national ownership, in accordance with the Commission Communication of 9 November 2022 on orientations for a reform of the EU economic governance framework, beyond those currently required by Directive 2011/85/EU. Building on the evidence of implementation of that Directive, amendments should also cover provisions on transparency and statistics, forecasts and medium-term budgeting to address weaknesses identified during implementation.

(8) This Directive is part of a package together with Regulation (EU) [XXX] ([8]) of the Parliament and of the Council replacing Regulation (EC) No 1466/97 ([9]) (the preventive arm of the Stability and Growth Pact) and Council Regulation [XXX] ([10]) amending Council Regulation (EC) No 1467/97 ([11]) (the corrective arm of the Stability and Growth Pact). Together, they establish a reformed Union economic governance framework that incorporates into Union law the substance of Title III 'Fiscal Compact' of the inter-governmental Treaty on Stability, Coordination and Governance (TSCG) in the Economic and Monetary Union ([12]), in accordance with Article 16 thereof. By building on the experience with the implementation of the TSCG by the Member States, the package retains the Fiscal Compact's medium-term orientation as a tool to achieve budgetary discipline and growth promotion. The package includes a strengthened country-specific dimension aimed at enhancing national ownership, including by preserving the role for independent fiscal institutions, which draws on the Fiscal Compact's common principles proposed by the Commission ([13]) in accordance with Article 3(2) of the TSCG. The analysis of expenditure net of discretionary revenue measures for the overall assessment of compliance required by the Fiscal Compact is set out in Regulation [XXX] replacing Regulation (EC) No 1466/97. As in the Fiscal Compact, temporary deviations from the medium-term plan are allowed only in exceptional circumstances in Regulation [XXX]replacing Regulation (EC) No 1466/97. Similarly, in case of significant deviations from the medium-term plan, measures should be implemented to correct the deviations over a defined period of time. The package strengthens fiscal surveillance and enforcement procedures to deliver on the commitment of promoting sound and sustainable public finances and sustainable and inclusive growth. The economic governance framework reform, thus, retains the fundamental objectives of budgetary discipline and debt sustainability set out in the TSCG.

([5]) Communication COM(2019)0640 from the Commission 'The European Green Deal'.
([6]) Communication COM(2021)0082 from the Commission 'Forging a climate-resilient Europe - the new EU Strategy on Adaptation to Climate Change'.
([7]) Communication COM(2022)0583 from the Commission 'on orientations for a reform of the EU economic governance framework'.
([8]) Regulation (EU) of the European Parliament and of the Council of [insert date] [insert full title] (OJ L..).
([9]) Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (OJ L 209, 2.8.1997, p. 1).
([10]) Regulation (EU) of the Council of [insert date] [insert full title] (OJ L..).
([11]) Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6).
([12]) Treaty on Stability, Coordination and Governance in the Economic and Monetary Union of 2 March 2012.
([13]) Communication COM(2012)0342 of 20 June 2012 from the Commission 'Common principles on national fiscal correction mechanisms'.

(9) Complete and reliable public accounting practices for all subsectors of general government are a precondition for the production of high-quality statistics that are comparable across Member States. The availability and quality of the European System of National and Regional Accounts (ESA) based statistics is crucial to ensure the proper functioning of the Union's fiscal surveillance framework. ESA 2010 relies on information provided on an accrual basis. It is therefore desirable to improve the collection of accrual data and information needed to generate accrual-based statistics in a way that is comprehensive and consistent across all subsectors of general government.

(10) The availability of high frequency data can reveal patterns warranting closer surveillance and improve the quality of budgetary forecasts. Member States and the Commission (Eurostat) should publish quarterly deficit and debt data applying the definitions set out in Article 2 of the Protocol (No 12) on the excessive deficit procedure annexed to the Treaty on European Union (TEU) and to the TFEU. Publication of budgetary data with higher frequency that are tailored to national budgetary definitions should be determined on the basis of national transparency requirements and user needs, to improve national ownership.

(11) Biased and unrealistic macroeconomic and budgetary forecasts for the annual and multiannual budget legislations can considerably hamper the effectiveness of fiscal planning and consequently impair commitment to budgetary discipline. To improve baseline assumptions, Member States should compare their macroeconomic and budgetary forecasts with the most updated ones of the Commission and, if appropriate, those of other independent bodies.

(12) Macroeconomic and budgetary forecasts for annual and multiannual fiscal planning for the general government should be subject to regular, objective and comprehensive ***ex post*** evaluations performed by an independent body or other bodies with functional autonomy vis-à-vis the fiscal authorities of the Member States different from the one producing the forecast in order to enhance their quality. Those evaluations should include scrutiny of the economic assumptions, comparison with forecasts prepared by other institutions, and evaluation of past forecast performance.

(13) Independent bodies charged with monitoring public finances in the Member States are an effective building block of budgetary frameworks. Regulation (EU) No 473/2013 of the European Parliament and of the Council ([14]) requires Member States whose currency is the euro to have independent fiscal institutions tasked with the endorsement or production of macroeconomic forecasts and establishes specific safeguards regarding their independence and technical capacity. Without prejudice to the requirements under Regulation (EU) No 473/2013, the task of the independent fiscal institutions to produce, assess or endorse macroeconomic forecasts, in accordance with Article 8(4), should take into account the established national procedures and practices in Member States, including those concerning at which point in time the task is undertaken.

(14) In order to achieve strengthened responsibility in fiscal policy, independent fiscal institutions should have a high degree of operational independence, the necessary resources to perform their tasks and extensive and timely access to necessary information. Member States may establish more than one independent fiscal institution and each of them may discharge one or several of the tasks laid down in this directive, as long as there is a clear allocation of responsibility and there is no remit overlap between them. Excessive institutional fragmentation of monitoring tasks should be avoided. The design of those monitoring bodies should take into account the existing institutional setting and the administrative structure of the Member State concerned.

(15) To improve budgetary planning, due attention should be paid***,*** to the ***extent possible,*** to the macrofiscal risks from climate change, including its environmental and distributional impacts. Understanding the potential channels through which climate-related shocks affect public finance is key to national strategies to limit and manage fiscal risks stemming from climate change and from related disasters.

(16) Although the approval of annual budget legislation is a key step in the budget process for democratic accountability, a single-year perspective for budgetary planning provides a limited basis for sound fiscal policies, as most measures have implications that go well beyond the annual budgetary cycle. As such, effective medium-term fiscal planning strengthens the credibility of fiscal policy while taking into account debt sustainability. It should rest on a clear and consistent definition of national budgetary objectives over the medium term for the general government, which are presented in national medium-term plans. In order to enhance a multiannual budgetary perspective, planning of annual budget legislation should be consistent with national budgetary objectives over the medium term referred to in Article 2, point (e).

([14]) Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

(17) To be effective in promoting budgetary discipline and the sustainability of public finances, budgetary frameworks should comprehensively cover public finances. For that reason, particular attention should be given to operations of those general government bodies and funds which do not form part of the regular budgets but are part of the general government, including subsectors, and that have an immediate or medium-term impact on Member States' budgetary positions. Member States shall also publish values corresponding to the combined impact on general government balances and debts of those bodies and funds. Detailed information on the impact of tax expenditures on revenues should be published.

(19) Green budgeting tools can help redirect public revenue and expenditure to green priorities. In that respect, regular reporting of relevant information improves budget deliberations. Member States could publish the information on how the relevant elements of their budgets contribute to achieving climate and environmental national and international commitments and the methodology used. Member States should publish data and descriptive information separately for expenditure, tax expenditure and revenue items. Member States could publish information on the distributional impact of budgetary policies and take into account employment, social and distributional aspects in the development of green budgeting ([15]).

(20) Due attention should be paid to the existence of contingent liabilities. More specifically, contingent liabilities encompass possible obligations depending on the occurrence of an uncertain future event, or present obligations where payment is not probable or the amount of the probable payment cannot be measured reliably. They comprise, for instance, government guarantees, non-performing loans, liabilities stemming from the operation of public corporations, and, to the extent possible, disaster- and climate-related contingent liabilities.

(21) Natural disasters and extreme weather events have affected most Member States and climate change is expected to amplify the frequency and intensity of such events. Governments invest in climate adaptation measures and step in to cover disaster costs for emergency relief, recovery and reconstruction and to act as insurer of last resort in some cases. Considering the existing and future challenges for the sustainability of public finances, particular attention should be paid to government obligations and risks to government finances stemming from natural disasters and climate-related shocks, starting with collecting and publishing information on the fiscal cost of past events to the extent possible.

(21a) Reporting on macrofiscal risks from climate change, climate-related contingent liabilities and fiscal costs of disasters is improving but still remains at an incipient stage, with methodologies and indicators for such reporting still being developed. The adaptation to this reporting will require significant efforts from public administrations. Taking into account these challenges, and to the extent possible, reporting in these areas should be carried out and evolve in parallel to such methodological advances.

(22) The Commission should continue to regularly monitor the implementation of Directive 2011/85/EU. Best practices concerning the implementation of the provisions of that Directive should be identified and shared.

(23) Directive 2011/85/EU should therefore be amended accordingly,

HAS ADOPTED THIS DIRECTIVE:

Directive 2011/85/EU is amended as follows:

(1) Article 2 is amended as follows:

(a) in the first paragraph, the second sentence is replaced by the following:

'The definition of subsectors of general government set out in Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council shall apply. (*)

(*) OJ L 174, 26.6.2013, p. 1.'

([15]) Communication COM(2022)0494 of 28 September 2022 from the Commission 'Better assessing the distributional impact of Member States' policies' and Article 6(3), point (d), of Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area (OJ L 140, 27.5.2013, p. 11).

(b) the second paragraph is amended as follows:

(i) point (a) is replaced by the following:

'(a) systems of public accounting and statistical reporting by the general government;'

(ii) point (c) is replaced by the following:

'(c) country-specific numerical fiscal rules that contribute to the consistency of Member States' conduct of fiscal policy with their respective obligations under the TFEU, and that are expressed in terms of an indicator of budgetary performance, such as the government budget deficit, borrowing, debt, or a major component thereof;'

(iii) point (e) is replaced by the following:

'(e) medium-term budgetary frameworks as a specific set of national budgetary procedures that extend the horizon for fiscal policy-making beyond the annual budgetary calendar, including the setting of policy priorities and of national budgetary objectives over the medium-term;'

(iv) the following point (h) is added:

'(h) independent fiscal institutions as bodies structurally independent or bodies endowed with functional autonomy as regards the budgetary authorities of the Member States established by national legal provisions in accordance with Article 8.'

(2) Article 3 is replaced by the following:

'1. As concerns national systems of public accounting, Member States shall have in place public accounting systems comprehensively and consistently covering all subsectors of general government and containing the information needed to generate accrual data with a view to preparing data based on the European System of National and Regional Accounts. Those public accounting systems by the general government shall be subject to internal control and independent audits.

2. Member States shall ensure timely and regular public availability of fiscal data for all subsectors of general government as set out by Regulation (EU) No 549/2013 of the European Parliament and of the Council (*). In particular, Member States shall publish for central government, state government, local government and social security funds, quarterly debt and, unless they have in place integrated, comprehensive and nationally harmonised accrual financial accounting systems, deficit data separately, before the end of the following quarter or after publication of the relevant data by the Commission (Eurostat).

3. The Commission (Eurostat) shall publish the quarterly government finance statistics data in accordance with tables 25, 27 and 28 of Annex B to Regulation (EU) No 549/2013, every 3 months.

(*) OJ L 174, 26.6.2013, p. 1.'

(3) Article 4 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Member States shall ensure that annual and multiannual fiscal planning is based on realistic macroeconomic and budgetary forecasts using the most up-to-date information. Budgetary planning shall be based on the most likely macrofiscal scenario or on a more prudent scenario. The macroeconomic and budgetary forecasts shall be compared with the most updated forecasts of the Commission and, if appropriate, those of other independent bodies. Significant differences between the macroeconomic and budgetary forecasts of the Member State and the Commission's forecasts shall be explained, including where the level or growth of variables in external assumptions departs significantly from the values contained in the Commission's forecasts.'

(b) paragraph 4 is deleted.

(c) paragraphs 5 and 6 are replaced by the following:

'5. Member States shall specify which institution is responsible for producing macroeconomic and budgetary forecasts and shall make public the official macroeconomic and budgetary forecasts prepared for fiscal planning. At least annually, the Member States and the Commission shall engage in a technical dialogue concerning the assumptions underpinning the preparation of macroeconomic and budgetary forecasts.

6. The macroeconomic and budgetary forecasts for annual and multiannual fiscal planning shall be subject to regular, objective and comprehensive ex post evaluation by an independent body or other bodies with functional autonomy vis-à-vis the fiscal authorities of the Member States different from the one producing the forecast. The result of that evaluation shall be made public and taken into account appropriately in future macroeconomic and budgetary forecasts. If the evaluation detects a significant bias affecting macroeconomic forecasts over a period of at least 4 consecutive years, the Member State concerned shall take the necessary action and make it public.'

(d) paragraph 7 is deleted.

(4) Article 5 is replaced by the following:

'*Article 5*

Each Member State shall establish its specific numerical fiscal rules to effectively promote compliance with its obligations deriving from the TFEU in the area of budgetary policy over a multiannual period for the general government as a whole. Such rules shall promote in particular:

(a) compliance with the reference values and provisions on deficit and debt set in accordance with the TFEU;

(b) the adoption of a medium-term fiscal planning horizon, consistent with the provisions of Regulation [XXX preventive arm of the SGP]. (*)

_____

(*) Regulation (EU) of the European Parliament and of the Council of [*insert date*] [*insert full title*] (OJ L..).'

(5) Article 6 is amended as follows:

(a) in paragraph 1, point (b) is replaced by the following:

'(b) The effective and timely monitoring of compliance with the rules, based on reliable and independent analysis carried out by independent fiscal institutions established in accordance with Article 8 or other bodies with functional autonomy vis-à-vis the fiscal authorities of the Member States;'

(b) paragraph 2 is replaced by the following:

"If numerical fiscal rules contain escape clauses, such clauses shall set out a limited number of specific circumstances, consistent with the Member States" obligations deriving from the TFEU and Regulation [XXX preventive arm of the SGP].'

(6) Article 7 is replaced by the following:

'*Article 7*

The annual budget legislation of the Member States shall be consistent with the country-specific numerical fiscal rules in force.'

(7) In Chapter V, the title is replaced by 'INDEPENDENT FISCAL INSTITUTIONS'

(8) Article 8 is replaced by the following:

'*Article 8*

'1. Member States shall ensure that independent fiscal institutions, such as structurally independent bodies or bodies endowed with functional autonomy as regards the budgetary authorities of the Member States, are established by national laws, regulations or binding administrative provisions.

1a. Member States may establish more than one independent fiscal institution.

2. The institutions referred to in paragraph 1 shall be composed of members nominated and appointed on the basis of their experience and competence in public finances, macroeconomics or budgetary management, and by means of transparent procedures.

3. The institutions referred to in paragraph 1 shall:

(a) not take instructions from the budgetary authorities of the Member State concerned or from any other public or private body;

(b) have the capacity to communicate publicly about their assessments and opinions in a timely manner;

(c) have adequate and stable resources to carry out their tasks in an effective manner, including any type of analysis within their tasks;

(d) have adequate and timely access to the information needed to fulfil their tasks;

(e) be subject to regular external evaluations by independent evaluators.

4. Without prejudice to the tasks and functions attributed in accordance with Regulation (EU) No 473/2013 for Member States whose currency is the euro, all Member States shall ensure that the following tasks are undertaken by one of the institutions referred to in paragraph 1:

(a) producing, assessing or endorsing annual and multiannual macroeconomic forecasts;

(d) monitoring compliance with country-specific numerical fiscal rules unless performed by other bodies in accordance with Article 6;

(e) undertaking tasks in accordance with relevant articles of the Regulation [XXX preventive arm of the SGP] and of Regulation [XXX corrective arm of the SGP] (*);

(f) assessing the consistency, coherence and effectiveness of the national budgetary framework;

(g) upon invitation, participate in regular hearings and discussions at the national Parliament.

5. The institutions shall issue assessments in the context of the tasks referred to in paragraph 4 (a), (d), (e) and (f) without prejudice to the tasks and functions attributed in accordance with Regulation (EU) No 473/2013. Member States shall comply with these assessments, or alternatively explain why they are not following them. The explanation shall be public and be presented two months from the issuance of such assessments.

(*) Regulation (EU) of the Council of [insert date] [insert full title] (OJ L..).'

(9) Article 9 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Member States shall establish a credible, effective national medium-term budgetary framework providing for the adoption of a fiscal planning horizon of at least ***3*** years to ensure that national fiscal planning follows a multiannual fiscal planning perspective.'

(b) paragraph 2 is amended as follows:

(i) the introductory phrase is replaced by the following:

'2. National medium-term budgetary frameworks shall include procedures for establishing the following items:'

(ii) point (a) is replaced by the following:

'(a) comprehensive and transparent multiannual budgetary objectives as referred to in Article 2, point (e) in terms of the general government deficit, debt and any other fiscal indicator such as expenditure, ensuring that they are consistent with any country-specific numerical fiscal rules as provided for in Chapter IV of this Directive and the relevant provisions of Regulation [XXX preventive arm of the SGP].';

(iii) point (c) is replaced by the following:

'(c) a description of medium-term policies, including investment and reforms, envisaged with an impact on general government finances and sustainable and inclusive growth, broken down by major revenue and expenditure item, showing how the adjustment towards the national budgetary objectives over the medium term as referred to in Article 2, point (e), is achieved compared to projections under unchanged policies.'

(iv) point (d) is replaced by the following:

'(d) an assessment as to how in the light of their direct medium-term and long-term impact on general government finances, the policies envisaged are likely to affect the medium-term and long-term sustainability of the public finances and sustainable and inclusive growth. To the extent possible, the assessment shall take into account the macrofiscal risks from climate change and its environmental and distributional impacts.'

(c) paragraph 3 is deleted;

(10) Articles 10 and 11 are replaced by the following:

'*Article 10*

Annual budget legislation shall be consistent with the national budgetary objectives over the medium term as referred to in Article 2, point (e). Any departure shall be duly explained.';

Article 11

This Directive shall, in no way, prevent a Member State's new government from updating its medium-term budgetary plan to reflect its new policy priorities. In such case, the new government shall indicate the differences between the previous and the new medium-term budgetary plan.';

(11) in Chapter VI, the title is replaced by the following: 'TRANSPARENCY OF GENERAL GOVERNMENT FINANCES'

(12) Article 12 is replaced by the following:

'*Article 12*

Member States shall ensure that any measures taken in compliance with Chapters II, III and IV are consistent across all subsectors of general government and cover comprehensively those subsectors. To that effect Member States shall, in particular, require consistent accounting rules and procedures by the general government, and the integrity of their underlying data collection and processing systems.';

(13) Article 14 is replaced by the following:

'*Article 14*

1. Within the framework of the annual and multiannual budgetary processes, Member States shall publish information on bodies and funds which do not form part of the regular budgets but are part of the general government, including subsectors of general government. Member States shall also publish amounts corresponding to the combined impact on general government balances and debts of those bodies and funds.

2. Member States shall publish detailed information on the impact of tax expenditures on revenues.

3. For all subsectors of general government, Member States shall publish relevant information on contingent liabilities with potentially large impact on public budgets, including government guarantees, non-performing loans, and liabilities stemming from the operation of public corporations, including the extent thereof. Member States shall also publish information on disaster and climate-related contingent liabilities to the extent possible. Published information shall, to the extent possible, take into account information on fiscal costs incurred due to disasters and climate-related shocks. Member States shall publish information on the participation of general government in the capital of private and public corporations in respect of economically significant amounts.';

(14) Article 15 is replaced by the following:

'*Article 15*

1. Member States shall bring into force the provisions necessary to comply with this Directive by 31 December 2025. They shall forthwith communicate to the Commission the text of those provisions. The Council encourages Member States to draw up, for themselves and in the interests of the Union, their own correlation tables which will, as far as possible, illustrate the correlation between this Directive and the transposition measures, and to make them public.

2. When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

3. The Commission shall prepare an interim progress report on the implementation of the main provisions of this Directive on the basis of relevant information from Member States, which shall be submitted to the European Parliament and to the Council by 30 June 2025.

4. Member States shall communicate to the Commission the text of the main provisions which they adopt in the field covered by this Directive.';

(15) Article 16 is deleted.

(16) Article 16a is added as follows:

'*Article 16a*

1. By 31 December 2025 and every five years thereafter, the Commission shall report on the state of play of:

(a) Public accounting by the general government in the Union, taking into account the progress made since its 2013 assessment of the suitability of the International Public Sector Accounting Standards for the Member States;

(b) Capacity and tasks of EU independent fiscal institutions, taking into account the progress made since the entry into force of this Directive, building on the findings of the Commission's Fiscal Governance Database and consultations with relevant stakeholders, with a view to explore minimum standards;

2. By 31 December 2030, and every five years thereafter, the Commission shall publish a review of the effectiveness of this Directive.'

Done at Brussels,

For the Council *The President*