

# EUROPEAN PARLIAMENT

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*Session document*

FINAL  
**A5-0230/2000**

13 September 2000

**\*\*\*II**

## **RECOMMENDATION FOR SECOND READING**

on the Council common position for adopting a European Parliament and Council regulation 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) N° 2223/96 (8276/2/2000 – C5-0328/2000 – 1999/0200(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Gorka Knörr Borràs

### ***Symbols for procedures***

- \* Consultation procedure  
*majority of the votes cast*
- \*\*I Cooperation procedure (first reading)  
*majority of the votes cast*
- \*\*II Cooperation procedure (second reading)  
*majority of the votes cast, to approve the common position*  
*majority of Parliament's component Members, to reject or amend*  
*the common position*
- \*\*\* Assent procedure  
*majority of Parliament's component Members except in cases*  
*covered by Articles 105, 107, 161 and 300 of the EC Treaty and*  
*Article 7 of the EU Treaty*
- \*\*\*I Codecision procedure (first reading)  
*majority of the votes cast*
- \*\*\*II Codecision procedure (second reading)  
*majority of the votes cast, to approve the common position*  
*majority of Parliament's component Members, to reject or amend*  
*the common position*
- \*\*\*III Codecision procedure (third reading)  
*majority of the votes cast, to approve the joint text*

(The type of procedure depends on the legal basis proposed by the Commission)

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## PROCEDURAL PAGE

At the sitting of 13 April 2000 Parliament adopted its position at first reading on the proposal for a European Parliament and Council regulation 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) N° 2223/96 (COM(1999) 488 - 1999/0200 (COD)).

At the sitting of 6 July 2000 the President of Parliament announced that the common position had been received and referred to the Committee on Economic and Monetary Affairs (8276/2/2000 - C5-0328/2000).

The committee had appointed Gorka Knörr Borràs rapporteur at its meeting of 15 November 1999.

The committee considered the common position and the draft recommendation for second reading at its meetings of 28 August and 13 September 2000 .

At the last meeting it adopted the draft legislative resolution by 35 votes with 1 abstention.

The following were present for the vote: Christa Randzio-Plath, chairwoman, Alexander de Roo (for Gorka Knörr Borràs rapporteur), Alejandro Agag Longo, Luis Berenguer Fuster, Pervenche Berès, Hans Blokland, Hans Udo Bullmann, Benedetto Della Vedova, Jonathan Evans, Carles-Alfred Gasòliba i Böhm, Robert Goebbels, Christopher Huhne, Pierre Jonckheer, Othmar Karas, Giorgos Katiforis, Wilfried Kuckelkorn (for Bernhard Rapkay), Astrid Lulling, Thomas Mann (for Christoph Werner Konrad), Ioannis Marinos, Peter Michael Mombaur (for José Javier Pomés Ruiz), Simon Francis Murphy, Juan Ojeda Sanz (for José Manuel García-Margallo y Marfil), Karla M.H. Peijs (for Piia-Noora Kauppi), Fernando Pérez Royo, John Purvis, (for Alain Madelin), Alexander Radwan, Amalia Sartori, Olle Schmidt, Peter William Skinner, Charles Tannock, Marianne L.P. Thyssen, Helena Torres Marques, Bruno Trentin, Ieke van den Burg (for Richard A. Balfe), Theresa Villiers, Karl von Wogau.

The recommendation for second reading was tabled on 13 September 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## DRAFT LEGISLATIVE RESOLUTION

**European Parliament legislative resolution on the Council common position for adopting a European Parliament and Council regulation 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) N° 2223/96 (8276/2/2000 – C5-0328/2000 – 1999/0200(COD))**

**(Codecision procedure: second reading)**

*The European Parliament,*

- having regard to the Council common position (8276/2/2000 – C5-0328/2000),
  - having regard to its position at first reading<sup>1</sup> on the Commission proposal to Parliament and the Council (COM(1999) 488<sup>2</sup>),
  - having regard to Article 251(2) of the EC Treaty,
  - having regard to Rule 78 of its Rules of Procedure,
  - having regard to the recommendation for second reading of the Committee on Economic and Monetary Affairs (A5-0230/2000),
1. Approves the common position;
  2. Notes that the act is adopted in accordance with the common position;
  3. Instructs its President to sign the act with the President of the Council pursuant to Article 254(1) of the EC Treaty;
  4. Instructs its President to forward its position to the Council and Commission.

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<sup>1</sup> OJ C not yet published

<sup>2</sup> OJ C 21, 25.01.00, p.68.

## **Explanatory statement**

### **Background**

In its first reading on 13 April 2000 the European Parliament adopted 9 amendments to the Commission's proposal. Of these 9 amendments 4 have been accepted by the Commission and incorporated (sometimes with minor changes) into the Common Position: i.e. amendments 1, 7, 8 and 9. While amendments 2 and 3 (concerning the original recitals 3 and 4) have been accepted by the Commission, the Council did not take them up. The remaining amendments 4, 5 and 6 concerning the use of the European System of Accounts ESA 95 for the determination of the VAT own resource have been rejected both by the Commission and the Council on the grounds that 'since the proposals aim to modify the existing regulation relating to the ESA 95 only as far as the principles for recording taxes and social contributions are concerned, the Council did not find it appropriate to include in this context provisions creating a legal basis for the determination of the VAT own resource using ESA 95'(p. 3 of the Common Position's statement of the Council's reasons).

Furthermore the Council introduced six new provisions, which are all supported by the Commission. They are mainly either stylistic improvements or simplifications, such as e.g. the deletion of former Article 4. This deletion allows for more flexibility with a view to the fact that the regulation should contain only the general recording principles.

### **Comments**

ESA 95 is the tool used for calculating and comparing the Member States' economic accounts and aggregates and the prime objective of this regulation is to ensure comparability and transparency in the calculation of the government deficit in all Member States. In your rapporteur's view the main concerns regarding the Commission's proposal expressed in Parliament's first reading are reflected to a satisfactory extent in the Common Position.

Your rapporteur would nevertheless like to raise two issues. The first issue concerns Parliament's amendment 9, which introduces the possibility for Member States to ask the Commission for a transition period of no more than two years to bring their accounting systems into line with the regulation. This has been incorporated into the Common Position. Your rapporteur draws attention to the fact that the Commission has declared to accept this part on the understanding that it would have the right to reject such a request by a Member State.

The second issue concerns amendments 4 - 6 on the determination of the VAT own resource. The Commission committed itself to submit a separate legal act to deal with this specific question. To our knowledge a Commission proposal on the matter is being prepared and can be expected by the end of this year.

A confirmation of this by the Commissioner responsible at the second reading in plenary is nevertheless important. Under these circumstances and given also the positive evaluation by the Commission your rapporteur proposes to accept the Common Position.