

## I. GENERAL PROVISIONS

### HEAD OF STATE

**11935** *Organic Law 6/2013 of 14 November on the establishment of an Independent Authority for Fiscal Responsibility.*

JUAN CARLOS I

KING OF SPAIN

To all who should see and hear the following.

Let it hereby be known to all: That the Spanish Bicameral Parliament [Cortes Generales] has passed the Organic Law below that I, the King, have resolved to enact:

#### PREAMBLE

The Spanish Strategy of Economic Policy devised by the Government has been drafted starting from an analysis of the strengths and weaknesses of the Spanish economy. This policy outlines the main strategic lines followed by the Government in order to promote economic recovery and job creation.

These lines of action are mainly focused on fiscal consolidation, the reform of the financial sector and other structural reforms required to encourage flexibility and competitiveness in the Spanish economy.

Within the scope of fiscal consolidation, the Government is currently improving economic governance through greater budgetary control and discipline in accordance with the provisions set forth in Organic Law 2/2012 of 27 April, on Budgetary Stability and Financial Sustainability and relying on the commitment of every Public Administration Institution to comply with the objectives of budgetary stability.

Fiscal authorities have proven to be a key element for Governments when it comes to the design, implementation and monitoring of fiscal policies, particularly in the current scenario of financial crisis where it is essential to perform a comprehensive and rigorous control on the fulfilment of the objectives of budgetary stability and public debt, and compliance with the debt-ceiling rule.

Although fiscal authorities have existed for a while in some of the countries around us, in the latest years, there is a clear tendency to the creation of this type of institutions, a tendency that is strengthened with the thrust of regulation in the European Union on this subject.

This Organic Law intends to reinforce our commitment to achieve an efficient control of the objectives of budgetary stability, public debt and the debt-ceiling rule through the introduction of new mechanisms to ensure supervision and transparency in the fiscal policies adopted by our Public Administrations. Besides, this Organic Law is drafted to implement the provisions set forth in Council Directive 2011/85/EU of 8 November 2011 on the requirements applicable to the budgetary frameworks of Member States as for the need to rely on independent fiscal institutions performing an effective monitoring of the compliance with fiscal rules based on reliable and independent analyses conducted by functionally autonomous bodies with respect to the budgetary authorities of the Member States.

This organic law is enacted in order to ensure the budgetary stability principle enshrined in article 135 of the Spanish Constitution. In this sense, the Spanish Constitution thereby acknowledges the possibility of passing an organic law to regulate those aspects affecting compliance of the principles contained in such article by the Public Administrations. Therefore, this Organic Law must be regarded as complementary to Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.

In view of the above, it is hereby resolved to create the Independent Authority for Fiscal Responsibility, which shall ensure strict compliance with the principles of budgetary stability and financial sustainability through a continuous assessment of the budgetary cycle, the public indebtedness and the analysis of economic forecasts. For that purpose, the Independent Authority for Fiscal Responsibility will perform an assessment of the macroeconomic forecasts considered for draft budgets and scenarios in the medium run, along with an analysis of the implementation and execution of fiscal policies in order to ensure early detection of any deviations from the objectives pursued. Besides, this institution has the power to issue an opinion on the subjects foreseen herein or in any other laws as appropriate.

In order to guarantee the effectiveness and independence in its functions, the Independent Authority for Fiscal Responsibility must rely on the necessary human and material means, having qualified professionals with sufficient experience to perform the special tasks it has been entrusted with.

This Organic Law comprises twenty-seven articles, which are divided into three chapters, two additional provisions and six final provisions.

Chapter I on the "Nature and Legal Status" of the Law governs the creation of the Independent Authority for Fiscal Responsibility as a public-law institution with own legal personality and full public and private capacity to act, whose purpose is to perform a continuous monitoring of the budgetary cycle and public indebtedness, as well as to analyse economic forecasts.

To this respect, it must be noted that the Independent Authority for Fiscal Responsibility is shaped as a special body of a particular nature, which is different from those stated in Act 6/1997 of 14 April on the Organisation and Functioning of the General State Administration, and it will exert its role on all Public Administrations.

Likewise, among other aspects, this chapter regulates the subjective scope of application of the Organic Law, the powers granted to the Independent Authority for Fiscal Responsibility – among which we may outline its capacity to collaborate with other independent fiscal authorities from other States, for instance, through its participation in working groups– its legal status, as well as the effects of the reports and opinions issued by this institution. In this regard, it must be outlined that the effects of such reports are of great importance, since if the receiving Administration or institution fails to abide to them, it must provide detailed reasons for doing so, and include such report in the appropriate file.

At the same time, this Law acknowledges another capacity of the Authority, that is, the possibility of issuing opinions on its own initiative, any time, on the various subjects covered by the Law. In such case, the receiving Administration or institution will not have to justify why it has resolved not to abide to the criterion expressed by the Authority in the relevant opinion.

Chapter II on "Reports and Opinions", gathers the statutory reports to be prepared by the Independent Authority for Fiscal Responsibility, among which there is the report on the economic forecasts made by the National Government, the report on the Stability Programme prepared within the framework of the Stability and Growth Pact, an annual report with an analysis of the budget implementation, the public debt and debt-ceiling rule, and the preliminary report prior to the approval of financial/economic plans. Likewise, Chapter II also envisages the possibility that the Independent Authority for Fiscal Responsibility may inform about the desirability of applying any of the preventive, corrective and coercive measures foreseen in Chapter IV of Organic Law 2/2012 of 27 April; about the occurrence of any of the exceptional circumstances referred to in article 11.3 of the aforesaid Organic Law and about the sustainability of public finances in the long term or any other issue as established in the Law.

Chapter III on the "Organisation and Functioning" regulates the composition and organisation of the Independent Authority for Fiscal Responsibility, as well as the designation and grounds for termination of its President, who shall be considered as a senior member, and therefore, he/she must be subject to the accountability and transparency obligations foreseen by the Law and, in particular, those set forth in Act 5/2006 of 10 April on the regulation of conflicts of interest among members of the Government and senior members of the General State Administration. In this regard, a single-member model is hereby established, which shall be supported by an Executive Committee that may be attended by experts of recognised

standing at the request of its President. Likewise, the Independent Authority for Fiscal Responsibility shall be organised into several divisions according to the subjects covered.

Additional provision one governs the structure of the Technical Committee on National Accounts integrated by the Spanish Statistics Institute, the Bank of Spain and the Central Government Comptroller's Office as competent bodies for the preparation of national accounts of those units integrating the Public Administrations and financial and non-financial public companies.

In this regard, the Committee above may also verify and compare the information provided by the Autonomous Regions and Municipal Corporations, a measure that is highly recommended by the European bodies in charge of national accounts. Likewise, the reports of said group shall be also submitted to the Independent Authority for Fiscal Responsibility.

On the other hand, additional provision two establishes a supervision fee and defines its main aspects. This fee shall be charged for the supervision, analysis, counselling and monitoring of fiscal policies. Such fee shall be the main source of financing for the Authority, which will allow it to remain an independent body. Finally, as for the final provisions contained herein, the most relevant aspect is the deadline established for the Council of Ministers to pass the Organic Statute of this institution, empowering the Government, the Minister of Finance and the Public Administrations, within the scope of their competences, to adopt any regulatory provisions as required for the development and execution of this Organic Law and its implementation the day after its publication.

## CHAPTER I

### **Nature and Legal Status**

*Article 1. Establishment and nature of the Independent Authority for Fiscal Responsibility.*

The Independent Authority for Fiscal Responsibility is hereby established as a Public Law institution with own legal personality and full public and private capacity to act. Its duties shall be performed in an autonomous and functionally independent way with regard to the Public Administrations.

*Article 2. Purpose.*

The purpose of the Independent Authority for Fiscal Responsibility is to ensure effective compliance by the Public Administrations with the budgetary stability principle as set forth in article 135 of the Spanish Constitution through a continuous monitoring of the budgetary cycle and public indebtedness and the analysis of economic forecasts.

*Article 3. Subjective Scope of Application.*

As for its duties, the Independent Authority for Fiscal Responsibility shall perform its duties in all of the Spanish territory, only and exclusively, and as regards every subject of the public sector, according to the terms foreseen in article 2 of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.

*Article 4. Powers.*

1. The Independent Authority for Fiscal Responsibility shall perform its duties through the issuance of reports, opinions and studies in accordance with the terms of this Organic Law.

2. For this purpose, economic-financial information concerning the Public Administrations shall be made available to the Authority. In order to ensure efficiency and avoid duplication of efforts in the submission of information, all information will be preferably accessed through the Ministry of Finance and Public Administration, notwithstanding any additional requests for information submitted directly to the relevant Public Administrations, in particular, whenever the information obtained through the Ministry may be deemed insufficient, incomplete or if any clarifications were required.

By virtue of an Order of the Minister of Finance and Public Administration, a preliminary report of the Independent Authority for Fiscal Responsibility shall determine which data, documents and submission procedures –including telematic ones– shall be made available to the Authority by the Ministry of Finance and Public Administration on a permanent basis. This should be without prejudice to the needs for additional information not explicitly referred to in the Order above, but required by the Authority in order to ensure proper performance of its duties

3. The subjects within the scope of this Law shall provide all economic-financial information required by the Independent Authority for Fiscal Responsibility as may be necessary for the performance of its duties and within the deadline established by the latter for such purpose. The amount and complexity of the information required shall be borne in mind in order to fix the relevant deadline.

In case of non-fulfilment of the obligation to collaborate, the Independent Authority for Fiscal Responsibility shall post a public warning of such circumstance on its website.

In accordance with the provisions set forth in article 27.6 of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability, a gross or repeated breach of the obligation to collaborate with the Independent Authority for Fiscal Responsibility may entail the application of the measures foreseen in article 20 of the aforesaid Organic Law, after hearing the parties concerned.

It is the duty of the President of the Independent Authority for Fiscal Responsibility to appraise if the case at hand is a gross or repeated non-fulfilment and, if so, he/she shall raise it to the National Government for the purposes foreseen in article 27.6, and to the Spanish Parliament.

4. In any case, all the information received by the Independent Authority for Fiscal Responsibility shall be processed in full compliance with the restrictions applicable to the access to confidential information.

5. The duties attributed to the Independent Authority for Fiscal Responsibility as foreseen in this article shall be performed notwithstanding those attributed to the Fiscal and Financial Policy Council by virtue of Organic Law 8/1980 of 22 September on the financing of Autonomous Regions.

#### *Article 5. Preparation of Reports, Opinions and Studies.*

1. The reports issued by the Independent Authority for Fiscal Responsibility shall be as foreseen in this Law. If the Administration or the institution receiving a report resolves to ignore its advice, detailed reasons for such decision shall be provided and the report shall be included in the appropriate file. A draft report may be submitted by the Independent Authority for Fiscal Responsibility so that, within the appropriate period and before the final deadlines foreseen for the issuance of reports, the receiving Administration or institution concerned may state any shortcomings, ambiguities or vagueness in the document.

Reports may be issued by the Authority ex officio on the date established in this Law, or at the request of the Public Administration Institution, within ten days from receipt of the request. This deadline may be shortened to the days indicated in the request for duly justified reasons of urgency.

2. Opinions on the subjects foreseen in article 23 may be issued by the Authority on its own initiative. The Administration or the institution receiving the opinion may resolve to ignore its advice without the need of adducing any grounds for such decision.

3. The Independent Authority for Fiscal Responsibility shall also prepare studies at the request of the National Government, the Fiscal and Financial Policy Council, the National Local Administration Commission and the Financial Commission of the Social Security.

At the request of the Autonomous Regions and Local Entities, the Independent Authority for Fiscal Responsibility may prepare any studies that shall be limited to its scope of action, without affecting the powers of other Administrations. Should any of the powers of Administrations other than the one submitting the request be affected by the study, the request will have to be submitted by any of the competent collegiate bodies referred to in the paragraph above.

4. The reports and opinions of the Independent Authority for Fiscal Responsibility shall be made public and motivated and will be available on its website.

5. The Independent Authority for Fiscal Responsibility shall issue an annual report on its activities that will be widely published and disseminated.

*Article 6. Institutional Relations.*

The Independent Authority for Fiscal Responsibility, in coordination with the Ministry of Finance and Public Administration shall cooperate with the institutions and organisations of the European Union, in particular, with the European Commission, for the performance of the duties attached to public finances monitoring. The Authority may also cooperate with the independent fiscal authorities from other Member States.

*Article 7. Functional Independence.*

1. The Independent Authority for Fiscal Responsibility shall have full organic and functional independence in the performance of its duties and for the fulfilment of its purposes.

Neither its President, nor the members of the bodies of the Authority or its personnel are entitled to seek or take any instructions whatsoever from any institution, whether public or private.

2. Notwithstanding the above and for organisational and budgetary purposes only, the Authority is hereby attached to the Ministry of Finance and Public Administration through the Minister of Finance and Public Administration. Under no circumstance will such an attachment impair its functional independence and autonomy.

*Article 8. Legal Status.*

1. The Independent Authority for Fiscal Responsibility shall be governed by the provisions set forth in this Law, in Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability and its implementation rules.

2. The Council of Ministers shall approve –by virtue of a Royal Decree and upon consultation with the President of the Independent Authority for Fiscal Responsibility–, the organic Statute of the Independent Authority for Fiscal Responsibility, thus implementing the relevant organisation and internal functioning rules.

*Article 9. Legal Status of Personnel.*

1. Personnel of the Independent Authority for Fiscal Responsibility will generally be made up of career civil servants [*funcionarios de carrera*] of the Public Administrations or, as the case may be, non-established civil servants [*personal laboral*] coming from national or international organisations with economic, fiscal, budgetary or financial monitoring or analysis duties.

2. The selection, training, recruitment procedure, mobility, remuneration and disciplinary scheme of its personnel shall be compliant with the provisions of this Law, the Basic Statute of Public Employment and the State laws in force regarding public employment.

In any case, the selection of non-established civil servants as referred to in paragraph 1 of this article shall be conducted according to publicity, merit and skills principles.

3. The curriculum vitae of all personnel employed by the Independent Authority for Fiscal Responsibility shall be published on its website, including those of its President and Division Directors.

Article 10. *Procurement Regime.*

The Independent Authority for Fiscal Responsibility shall adjust its procurement regime to the provisions set forth in the current laws on public sector procurement, being its President the contracting authority.

Article 11. *Economic/Financial and Equity Regime*

1. The Independent Authority for Fiscal Responsibility shall have its own equity, which will be independent from that of the General State Administration.

2. The Independent Authority for Fiscal Responsibility shall have sufficient economic and human resources to perform its duties. To this extent, a series of supervision fees will be fixed by Law, which shall be the main source of financing for the Authority, along with the public prices established for its studies, which shall be paid by the Public Administrations receiving its services.

3. The Independent Authority for Fiscal Responsibility shall also rely on the economic resources and means below:

- a) Funds allocated on an annual basis as established in the General State Budget.
- b) Assets and rights allocated to the Authority's equity, as well as any products and income thereof.
- c) Any others that may be legally allocated to the Authority.

Article 12. *Budget, Accounting Scheme and Economic/Financial Monitoring*

1. The Independent Authority for Fiscal Responsibility shall prepare and pass a preliminary draft budget and credits thereto shall be of a restrictive nature, and it will be submitted to the Ministry of Finance and Public Administration for subsequent incorporation into the General State Budget as provided for by General Budget Act 47/2003 of 26 November.

2. The scheme of virements and the binding nature of the credits declared in this budget shall be as established in the Organic Statute of the Independent Authority for Fiscal Responsibility.

3. It is the duty of the President of the Independent Authority for Fiscal Responsibility to approve of the expenses and order payments, except for those cases reserved to the Government, as well as to ensure accountability of the institution.

4. The Independent Authority for Fiscal Responsibility shall prepare and present its accounts in accordance with General Budget Act 47/2003 of 26 November and the accounting rules and principles contained in the Spanish General Accounting Plan and further implementation rules thereof.

5. Notwithstanding the jurisdiction of the Court of Auditors by virtue of its Organic Law, the economic and financial management of the Independent Authority for Fiscal Responsibility shall be subject to the monitoring by the Central Government Comptroller's Office in accordance with the terms foreseen in General Budget Act 47/2003 of 26 November.

Article 13. *Appeals against the actions of the Independent Authority for Fiscal Responsibility.*

1. The actions and resolutions adopted by the bodies of the Independent Authority for Fiscal Responsibility except for its President may be the subject of an administrative appeal in accordance with the provisions set forth in Act 30/1992 of 26 November on the Legal Status of Public Administrations and the Common Administrative Procedure. Under no circumstance shall the reports issued by the Authority be the subject of an appeal.

2. The acts and resolutions adopted by the President of the Independent Authority for Fiscal Responsibility shall put an end to administrative proceedings and an appeal may only be lodged with the contentious-administrative courts.

## CHAPTER II

### Reports and Opinions

#### Article 14. *Report on Macroeconomic Forecasts*

1. Macroeconomic forecasts included in the draft budgets of all Public Administrations or the stability programme shall be based on a report issued by the Authority also stating if such forecasts have been endorsed by the Authority.

2. For such purpose, Public Administrations shall previously request to the Independent Authority for Fiscal Responsibility to issue a report as referred to in paragraph 1 of this article, which shall be taken into account in order to draw up the final forecasts to be included in their draft budget or the stability programme.

3. Among other aspects, the reports referred to in this article shall determine if forecasts are compliant with Council Directive 2011/85/EU of 8 November 2011 on the requirements applicable to the budgetary frameworks of Member States.

4. An assessment shall be included in the report above in order to determine if there is any significant bias in macroeconomic forecasts estimated for a period of four consecutive years, all of that in accordance with article 4.6 of Council Directive 2011/85/EU on the requirements applicable to the budgetary frameworks of Member States. If the report finds that there is such a bias, the State shall take all necessary measures to correct it and shall make them public.

#### Article 15. *Report on the Methodology to Calculate Trend Patterns of Income and Expenditure and the Growth Reference Rate.*

Any amendments to the Ministerial Order governing the methodology to calculate trend patterns of income and expenditure and the growth reference rate as referred to in articles 12.3 and 21.1. b) of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability shall be reported by the Independent Authority for Fiscal Responsibility prior to their approval.

#### Article 16. *Report on the Draft Stability Programme*

1. Prior to 15 April each year, the Independent Authority for Fiscal Responsibility shall report the draft Stability Programme with a special assessment of the commitments guaranteeing compliance of the budgetary stability objective, the public debt limit and the debt-ceiling rule.

2. Should there be any changes in the budgetary stability objective, the public debt limit and the debt-ceiling rule that may affect the stability programme, these will be reported by the Independent Authority for Fiscal Responsibility.

#### Article 17. *Reports on the Analysis of Budget Implementation, Public Debt and Debt-Ceiling Rule.*

Prior to 15 July each year, the Independent Authority for Fiscal Responsibility shall report on the fulfilment of budgetary stability and public debt objectives and compliance of the debt-ceiling rule by all Public Administrations in the current year, considering the budget implementation and the measures foreseen for the current year and the previous one

Article 18. *Reports on the Determination of Individual Objectives for Autonomous Regions.*

Within ten days following the approval by the Government of the budgetary stability and public debt objectives for all Public Administrations, the Independent Authority for Fiscal Responsibility shall submit a report to the Ministry of Finance and Public Administration on the budgetary stability and public debt objectives for each Autonomous Region in accordance with the provisions set forth in article 16 of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.

Article 19. *Report on Economic-Financial and Re-Balancing Plans for the Central Administration and the Autonomous Regions.*

Prior to their approval, all economic-financial and re-balancing plans for the Central Administrations and the Autonomous Regions shall be reported by the Independent Authority for Fiscal Responsibility.

Article 20. *Report on the Projects and main Aspects of the Budgets of Public Administrations.*

Prior to 15 October each year, the Independent Authority for Fiscal Responsibility shall prepare the report referred to in article 17.1 of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.

Article 21. *Report on the application of correction mechanisms foreseen in Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.*

The Independent Authority for Fiscal Responsibility may report on the appropriateness of implementing any of the preventive, corrective and coercive measures foreseen in chapter IV of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability, as well as on the monitoring of those already adopted, especially by those Administrations in charge of the financial management of Local Entities, as well as of those implemented by each sub-sector and autonomous region and on the occasion of the quarterly publication of non-financial operations of the Public Administrations in national accounts terms, or at the time of the issue of the monitoring reports on economic-financial plans.

Article 22. *Report on the Occurrence of the Exceptional Circumstances referred to in Article 11.3 of Organic Law 2/2012, of 27 April, on Budgetary Stability and Financial Sustainability.*

The Independent Authority for Fiscal Responsibility shall report on the occurrence of any of the exceptional circumstances foreseen in article 11.3 of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability prior to the parliamentary procedure provided for in such article.

Article 23. *Opinions issued by the Independent Authority for Fiscal Responsibility.*

The Independent Authority for Fiscal Responsibility may issue an opinion on the subjects below:

a) The monitoring of the information on budgetary implementation provided by the Ministry of Finance and Public Administration –in furtherance of the accountability principle set forth in Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability– with regard to the fulfilment by all Public Administrations of the objectives of budgetary stability, public debt and the debt-ceiling rule.



- b) The sustainability of public finances in the long run.
- c) On any other issues as provided for by the law.

CHAPTER III

**Organisation and Functioning**

*Article 24. President of the Independent Authority for Fiscal Responsibility.*

1. The Independent Authority for Fiscal Responsibility shall be managed and represented by a President who will be designated from among people of recognised standing and with a minimum experience of ten years in the fields of budgetary, economic and financial analysis of the public sector. The President of the authority shall have an independent and objective judgement.

2. The President shall be appointed by the Council of Ministers at the proposal of the Minister of Finance and Public Administration following an interview of the proposed candidate by the appropriate Commission of the Congress of Deputies [Lower House of the Spanish Parliament] in order to assess if the candidate's experience, training and skills are suitable for the position.

The Congress, through the appropriate Commission and by means of a resolution passed by an absolute majority shall approve of the proposal. If the candidate was not endorsed by the Commission following fifteen days after the interview, then a simple majority of the appropriate Commission of the Senate [Upper House of the Spanish Parliament] shall be enough to approve of the candidate.

3. The position of President shall be full-time and subject to the incompatibility scheme for senior members of the State General Administration. Also, it shall be incompatible with the performance of any other professional activities whatsoever, whether public or private, paid or unpaid, unless those are inherent in his/her position as President of the Independent Authority for Fiscal Responsibility.

4. The President shall attend the Fiscal and Financial Policy Council, the National Local Administration Commission and the Financial Commission of Social Security as an ex officio member in an advisory capacity.

5. Upon expiration of his/her mandate and two years after that, the President shall not perform any professional activities in connection with the monitoring functions attributed to the Independent Authority for Fiscal Responsibility.

6. The President shall remain in office for a non-renewable term of six years and the grounds for termination of office shall be as per below:

- a) Due to expiration of the term of office for which he/she was appointed.
- b) At his/her own request.
- c) For falling under any incompatibilities applicable.
- d) Due to unforeseeable incapacity to perform his/her functions.
- e) Due to conviction for an intentional offence.
- f) Due to a gross breach of his/her obligations. Termination of office of the President shall be authorised by the Government on any of the grounds above and after examination of the case by the Minister of Finance and Public Administration –who shall inform the Spanish Parliament– and in consideration of the opinion of the rest of members of the executive committee.

7. The President shall be considered a senior member with a status of Assistant Secretary.

8. The President of the Independent Authority for Fiscal Responsibility shall appear, at least once a year, before the appropriate Commission of the Congress of Deputies and the Senate.

Article 25. *Duties of the President*

Below are the duties to be performed by the President of the Independent Authority for Fiscal Responsibility with full independence and objectivity and without taking any instructions.

- a) Bear the legal representation of the Authority.
- b) Manage and coordinate the activities of all its managerial bodies.
- c) Undertake all personnel management matters.
- d) Make expenditures and order payments.
- e) Sign any contracts and agreements.

Article 26. *Divisional Structure*

1. The Independent Authority for Fiscal Responsibility shall be organised into several divisions.

2. Each Division Director shall be appointed by the Council of Ministers at the proposal of the President of the Independent Authority for Fiscal Responsibility, according to publicity, merit and skills principles, among those accruing at least ten years of experience in the subjects covered by the appropriate division.

3. Although Division Directors are not to be considered as senior members, they shall be regarded as managerial professional staff in accordance with the provisions set forth in Act 7/2007 of 12 April of the Basic Statute of Public Employment.

Article 27. *Executive Committee.*

1. The Executive Committee –integrated by all Division Directors– shall provide assistance to the President in the performance of his/her duties.

2. If the President deems it convenient, the Executive Committee may be attended by experts of recognised standing at national or international level based on the subjects to be covered.

Additional Provision One. *Establishment of the Technical Committee on National Accounts.*

1. A Technical Committee on National Accounts will be established, which shall be integrated by representatives of the Spanish Statistics Institute, the Bank of Spain and the Central Government Comptroller's Office, as the competent bodies for the preparation of national accounts of the units integrating the Public Administrations sector and all financial and non-financial public companies. This Committee shall be in charge of the monitoring and allocation of economic operations performed by the multiple units integrating the public sector, as well as of the sectoral delimitation of those units, all of that in accordance with the criteria established in the European System of Accounts.

2. The functioning and the organisation of the aforesaid Committee shall be governed by its Internal Rules and Regulations that will be approved by the bodies indicated above and published in the "Spanish Official State Gazette" for public information purposes.

3. In exercising its duties, the Committee may undertake direct actions to verify and compare the information supplied by the institutional units belonging to the sub-sectors of the Autonomous Regions and Municipal Corporations, classified in accordance with the criteria of the European System of Accounts.

4. For informative purposes, this Committee shall submit any of the reports issued during the performance of its functions to the Independent Authority for Fiscal Responsibility.

5. Institutions integrating this Committee shall maintain full professional independence and functional autonomy for the performance of their responsibilities and competences attributed thereto by virtue of the European and national rules.

*Additional Provision Two. Fee on the Supervision, Analysis, Counselling and Monitoring of Fiscal Policies as established by the Independent Authority for Fiscal Responsibility.*

A fee shall be charged on the supervision, analysis, counselling and monitoring of fiscal policies, which shall consist of the elements below:

a) Sources of Law. The fee established for the analysis, counselling and monitoring of fiscal policies shall be governed by this Law and subsequent sources of law as set forth in Act 8/1989 of 13 April on Public Fees and Prices and in General Taxation Act 58/2003 of 17 December.

b) Taxable Event. The taxable event to which the fee applies shall be the provision of the services referred to in chapter II of this Act to the Public Administrations by the Independent Authority for Fiscal Responsibility.

c) Taxpayers. Among the taxpayers of this fee we may find: the State, Autonomous Regions, Cities with Statute of Autonomy, Municipal Corporations and the Social Security System through the Social Security General Fund.

d) Fee Exemption. Local Entities with a taxable income below the one established in the Finance Act shall be exempted from the payment of this fee.

e) Payment. The fee shall be paid on the 1 January of each year.

f) Taxable amount. The taxable amount shall be the total initial credits for non-financial operations as foreseen in chapters 1 to 7, both inclusive, corresponding to the last taxpayer's budget adopted.

As for the State, non-financial initial appropriations of the State as established in the General State Budget shall be taken into consideration for this purpose. For the Social Security, non-financial initial appropriations of the aggregate of the Social Security System shall be taken into account. For the Autonomous Regions, non-financial initial appropriations of the General Administration of the Autonomous Regions shall be considered for this purpose. And finally, for the Local Entities, the amount of non-financial initial appropriations of the Local Entity's own general budget shall be taken into account.

g) Tax rate. The applicable tax rate shall be fixed at the 2014 Finance Act as a percentage of the taxable amount enabling to maintain the financial balance of all fees and it may be amended in the same terms by the General State Budget Act every year.

h) Administration of Fees. Fees shall be administered by the Independent Authority for Fiscal Responsibility. The taxpayers of this fee shall declare, pay and deposit the appropriate fee in the form, place and within the deadline established by the Minister of Finance and Public Administration. The payment and declaration of the relevant fee may be also submitted by telematic means.

i) Allocation. All fees collected shall be deposited in any of the bank accounts opened by the Independent Authority for Fiscal Responsibility for this purpose as determined by the appropriate regulations. The amount of fees collected shall be devoted to the financing of all expenses incurred by the Independent Authority for Fiscal Responsibility during the performance of its duties.

*Final Provision One. Amendment of Organic Law 2/2012 of 27 April on Budgetary Stability and Financial Sustainability.*

One. Article 16 is hereby amended and shall read as per below:

"Article 16. *Determination of Individual Objectives for Autonomous Regions.*

Upon approval of the budgetary stability and public debt objectives in line with the terms set forth in article 15 of this Law, the Ministry of Finance and Public Administration, following a prior report of the Independent Authority for Fiscal Responsibility, shall prepare a proposal on the budgetary stability and public debt objectives for each Autonomous Region.

Following the proposal above and on the basis of a report prepared by the Fiscal and Financial Policy Council, which shall be necessarily issued within fifteen days from the date of reception of the proposal by the Secretariat of the Fiscal and Financial Policy Council of the Autonomous Regions, the Government shall establish the appropriate budgetary stability and public debt objectives for each Autonomous Region.

Two. Paragraphs one and two of article 17 are hereby amended and shall read as per below:

"1. Prior to 15 October, the Independent Authority for Fiscal Responsibility shall publish a report on the adequacy of the draft General State Budget and the information referred to in article 27 with stability, public debt and debt-ceiling rule objectives. This report shall be issued for public information purposes and may also include certain recommendations if any deviations are found. The Ministry of Finance and Public Administration may issue any further recommendations at its own discretion.

2. Prior to the 1 April each year, the Independent Authority for Fiscal Responsibility shall submit a report to the Government on the degree of compliance with budgetary stability and public debt objectives of the Initial Budgets of Public Administrations. Likewise, this report shall comment on the compliance of the Budgets of the Central Administrations and Autonomous Regions with the debt-ceiling rule. The Ministry of Finance and Public Administration shall make any recommendations deemed convenient on the degree of compliance with those objectives."

Three. Article 23 is hereby amended and shall read as per below:

"1. Following a prior report issued by the Independent Authority for Fiscal Responsibility, economic-financial and re-balancing plans shall be addressed to the bodies stated in the paragraphs below, insofar as required, and within one month at the latest as from the date when a non-compliance or any of the circumstances foreseen in article 11.3 were observed. These plans shall be approved by those bodies within a maximum deadline of two months as from the date of submission thereof and their implementation shall not exceed three months from the date on which the non-compliance or any of the circumstances set forth in article 11.3 were observed.

The maximum deadline of one month mentioned above shall not consider the time elapsed between the date of request and the date of issuance of the report by the Independent Authority for Fiscal Responsibility."

Final Provision Two. *Ordinary Law Provisions*

Ordinary Law provisions are those set forth in articles 5.3, 5.5, 6, 9.2, 9.3 and 10, as well as paragraphs 2, 4 and 5 of additional provision one and additional provision two.

Final Provision Three. *Title of Competence.*

This Organic Law shall be approved by virtue of article 135 of the Spanish Constitution.

Final Provision Four. *Implementation Rules of the Law.*

1. Prior to the 31 December 2013, the Council of Ministers shall pass a Royal Decree enacting the Organic Statute of the Independent Authority for Fiscal Responsibility.

2. The Government is hereby authorised to make regulations and adopt any necessary measures for the implementation, application and execution of the provisions foreseen in this Law.

Final Provision Five. *Transposition into Community Law.*

By virtue of this Law, Council Directive 2011/85/EU of 8 November 2011 on the requirements applicable to the budgetary frameworks of Member States is hereby partially transposed into the Spanish Law.

Final Provision Six. *Chartered Regimes*

1. By virtue of its chartered regime, the provisions set forth in the Law shall be applied to the Chartered Community of Navarre in accordance with article 64 of the Organic Law on Reintegration and Improvement of Navarre's Chartered Regime, and pursuant to the Economic Agreement signed between the State and the Chartered Community of Navarre.

2. By virtue of its Chartered Regime, the provisions of this Law shall be applied to the Autonomous Region of the Basque Country, notwithstanding the Basque Economic Agreement Law.

Final Provision Seven. *Entry into Force.*

This Organic Law shall enter into force the day after being published in the "Official State Gazette".

In consideration of the above,

We hereby order all Spaniards, whether individuals or authorities, to abide by this organic law and ensure that it is observed.

In Madrid, on 14 November 2013

The President of the Government  
MARIANO RAJOY BREY

JUAN CARLOS R.

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Certificación/ Certificate

Don Pablo Flores Ezcurra, Intérprete Jurado de inglés certifica que la que antecede es una traducción fiel y completa al inglés de un documento redactado en lengua castellana.

En Madrid, a catorce de mayo de dos mil catorce.

Pablo Flores Ezcurra, Sworn Translator of English does hereby certify: That the preceding translation is a complete and faithful rendering in English of the original in Spanish.

In Madrid, this Fourteenth day of May of the year two thousand and fourteen.