EUROPEAN CENTRAL BANK

**OPINION OF THE EUROPEAN CENTRAL BANK**

**of 9 August 2005**

**at the request of De Nederlandsche Bank**
**on a draft mandate order on financial institutions' sector accounts and a draft cooperation agreement between the Centraal Bureau voor de Statistiek and De Nederlandsche Bank on sector accounts**

**(CON/2005/27)**

1. On 27 June 2005 the European Central Bank (ECB) received a request from De Nederlandsche Bank (DNB) for an opinion on a draft mandate order on financial institutions' sector accounts (hereinafter the 'Mandating Order') and a draft cooperation agreement between the Centraal Bureau voor de Statistiek (CBS) and DNB on sector accounts (hereinafter the 'Cooperation Agreement').

2. The ECB's competence to deliver an opinion is based on the fourth 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 legislative proposal contains provisions concerning the collection, compilation and distribution of monetary, financial, banking, payment systems and balance of payments statistics. 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 ECB welcomes this consultation on the two connected measures implementing this transfer of competences and obligations between the two authorities. The Cooperation Agreement establishes a cooperation framework between DNB and the CBS in the field of financial and non-financial national accounts by institutional sector defining their respective responsibilities in terms of data collection, compilation of the accounts, exchange of data and fulfilment of international obligations. The Mandating Order is a draft legislative provision which mandates DNB to collect such data from financial institutions on behalf of the CBS for the compilation of accounts and to impose administrative measures in the event of failure to comply with the corresponding reporting obligations, currently a CBS exclusive competence under the *Wet op het Centraal bureau voor de*

1 OJ L 189, 3.7.1998, p. 42.

*statistiek* (Statistics Netherlands Act) and the *Besluit gegevensverwerving CBS* (Statistics Netherlands Data Collection Order).

4. The ECB welcomes the initiative laid down in the Mandating Order and the Cooperation Agreement as it will help to ensure the compilation of high quality quarterly financial accounts required under Guideline ECB/2002/7 of 21 November 2001 on the statistical reporting requirements of the European Central Bank in the field of quarterly financial accounts[2] (hereinafter the 'MUFA Guideline'). It is noted that the Cooperation Agreement complies with the provisions of Article 5 of the MUFA Guideline. The ECB also welcomes the fact that the Cooperation Agreement provides for the compilation of integrated financial and non-financial accounts, in line with ECB requirements for euro area accounts by institutional sector.

5. The Cooperation Agreement provides that DNB will entrust the CBS with the task of reporting to the ECB data on financial accounts compiled by the CBS on the basis of data reported to both DNB and the CBS. The ECB does not object in principle to DNB outsourcing its reporting obligations towards the ECB, provided certain legal requirements are met. In particular, DNB must retain full responsibility for all such activities, including the data's overall consistency and the transmission of all relevant data to the ECB. Therefore, DNB must be able to check that the ECB's statistical reporting requirements laid down in the MUFA Guideline are being fully met. In this context, DNB has to ensure that any future reporting requirements under the MUFA Guideline are met without any delay. In particular, the ECB notes that under Article 2(3) of the MUFA Guideline, DNB, or if so agreed the CBS, is obliged to report to the ECB readily available information on single major events and on reasons for revisions, in addition to data for financial assets and liabilities. It is therefore DNB's responsibility to ensure that the Mandating Order and the Cooperation Agreement meet this requirement.

6. The ECB takes note of the division of labour between the two institutions in respect of data collection as laid down in Sections 3 and 4 of the Cooperation Agreement and in the Mandating Order. Further to the Mandating Order, all financial institutions will submit their statistical data to a single institution, namely DNB. This may further streamline the burden on the institutions concerned, in view of the arrangements between DNB and the CBS that have already been established in the fields of balance of payments and monetary statistics reporting.

7. Section 7.1 of the Cooperation Agreement, in conjunction with Section 7.3, and Article 3(1)(g) of the Mandating Order, set out the confidentiality regime to be applied to the data collected by the respective institutions. In particular, Section 7.1 provides that 'micro information shall be secret and shall not be provided to any third party'. With respect to data handling and its transmission

between the two institutions, the ECB welcomes proper protection of confidential statistical information.

8. Finally, under the ESCB's internal arrangements it is not possible to share agendas and reports of meetings of ESCB advisory committees with third parties. The final sentence of Section 10.2 of the Cooperation Agreement needs to be amended to reflect this.

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

Done at Frankfurt am Main, 9 August 2005.

[ signed ]

*The President of the ECB*

Jean-Claude TRICHET

2 OJ L 334, 11.12.2002, p. 24.