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"A" ITEM NOTE

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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee (Part 2)/Council |
| Subject: | Proposal for a COUNCIL DECISION imposing a fine on Spain for manipulation of deficit data in the Autonomous Community of Valencia |

On 11 March 2015, the Commission submitted to the Council a Recommendation for a Council Decision imposing a fine on Spain for manipulation of deficit data in the Autonomous Community of Valencia.

The Commission's text followed the conclusion of a EUROSTAT investigation related to the manipulation of statistics in the Autonomous Community of Valencia in Spain, which had started in July 2014. The investigation concluded that Spain had misreported deficit data in the EDP notification of April 2012; in particular Spain had misreported deficit-increasing expenditures (i.e. unpaid bills in the health care sector) amounting to 1.9 bn euros.

According to the Commission Delegated Decision [2012/678/EU](#), which specifies the rules for the calculation of the fine, the reference amount of the fine to be imposed is equal to 5 % of the misreported data in the EDP notification, that is 94.65 million euros. However, the delegated decision allows for a reduction of the amount of the fine to reflect a number of concrete circumstances; these circumstances (i.e. misreporting was not intentional, high degree of cooperation in the course of the investigation, etc.) resulted in a reduction of the fine to just 20% of the total amount; so the final amount of the fine is 18.93 million euros.

The Financial Counsellors Working Party agreed on the draft text of the Council Decision in its meeting on 16 June.

On 25 June, Spain submitted a proposal for a factual amendment to the draft text. The amendment was circulated for comments to the delegates of the Financial Counsellors Working Party, who accepted it on 2 July. Delegates also agreed to submit the amended Council text to COREPER.

COREPER endorsed the draft text of the Council Decision (document 10297/15) on 9 July and agreed to submit it to the Council for adoption as an "A" item to the first available Council meeting.
