

Statute
The Tax Revenue Forecasts Committee

Article 1
Preliminary Provisions

1. The Tax Revenue Forecasts Committee (hereinafter referred to as "the Committee") is established by the Minister of Finance of the Slovak Republic as his/her advisory body in accordance with Article 8(1) of Constitutional Act No. 493/2011 Coll. on Budgetary Responsibility (hereinafter referred to as the "Constitutional Act"). The Committee, pursuant to Article 8(2) of the Constitutional Law, shall produce forecasts of tax and social security revenues at least twice a year, by 15 February and 30 June of the current financial year.
2. The Tax Revenue Forecasts Committee¹ shall also produce forecasts of selected non-tax revenue and selected expenditure in accordance with Council Directive 2011/85/EU² on requirements for budgetary frameworks of the Member States at the same time.
3. Macroeconomic forecasts and forecasts of tax revenue, selected non-tax revenue and selected expenditure shall be subject to regular, unbiased and comprehensive assessment based on objective criteria, including ex post assessment.³
4. The Statutes of the Committee shall regulate the scope, composition, tasks and methods of deliberation of the Committee.

Article 2
Areas of competence of the Committee

1. The main objective of the Committee is to improve the quality of forecasts of selected revenue and expenditure items of the public administration budget through the exchange of information between the Ministry of Finance of the Slovak Republic (hereinafter referred to as "MoF SR") and relevant public as well as private institutions. At the same time, the Committee's activities are intended to contribute to greater transparency in the public administration budgeting process.
2. The Tax Revenue Forecasts Committee builds on the work and objectives of the Macroeconomic Forecasts Committee. The estimate of tax revenue is directly related to the expected evolution of the economic environment. Tax revenue, social security contributions and selected non-tax revenue make up the bulk of general government revenue. The Committee also forecasts selected government expenditure, the evolution of which depends directly on macroeconomic developments. As in the case of the economic environment, their estimation is marked by a considerable degree of uncertainty. Uncertainty brings with it the potential scope for suspicions of deliberate over- or under-estimation of forecasts by the institutions responsible for preparing public budgets. The Committee's activities therefore contribute to increasing public scrutiny of the public budget process by involving the public in the debate. At the same time, this is intended to decouple technical issues from potential political decisions related to the preparation of the public finance budget.
3. The activities of the Committee shall not be influenced by political power and the Committee shall carry out its tasks independently of the executive branch of government. Similarly, the Institute for Financial Policy of the Ministry of Finance of the Slovak Republic (hereinafter referred to as "IFP"), which is responsible for the preparation of the forecasts, is independent of the Minister of Finance and the political authorities in its forecasting activities.
4. The forecasts of selected taxes, social security contributions, selected non-tax revenue and selected

¹ The Tax Revenue Forecasting Committee, despite its expanded mandate, retains its original title and reference to tax forecasting only for clear identification and linkage with other laws.

² <https://eur-lex.europa.eu/legal-content/SK/TXT/PDF/?uri=CELEX:32011L0085&from=HU>

³ Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States, Chapter 3.

government expenditure (hereinafter referred to as the “forecast”) on an accrual basis are discussed in the Committee. Items are discussed according to the structure presented in Annex 1. In the case of social security, the discussion is mainly about the income derived from the income of economically active persons from social insurance and public health insurance. Part of the discussion is also the amount of contributions to old-age pension savings (according to Act No. 43/2004 Coll. on Old-Age Pension Saving System, as amended).

5. Other topics directly related to the preparation, evaluation or presentation of forecasts may also be discussed by the Committee. These include methodological issues, technical aspects of forecasting, how to assess the quality of forecasts, and so on. In such cases, and with the agreement of a majority of the full members of the Committee, the opinion of the Committee shall form part of the minutes of the Committee in accordance with Article 4(12), or the procedure laid down in Article 4(14), shall be followed.
6. The Committee's forecast and the discussion under par. 5 may only include legislative measures which:
 - a) The legislative text has been approved by the Government of the Slovak Republic
 - b) The proposal is at least in the second reading in the National Council of the Slovak Republic at the time of the Committee's proceedings, unless it has been approved by the Government of the Slovak Republic
 - c) The text has been approved by the municipal council or higher territorial unit, and the measures have a quantifiable and significant impact on public finances
7. On the proposal of a supermajority of the ordinary members of the Committee, the Chairman of the Committee or, in exceptional cases, the Minister for Finance, the Committee may also consider other legislative measures under preparation which do not meet the conditions set out in par. 6. A proposal for the presentation of pending legislative measures must be received by the Chair of the Committee no later than 14 days prior to the meeting of the Committee. In the case of a proposal by the Chairman of the Committee, it must be communicated to the members of the Committee no later than 2 days before the meeting of the Committee. Pending legislative measures not meeting the conditions of par. 6 will be presented in the form of memorandum items and will not be part of the forecast that is evaluated by the Committee and will not be the subject of a Committee opinion.

Article 3 Composition of the Committee

1. The Committee shall be chaired by the Director of the IFP. The ordinary members of the Committee shall be representatives of the following institutions:
 - a) National Bank of Slovakia
 - b) Institute of Informatics and Statistics
 - c) Československá obchodná banka
 - d) Slovenská sporiteľňa
 - e) Tatra banka
 - f) UniCredit Bank
 - g) Secretariat of the Council for Budget Responsibility
 - h) Všeobecná úverová banka
2. The non-voting observer members of the Committee shall be representatives of the following institutions:
 - a) Statistical Office of the Slovak Republic
 - b) Social Insurance Agency
 - c) Supreme Audit Office of the Slovak Republic
 - d) State Treasury
 - e) Financial Administration of the Slovak Republic

3. The removal of a member of the Committee and the appointment of a new member of the Committee may be made only with the consent of at least 2/3 majority of the full members of the Committee unless the membership of the Committee ceases pursuant to par. 4. The members of the Committee shall be appointed and dismissed by the Minister of Finance of the Slovak Republic.
4. Membership of the Committee pursuant to Article 3(1) shall cease if a member of the Committee fails to assess twice in succession the forecasts of the MoF SR pursuant to Article 4(8). Membership of the Committee shall cease on the first day of the calendar month following the calendar month in which the events referred to in the first sentence occur.
5. Each institution referred to in Article 3(1) shall nominate one representative to the Committee, who shall be the contact person for the MoF SR. As a general rule, two representatives per institution with status under Article 3(1), and one representative with observer status under Article 3(2), may attend a meeting of the Committee. The Minister of Finance of the Slovak Republic, the State Secretary and IFP employees may attend meetings of the Committee as observers.
6. In the absence of the Chairman of the Committee, the Director of the IFP Department in charge of the Committee shall act in the Chairman's place.

Article 4

Method of proceedings of the Committee

1. The MoF SR is obliged to publish on a regular monthly basis the latest available data on the forecast in the following terms⁴:
 - Data on tax revenues and social security contributions on a cash basis on the 5th day of the month
 - Aggregated data from VAT returns as of the 12th day of the month
 - Cash data on tax revenues and social security contributions in the structure of the notification tables as at the 12th day of the month
 - Decomposition of the cash figures for excess deductions and own VAT liability into the months to which they are economically linked, as at the 25th day of the month
 - Quarterly effective tax rates of VAT, excise duties on mineral oils, tobacco and tobacco products and on alcohol, within 5 working days of the publication of the relevant macroeconomic indicators by the Statistical Office of the Slovak Republic
 - Monthly data on selected non-tax items on a cash basis as at the 25th day of the month
 - Monthly data on selected expenditure on a cash basis (e.g. sickness and unemployment benefits paid) as at the 25th of the month
2. Meetings of the Committee shall be convened by the Chairperson of the Committee at least twice a year in order to ensure the fulfilment of the Committee's tasks in accordance with Article 8(2) of the Constitutional Law.
3. The Committee may also meet on special dates. The members of the Committee shall have the right to initiate the convening of an extraordinary meeting of the Committee with the consent of a supermajority of the ordinary members of the Committee. The Chairman of the Committee or the Minister of Finance of the Slovak Republic is also entitled to convene an extraordinary meeting of the Committee on his/her own initiative. The Chairman of the Committee is obliged to convene an extraordinary meeting of the Committee in the event of a notification pursuant to No. 4(14), within 7 days of the dispatch of the notification or within 15 days of the consent of a majority of the ordinary members of the Committee to the Committee's action. An extraordinary meeting of the Committee may also be held in a "per rollam" format. In the event that an extraordinary Committee is convened pursuant to a notification under Article 2(5), paragraphs (4), (7), (8), (11) and (12) shall not apply.

⁴ If that date falls on a weekend or public holiday, the publication obligation shall be postponed to the next working day.

4. At each meeting of the Committee, the IFP shall present a preliminary forecast of the MoF SR, which shall be sent to the full members of the Committee at least two working days before the meeting of the Committee. The forecast shall be structured as set out in Annex 1 and shall include:
 - a) Overall forecast (sum of the tables under points 4b and 4c)
 - b) Forecast assuming unchanged legislation compared to the previous forecast
 - c) Impact of new legislation since the last Committee meeting
 - d) The difference between the forecast and the latest available version of the general government budget (Stability Programme or Draft Budgetary Plan) or the approved general government budget.
5. Each member of the Committee has the right to discuss the forecast in detail, as well as to point out the most significant differences between the preliminary forecast of the MoF SR and the opinion of the institution.
6. At the end of the Committee meeting, there shall be a general discussion, after which the Chairman of the Committee shall summarise the results of the Committee meeting.
7. If the Chair of the Committee decides to revise the forecast in the light of the Committee's discussion, the new forecast shall be sent electronically for a vote on the same day. If no agreement is reached pursuant to Article 4(11), the process shall be repeated until an agreement is reached.
8. Within 2 working days after the meeting of the Committee, each ordinary member shall be required to send to the IFP its forecast under Article 4(4)(a), prepared on the basis of the current macroeconomic forecast of the Committee on Macroeconomic Forecasts in the required structure presented in Annex 1. The Chairperson of the Committee may also request an earlier deadline for sending the evaluation to the members of the Committee. If the member fully agrees with the preliminary forecast of the MoF SR, it is sufficient to send the following statement.

Timetable of the Committee's activities		
Step	Term	Note
1	T - 2	The MoF SR will send a preliminary forecast to the members of the Committee.
2	T	Meeting of the Committee
3	T + 2	The members of the Committee will send the final forecast (according to Article 4(8))
4	T + 5	The MoF SR will publish the final forecast, together with the minutes and the presentation (according to Article 4(12) or (10))

Note: T - the day of the Committee; The number in the column Term indicates the number of working days

9. The assessment of the MoF SR forecast is automatically calculated on the basis of a 1% deviation from the final forecast made by the MoF SR, separately for tax and non-tax revenues and separately for expenditure items. A separate assessment of deviation on both the revenue and expenditure side will increase the transparency of the budgetary process. The deviation is calculated as the weighted average of the deviations of the institution's forecast from the IFP forecast in each year of the forecast.

$$O_t = \frac{P(I)_t - P(MF)_t}{P(MF)_t} \times 100$$

$$O_{WAVG} = \frac{\sum_{t=1}^4 w_t * O_t}{\sum_{t=1}^4 w_t}$$

where

- O_t is the deviation in year t,
- $P(I)_t$ is a forecast of tax and non-tax revenue and, separately, a forecast of selected expenditure of the institution in year t
- $P(MF)_t$ is a forecast of tax and non-tax revenues and separately a forecast of selected expenditures of the MoF SR in year t
- O_{WAVG} is the weighted average deviation of the institution's forecast from the MoF SR forecast,
- w_t is the weight attributable to year t,
- $t = 1, 2, 3, 4$; $t = 1$ is the current year.

The MoF SR forecast is for the assessment of tax and non-tax revenues:
realistic, if O_{WAVG} is in the interval $<-1; 1>$,
conservative, if O_{WAVG} is greater than 1,
optimistic, if O_{WAVG} is less than -1.

The MoF SR forecast is for the expenditure assessment:
realistic, if O_{WAVG} is in the interval $<-1; 1>$,
conservative, if O_{WAVG} is less than -1,
optimistic, if O_{WAVG} is greater than 1.

Annual weights for each ordinary session in the current year (t is the current year)				
Meeting of the Committee	t	t + 1	t + 2	t + 3
January - April	30%	50%	15%	5%
May - August	20%	50%	20%	10%
September - December	10%	50%	25%	15%

10. In the case of an extraordinary meeting of the Committee, the evaluation of the forecast by the Committee may also be qualitative and need not be governed by Article 4(9). In the case of a qualitative assessment, the forecast is rated "*conservative*" or "*realistic*" or "*optimistic*". The assessment should reflect the impact on the budget balance, i.e. higher revenues of the MoF SR towards another institution are considered as an optimistic forecast and, on the contrary, lower expenditure is an optimistic forecast. Any full member of the Committee shall be entitled to express his/her views in the discussion at the Committee meeting and to actively contribute to the formulation of the evaluation if the evaluation includes a short text. In such a case, the Chair of the Committee is obliged to lead the debate in order to find a consensus and put the final text to the vote. If necessary, such a vote may also take place "per rollam", normally within two working days of the meeting. The evaluation of the Committee will be published on the website of the MoF SR no later than 5 working days after the meeting of the Committee.
11. A forecast of revenue and expenditure of the Committee, as referred to in Article 1 of this Statute, prepared by the MoF SR, which has been assessed as conservative or realistic by a supermajority of the ordinary members of the Committee who have sent in their forecast by the deadline specified in the Statute, shall be deemed to have been approved by the Committee, in accordance with Article 8(2) of the Constitutional Law and Council Directive 2011/85/EU on requirements for budgetary frameworks of the Member States. Members of the Committee with observer status shall not send a forecast pursuant to Article 4(8). The members of the Committee individually are not formally responsible for the forecast of the Committee.
12. The approved forecast together with the presentation from the Committee will be published on the website of the MoF SR within 5 working days after the Committee meeting. A forecast of selected cash tax and non-tax revenue and selected expenditure will also be published at the same time. The meeting minutes of the Committee will be published after the comments of the members of the Committee have been incorporated or after the expiration of the period allowed for comments by the members of the Committee. The deadline for comments on the meeting minutes shall be 2 working days from the date of receipt of the minutes by the members of the Committee. The Chair of the Committee may also request an earlier deadline for the submission of comments.
13. In the event that the current forecast approved by the Committee is not used in the documents related to the preparation and approval of the public administration budget, the Chairman of the Committee is obliged to notify the members of the Committee in writing within 3 working days of the approval of the document by the Government or the Parliament. On the same date, this notice will be published on the website of the MoF SR.
14. On a proposal by a majority of the ordinary members of the Committee, by the Chairman of the Committee or, in exceptional cases, by the Minister for Finance, the Committee may, within its remit, also adopt a separate opinion on the areas defined in Article 2(5).

Article 5 General Provisions

1. Members of the Committee who submit their forecasts pursuant to Article 4(8), shall also have the opportunity to submit in writing an "opinion" on the forecast. The opinion on the forecasts of the MoF SR is a short text defending the position of a given institution or evaluating the qualitative aspects of the MoF SR forecast. The opinion will be compulsorily published on the website of the MoF SR if it is received within two days of the meeting of the Committee.
2. The structure of the required forecasts is annexed to the Statute. The structure of the forecast indicators under Annex 1 and Article 4(4), may be changed on the proposal of a supermajority of the ordinary members of the Committee, the Chairman of the Committee or the Minister for Finance. In view of the gradual expansion of the Committee to include selected non-tax and expenditure items, the structure of Annex 1 will be progressively adjusted. Approval of the planned extension can also occur in advance, subject to the publication of the agreed methodology and available data. The change of structure must be agreed by a supermajority of the full members of the Committee. The structure of Annex 1 may be modified without a vote in the event of the creation or abolition of taxes and levies that are projected by the Committee, and members must be informed in advance of the change.
3. In accordance with Article 9(3) of the Constitutional Law, the MoF SR shall publish the forecasts prepared by the Committee at least twice a year, by 15 February of the current financial year and by 30 June of the current financial year.
4. The MoF SR shall evaluate the accuracy of the Committee's forecast on which the approved government budget for the previous year was based and shall publish its evaluation on the website of the MoF SR. Both the Committee's forecast and the individual forecasts of the full members of the Committee shall be subject to evaluation. If the member fully agrees with the MoF SR forecast, it will be used to assess the Committee member's estimate. The assessment of taxes and levies will be carried out in accordance with the approved manual for the assessment of tax forecasts⁵ and will cover the mandatory indicators for the members of the Committee, in accordance with Annex 1 of the Statute. The preliminary evaluation for the previous year will be published by the MoF SR by 31 July of the following year. The final evaluation will be published by 28 February of the year following the preliminary evaluation. An assessment of selected expenditure and non-tax revenue for the previous year shall be published by 31 July of the following year, with the exception of the first year of the assessment.

Article 6 Final Provisions

1. A change in the Statute of the Committee, except for a change in the Annex, shall be possible only with the consent of a 2/3 majority of the ordinary members of the Committee on the proposal of the MoF SR.
2. The Statute of the Committee shall enter into force on 23 June 2021.
3. With the entry into force of this Statute, the existing "Statute of the Tax Revenue Forecasts Committee" shall be repealed.

Igor Matovič
Deputy Prime Minister and Minister of
Finance of the Slovak Republic

⁵ Published on the website of the MoF SR (<http://www.finance.gov.sk/Default.aspx?CatID=8958>)