Fiscal Rules at a Glance[1]

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International Monetary Fund

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[1] This background document updates the April 2015 background paper "Fiscal Rules at a Glance," by Elva Bova, Tidiane Kinda, Priscilla Muthoora, and Frederik Toscani and the IMF Working Paper 12/273 "Fiscal Rules at a Glance: Country Details from a New Dataset," by Nina Budina, Tidiane Kinda, Andrea Schaechter, and Anke Weber. The authors are solely responsible for its content.

This background note provides country-specific information on fiscal rules in 96 countries from 1985 to end-December 2015. It updates the April 2015 "Fiscal Rules at a Glance" and is accompanied by an accessible data visualization tool available at http://www.imf.org/external/datamapper/FiscalRules/map/map.htm.

The dataset covers four types of rules: budget balance rules, debt rules, expenditure rules, and revenue rules, applying to the central or general government or the public sector. It also presents details on various characteristics of rules, such as their legal basis, coverage, escape clauses, as well as key supporting features such as independent monitoring bodies.

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Acronyms

BBR	Budget balance rule
CG	Central government
DR	Debt rule
ER	Expenditure rules
EU	European Union
FRL	Fiscal responsibility law
GG	General government
IFI	International Financial Institution
MTBF	Medium-term budgetary framework
MTEF	Medium-term expenditure framework
PAYGO	Pay-as-you-go rule
RG	Regional government
RR	Revenue rule

I. INTRODUCTION

This paper provides country-specific information on fiscal rules in use in 96 countries from 1985 to End-December 2015. It summarizes the latest vintage of the IMF Fiscal Rules Dataset and its electronic data visualization tool.[1] It updates the February 2015 Background Paper "Fiscal Rules at a Glance" (Bolva, Kinda, Muthoora, and Toscani).

The dataset covers four types of rules: budget balance rules, debt rules, expenditure rules, and revenue rules, applying to the central or general government or the public sector. It also presents country-specific details on various characteristics of rules, such as their legal basis, coverage, escape clauses, and institutional supporting arrangements, namely multi-year expenditure ceilings, independent monitoring bodies, and fiscal responsibility laws.

A fiscal rule is a long-lasting constraint on fiscal policy through numerical limits on budgetary aggregates. This implies that boundaries are set for fiscal policy which cannot be frequently changed. However, the demarcation lines of what constitutes a fiscal rule are not always clear. For this dataset and paper, we followed the following principles:

- Only rules with targets fixed in legislation and fiscal arrangements for which the targets can only be revised on a low-frequency basis (e.g., as part of the electoral cycle) and binding for at least three years are considered as fiscal rules. Medium-term budgetary frameworks or expenditure ceilings that provide multi-year projections but can be changed annually are not considered to be fiscal rules.

- We only consider rules that set numerical targets on aggregates that capture a large share of public finances and at a minimum cover the central government level. Thus, rules for subnational governments or fiscal sub-aggregates are not included here.

- We focus on *de jure* arrangements and not to what degree rules have been adhered to in practice.

How to interpret the country-specific information? The tables in Section II contain all national rules and a cross-reference to Section III if the country also operates under supranational fiscal rules. The date when a rule took effect is shown in brackets. When a characteristic of the rule was changed over time, the year of the change is shown in the respective column. A description of each rule and the corresponding time period the rule was in force is included in the bottom part of each table. Supranational fiscal rules are described in Section III.

[1] The dataset is available at http://www.imf.org/external/datamapper/FiscalRules/map/map.htm. Please refer to Schaechter, Kinda, Budina, and Weber (2012) for a description of the dataset variables and coding.

II. FISCAL RULES: COUNTRY INFORMATION

Antigua and Barbuda

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):

Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

Argentina

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2000)	Statutory	General government	Yes	No	Yes	No
Expenditure rule (2000)	Statutory	General government	Yes	No	Yes	No

National rules (dates in brackets):

Fiscal rules are set out in the Fiscal Responsibility Law (FRL) adopted in 1999 and then revised in 2001 and 2004 to allow for a longer transition period to established numerical targets. From 2009, the rules and the FRL were de facto suspended.

BBR (2000-08): All jurisdictions are required to balance revenue and expenditure, excluding investment in basic social and economic infrastructure and IFI-financed projects.

ER (2000-08): Primary expenditure cannot grow more than nominal GDP or at most stay constant in periods of negative nominal GDP growth.

In the case of the provinces, the FRL established a borrowing constraint whereby debt servicing costs could not exceed 15 percent of the current revenues after deduction of revenue-sharing (coparticipación) transfers to municipalities. All administrations were encouraged to create fiscal countercyclical funds.

The Federal Fiscal Responsibility Council was created in 2000 to oversee the application of the law and to monitor implementation of the rules; it was empowered to impose penalties for non-compliance that ranged from public disclosure of any breaches to the partial withholding of budgetary transfers from the Federal government (other than revenue-sharing resources).

Armenia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2008)	Political commitment	Central government	No	No	No	No

National rules (dates in brackets):

DR (since 2008): The public debt may not exceed 60 percent of GDP in any given year. If the ratio of public debt over the previous year's GDP exceeds 50 percent, the deficit in the following year should be lower than 3 percent of the average GDP of the previous three years. Since 2015, definition of public debt changed to apply only to government debt, excluding central bank's debt.

Australia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rules (1985, 2009)	Political Commitment (1985), Statutory (2009)	Central government	Yes (1985); No (2009)	No	No	No
Revenue rules (1985, 1998)	Political Commitment (1985), Statutory (1998)	Central government	Yes (1985); No (1998)	No	No	No
Budget balance rules (1985, 1998)	Political Commitment (1985), Statutory (1998)	Central government	Yes (1985); No (1998)	No	No	No
Debt Rule (1998)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

ER (from 2009): As part of the deficit exit strategy, the Australian Government committed to return the budget to surplus by restraining real growth in spending to 2 percent a year once the economy recovered to grow above trend. Once the budget returns to surplus, and while the economy is growing at or above trend, the government will maintain expenditure restraint by retaining a 2 percent annual cap on real spending growth, on average, until surpluses are at least 1 percent of GDP.

BBR, RR, DR (since 1998): In 1998 the fiscal policy framework was formalized in the Charter of Budget Honesty Act. It provides a framework for the conduct of government fiscal policy by requiring the fiscal strategy to be based on principles of sound fiscal management and by facilitating public scrutiny of fiscal policy and performance. The key elements of the fiscal strategy are to achieve budget surpluses, on average, over the medium term; keep taxation as a share of GDP below the level of 2007-08, on average; and to improve the government's net financial worth over the medium term. The medium-term strategy does not require that the budget remains in surplus every year over the economic cycle.

In its 1985-86 Budget, the Australian Government set out the "trilogy" commitments for the life of the Parliament (three years):

BBR (1985-88): Reduce the budget deficit in dollar terms in 1985-86 and as a proportion of GDP over the life of the Parliament.

ER (1985-88): Not raise government expenditure as a proportion of GDP in 1985-86 and over the life of the Parliament.

RR (1985-88): Not raise tax revenue as a proportion of GDP in 1985-86 and over the life of the Parliament.

Austria

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1999)	Statutory	General government	Yes	No 1/	No (1999) Yes (2012) 2/	No

National rules (dates in brackets):

BBR (since 1999): Deficit targets for the federal, regional and local governments, contained in an Austrian Stability Pact (ASP) were set up informally in 1996 and formalized in 1999, within a multiyear budgetary setting, which was reformed over the years. Due to the economic crisis, budget goals were revised in March 2011. The recent vintages of the ASP strengthened the enforcement mechanism of the fiscal rule framework, enhancing the role of the Court of Auditors, and making the launch of the sanctioning procedure easier. Four-year expenditure ceilings for the federal government were adopted for the first time in 2009. Expenditure ceilings are divided into fixed (about ¾ of expenditure) and flexible ones. The latter concern areas which depend on cyclical fluctuations, such as social security allocations. While the ceilings are in principle set for a 4-year rolling horizon, they have so far been binding only for the budget year. Thus, they are considered here as a medium-term expenditure framework rather than a fiscal rule.

BBR (from 2017): Parliament passed on December 7, 2011 an amendment to the federal budget law stipulating that, from 2017 onward, the structural deficit at the federal level (including social insurance) shall not exceed 0.35 percent of GDP. This was reconfirmed in a revamped domestic Austrian Stability Pact (ASP) with the Austrian federal states ("Laender") concluded in May 2012, which added a structural deficit limit of 0.1 percent of GDP for all states and municipalities. Hence, the structural deficit limit for general government is 0.45 percent of GDP. The new fiscal rule framework is conceptually similar to the German debt brake rule but has so far not been able to be anchored in the constitution. Ex post deviations will be accumulated in compensation accounts and if the (negative) balance in the account exceeds 1.25 percent of GDP for the federal level or 0.367 percent of GDP for states and municipalities, a correction has to be initiated at times when the output gap is negative and narrowing or is positive. In the transition period (2012-16), the ASP determines the fiscal targets in terms of headline rather than structural deficits.

1/ An independent research institute has provided the macroeconomic forecasts so far, but there was no legal obligation of the government to use these projections. As of the federal budget framework for 2014-2017 there is a legal obligation to base the budget and the framework on GDP-estimates of an independent research institute (ref: BHG 2013 (para 2 (5) lit 1) and para 122 (6).

2/ An independent fiscal institution, the Austrain Court of Auditors monitor compliance with national rules since 2012 following the adoption of the 2012 Financial Stability Pact.

Supranational rules (dates in brackets):
EU (1995) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Belgium

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Revenue rule (1992)	Coalition agreement	Central government	Yes	Yes	No	No
Expenditure rule (1993)	Coalition agreement	Central government	Yes	Yes	No	No
Balanced budget rule (2013)	Coalition agreement	General government	Yes	Yes	Yes	No

National rules (dates in brackets):

ER (1993-98): Real growth of primary expenditure of CG ought to be equal or be less than 0 percent.

RR (1992-99): Growth of revenues has to be "in line with" GDP growth (though the coalition partners had different interpretations of this wording). Both rules were set in coalition agreements.

BBR (2013): In line with the provisions of the "fiscal compact" signed March 1 2012, the annual structural balance of the general government must be at MTO or respect the adjustment path towards it, as defined in the Stability Programme, with a lower limit of a structural deficit of 0,5% of GDP. This limit can be extended to a structural deficit of 1% of GDP if the debt to GDP ratio is significatively below 60% and the risks for the sustainability of public finances in the long term are low. The rule is set in coalition agreements.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Benin

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
West African Economic and Monetary Union (2000)
For a description of the rules and the key characteristics see Section III.

Botswana

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2003)	Political commitment	Central government	No	No	No	No
Budget balance rule (2003)	Political commitment	Central government	No	No	No	No
Debt rule (2005)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

ER (since 2003) DR (since 2005) BBR (since 2003): Botswana has one binding debt limit and two fiscal targets (as set by the country's National Development Plan, NDP) that would qualify as FRs. The debt limit was introduced by the Stock, Bonds, and Treasury Bills Act of 2005 which caps total domestic and foreign debt each at 20 percent of GDP. In addition, Botswana's fiscal framework includes limits on total government spending, and a balanced budget rule (in cash terms) over the NDP planning period. The expenditure limits include a 40 percent of GDP government spending cap introduced in 2006 (NDP9), and a target reduction of government spending to 30 percent of GDP by the end of FY 2015/16 (NDP10). The 40 percent limit has not been breached except during the 2008 financial crisis. Excluding the debt ceilings, the aforementioned rules are budget targets rather than institutionalized binding constraints.

Brazil

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2000)	Statutory	General government	Yes	No	No	Yes
Expenditure rule (2000)	Statutory	General government	Yes	No	No	Yes

National rules (dates in brackets):

A Fiscal Responsibility Law is in place since May 2000. The law sets out a number of numerical fiscal indicators:

DR, ER (since 2000): (i) Personnel expenditure is limited to 50 percent of net current revenue for the federal government, and 60 percent for states and municipalities. Within each level of government the law further specifies limits for the executive, legislative, judiciary and other offices, where applicable, (ii) permanent spending mandates cannot be created without permanent revenue increases or spending cuts, (iii) Senate sets debt limits for all levels of government. However, there was never an agreement reached on the limit for the central government; thus the only limits currently in place are for States and Municipalities. There are also limits set by the Senate for annual borrowing for States and Municipalities. The government sets numerical multiyear targets for the budget balance (for the current year and indicative targets for the next two years), expenditure and debt. In case of noncompliance, corrective measures need to be taken and can result in sanctions (the Fiscal Crimes Law details penalties for mismanagement, ranging from fines to loss of job). Escape clauses exist for exceptional economic conditions and natural disaster but can only be invoked with Congressional approval. There is also the "golden rule" principle set in the Constitution (new borrowing should be at most equal to public investment).

Bulgaria

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (2006, 2009, 2012)	Statutory (2012), Political commitment (2006-2012)	General government	No	No	No	No
Expenditure rules (2006, 2012)	Statutory (2012), Political commitment (2006-2009)	General government	No	No	No	No
Debt rule (2003)	Statutory	General government	Yes	No	No	No

National rules (dates in brackets):

BBR (from 2012): The annual budget deficit under the consolidated fiscal program calculated on a cash basis cannot exceed 2 percent of GDP (As is the case for the expenditure rule, from 2014, the organic budget law was replaced by the Public Finance Law). In addtion, the general government deficit on an annual basis, calculated as per the methodology of the European system of national and regional accounts in the Community, may not exceed 3 percent of GDP. In order to comply with the "fiscal compact" signed March 1, 2012, the Public Finance Law also introduces a structural budget balance rule to be effective from January 1, 2014 (specifying that the structural deficit of the general government on an annual basis should not exceed 0.5 percent of GDP), and also introducing automatic correction mechanisms in case of deviations from the target.

BBR (2009-11): Deficit to be contained and brought progressively below 3 percent of GDP.

BBR (2006-08): Flexible rule to keep the budget balanced or in surplus.

ER (from 2012, 2006-09): Ceiling on the expenditure-to-GDP ratio of 40 percent. From 2006 to 2009 the rule was a political commitment approved by the Council of Ministers within the multiannual financial framework. The rule was discontinued in 2010 and 2011, after its breach in 2009. It was renewed in 2012 and its binding character was strengthened since it is part of the Financial Stability Pact (it is established also with an amendment to the Organic Budget Law, effective since January 2012). From 2014, the Organic Budget Law was replaced by the Public Finance Law, adopted in January 2013, with the provisions for the national expenditure rule unchanged. In addition, the annual expenditure growth shall not exceed the reference growth of the potential GDP.

DR (from 2003): The State Debt Law has three types of limits: (i) annual additions to the debt stock; (ii) new sovereign guarantees; and (iii) the outstanding debt. The outstanding GG debt cannot exceed the debt level recorded at the end of the previous year if the debt-to-GDP ratio exceeds 60 percent. This rule has not been binding for Bulgaria since the rule was adopted in 2003. The Public Finance Law will repeal from 2014 the state debt law, with the rules unchanged while also introducing concrete measures for adjustment in case the reference debt criterion (60 percent of GDP) is exceeded.

Supranational rules (dates in brackets):

EU (2007).

For a description of the rules and the key characteristics see Section III.

Burkina Faso

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
West African Economic and Monetary Union (2000)
For a description of the rules and the key characteristics see Section III.

Burundi

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
East African Monetary Union (since 2013)
For a description of the rules and the key characteristics see Section III.

Cameroon

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Canada

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1998)	Political commitment	Central government	No	Yes	Yes	No
Debt rule (1998)	Political commitment	Central government	No	Yes	Yes	No
Expenditure rules (1998)	Political commitment	Central government	No	Yes	Yes	No

National rules (dates in brackets):

BBR, DR, ER (1998-2005): In 1998, the debt repayment plan set out a "balanced budget or better" policy which, however, was not legislated rules at the federal level. A Contingency Reserve and an economic prudence factor are built into the federal budget and may be devoted to debt reduction if not needed. In 2006, the government abandoned the "balanced budget or better" rule with targets of C$3 billion debt reduction, coupled with eliminating net general government debt by 2021 and federal debt by 2013/14 (later changed to 2011/12).
From 1991-96, the Federal Spending Control Act limited all program spending except self-financing programs. Overspending in one year was permitted if offset in following two years. Compliance with the Act was assessed by Auditor General.

Cape Verde

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1998)	Statutory	Central government	No	No	No	No
Debt rule (1998)	Political commitment	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 1998): Ceiling on domestic borrowing of 3 percent of GDP.

DR (since 1998): Debt ceiling of 60 percent of GDP. Regarding domestic borrowing, the annual budget authorizes the amount for net domestic financing for the year. The government needs to return to parliament and seek another authorization if it wants net domestic financing to exceed the budget authorization amount. However, there is an absolute ceiling of 3 percent of GDP. That amount cannot be exceeded unless the parliament votes to change the underlying budget legislation which would be a more complicated process. This functions as a binding limit which the government watches carefully. The 60 percent debt limit is not binding (public debt is currently above it with no action being taken). There is enough transparency in the public accounts of Cape Verde so that breaches of the domestic borrowing limit would eventually be detected and become an accountability issue.

The government can increase spending above what has been approved in the budget as long as the spending is financed by external concessional resources. This is a prerogative that parliament delegates to the government as part of the budget law.

Central African Republic

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Chad

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Chile

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2001)	Political commitment (2001), Statutory (2006)	Central government	No	Yes	No (2001) Yes (2013)	No

National rules (dates in brackets):

BBR (since 2001): Structural balance with independent body providing key inputs. Under the structural balance rule, government expenditures are budgeted ex ante in line with structural revenues, i.e., revenues that would be achieved if: (i) the economy were operating at full potential; and (ii) the prices of copper and molybdenum were at their long-term levels. The implementation of the rule has changed somewhat since 2009. From 2001-07 a constant target for the structural balance (surplus of 1 percent of GDP) was defined; in 2008 a new constant target was specified (surplus of 0.5 percent of GDP). In 2009, while the target was a zero structural surplus, a de facto escape clause was used to accommodate countercyclical measures. Further, the current administration (2010-14) has specified a target path (to converge to 1 percent of GDP structural deficit by 2014). An independent committee of experts was called on (May 2010) to propose recommendations to improve the fiscal rule; based on this, the government published in October 2011 a second generation structural balance rule (http://www.dipres.gob.cl/572/article-81713.html). Starting from 2015 budget, the government no longer adjusts revenues based on long-term prices of molybdenum. A fiscal council started operating in June 2013. The council oversees two existing independent committees -on potential GDP and long-run copper price- and ensure such parameters are correctly used in the computation of the structural balance. The council also advises the Minister of Finance on issues regarding the structural balance rule including regarding methodological changes.The council, whose views are made public but not binding, is helping to enhance the rigor and transparency of the rule.

Colombia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2011)	Statutory	Central government	No	No	No	Yes
Expenditure rule (2000)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):
BBR (since 2011): Structural balance rule for CG (approved by Congress in June 2011) sets a path for fiscal consolidation that lowers the structural deficit for the CG to 2.3 percent of GDP in 2014 and sets a ceiling for the deficit of 1 percent effective in 2022. The rule also allows for fiscal expansion when the expected output growth rate is at least 2 p.p. lower than the long-term growth rate (allowing for countercyclical fiscal policy in cases of emergencies and/or large macro shocks); and creates a sovereign wealth fund (SWF) to save windfall revenue from natural resources. Annual targets are framed by a medium-term fiscal framework. An independent advisory commission was also established to help operationalize the structural balance rule and assess its implementation. There is an escape clause specified in art. 11: “In case of extraordinary events threatening the macroeconomic stability of the country, enforcement of the fiscal rule may be temporarily suspended, subject to the favorable opinion of CONFIS” (an internal fiscal council headed by the Finance Minister).

ER (since 2000): on current expenditure growth on CG.

Congo, Republic of

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Costa Rica

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2001)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 2001): Costa Rica has at present a type of golden rule according to which borrowing can be used only to finance investment spending. This rule is included in Article 6 of the FML. The use of cash accounting may lead in practice to the application of a modified golden rule in that the financing of gross (rather than net) investment by borrowing is permitted.

Cote d'Ivoire

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):

West African Economic and Monetary Union (since 2000)

For a description of the rules and the key characteristics see Section III.

Croatia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2012)	Statutory	General government	No	No	No	No
Budget balance rule (2012)	Statutory	General government	No	No	No	No
Debt rule (2009)	Statutory	General government	No	No	No	No
Expenditure rule (2014)	Statutory	General government	No	No	No	No
Budget balance rule (2014)	Statutory	General government	No	No	No	No

National rules (dates in brackets):

The FRL enacted in 2010 includes both a temporary fiscal rule and a permanent fiscal rule and applies to the drafting and adoption of the state budget and financial plans for 2012, 2013 and 2014. In December 2013, the FRL was amended to replace the existing rules with two new fiscal rules: A BBR and an ER.

ER (since 2012): The temporary rule calls for general government expenditure cuts of 1 percent of GDP a year until at least a primary balance of zero is achieved in nominal terms. Since 2014 an expenditure rule similar to the EU expenditure benchmark implies that real growth in public expenditures cannot exceed potential GDP growth, unless the supplement is financed by specific discretionary measures.

BBR (since 2012): After the primary balance of zero is reached, the permanent rule constrains the general government cyclically adjusted primary balance to zero or surplus.Since 2014 a structural balance rule requires a minimum adjustment of 0.5 percent of GDP until the government reaches its medium-term objectives (that ensures that the budget deficit is less than 3 percent of GDP and public debt is below 60 percent of GDP)

DR (2009-2013): Besides the rules specified in the FRL, the 2008 organic budget law includes a debt rule which specifies that the central government debt-to-GDP ratio by the end of the year can exceed that of the previous year only if the ratio does not exceed 60 percent.

Supranational rules (dates in brackets):
EU (2013)
For a description of the rules and the key characteristics see Section III.

Cyprus

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (since 2014)	Statutory	General Government	No	No	Yes	Yes
Debt rule (since 2014)	Statutory	General Government	No	No	Yes	Yes

The 2014 FRBSL (budget law) introduced a fiscal council, a medium-term budgetary framework and established an autocorrection mechanism when the ratio of government debt to gross domestic product at market prices exceed sixty percent (60 %), and when there is significant deviation from the medium-term budgetary objective or the adjustment path towards it.

Supranational rules (dates in brackets):
EU (2004) and euro area (2008)
For a description of the rules and the key characteristics see Section III.

Czech Republic

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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A Medium-Term Expenditure Framework (MTEF), but no fiscal rule is in place. The framework covers two years beyond the budget year. At present, the central government and state funds are covered by the expenditure rule. The government may change the MTEF for the originally second and third years when a state budget bill is introduced. In principle, this is possible only in specifically defined cases, which are enumerated in the Budgetary Rules Act. These include for example significant deviations from the macro-economic forecast, natural disasters, changes in revenue from the EU funds, etc. In practice, frequent changes have been made, so that the framework is not considered a rule.

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Denmark

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rules (2014)	Constituional	General government	Yes	No	Yes	Yes
Expenditure rules (1994, 2007, 2009-2014)	Political commitment	General government	No	No	No	No
Revenue rule (2001-2011)	Political commitment	General government	No	No	No	Yes
Budget Balance Rule (2014)	Constituional	General government	Yes	No	Yes	Yes
Budget balance rule (1992)	Political commitment (2007); Coalition agreement (1992-2006)	General government	No	No	No	No

National rules (dates in brackets):

ER (since 2014): The Budget Act which came into force in 2014 introduces expenditure ceilings. The ceilings set legally binding limits for expenditures in central government, municipalities and regions respectively. The expenditure ceilings are to be adopted in parliament and cover a continuous period of 4 years. Improved budget management and economic sanctions are supporting compliance with the expenditure ceilings.

ER (2009-2014): Target in Denmark's 2009 Convergence Program is that public consumption as a share of cyclically adjusted GDP should be reduced to 26.5 percent by 2015. There are no targets for the intermediate years.

ER (2007-2008): The rule stipulates the target of public consumption as a percentage of cyclically adjusted GDP and real growth in public consumption.

ER(1994-2006): Real public consumption growth capped at 0.5 percent per year, 1.0 percent during 2002-05).

RR (2001-2011): Direct and indirect taxes cannot be raised. Derogation from the rule is allowed if a tax rate is raised for envionmental reasons or to fulfill Denmark's EU obligations and if extra revenue is used to reduce other taxes. In April 2012, the government also put forward a proposal for a budget law that includes multiannual expenditure ceilings covering all levels of government to tighten spending control and to prepare for the effects of demographic aging. The ceilings are to be underpinned by sanctions and be controlled by the Danish Economic Councils.

BBR (since 2014): The annual structural public balance must not exceed a deficit of a ½ per cent of GDP at the time of the budget proposal for a given year unless extraordinary circumstances are present Moreover, an automatic correction mechanism is activated in case of a significant projected deviation in a given year from the budget balance requirement. The Danish Economic Council is to continually (annually) assess whether economic policy adheres to the target of the structural public balance, complies with expenditure ceilings and whether the adopted expenditure ceilings are consistent with medium term projections for public finances

BBR (since 1992): The rule stipulates the target of the structural balance as a percentage of GDP in the medium term. No predefined escape clauses, but the target has been revised several times. The government's so-called 2010 plan from January 2001 included a target surplus towards 2010. The 2015 plan from August 2007 included a surplus range through 2010 and a target of at least balance in 2011 to 2015. The convergence programme for 2009 has a target of at least balance in 2015 and in the convergence programme for 2011, the government targets a structural general deficit of less than 1/2 percent in 2015 and a balanced structural budget by 2020.

Supranational rules (dates in brackets):
EU (1992)
For a description of the rules and the key characteristics see Section III.

Dominica

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

Ecuador

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2010)	Statutory	General government	No	No	No	No
Budget balance rule (2003)	Statutory	Central government	Yes	No	No	No
Debt rule (2003, 2010)	Statutory	General government	Yes	No	No	No

National rules (dates in brackets):
ER (since 2010): The rule states that permanent expenditure cannot be higher than permanent revenue though both are unclearly defined. Exceptionally, non-permanent revenue may be used to pay for permanent spending if the government deems necessary. This rule is on a statutory basis and not enforced and not monitored outside the government. It was adopted in 2010 and applied to the 2011 and 2012 budgets.

DR (since 2010): The new 2010 FRL limits non-financial public sector debt to 40 percent of GDP, and Article 125 limits decentralized entities debt to 200 percent of their annual revenue and their debt service to 25 percent of their annual revenue.

BBR (2003-2009): Annual reduction in the non-oil deficit until a balanced budget is achieved.

DR (2003-2009): Non-financial public sector debt should be reduced to 40 percent of GDP and stay below this level once it is reached. The rule applies only ex ante. It does not bind outcomes and does not apply for supplements during the course of the year.

The reforms introduced by the 2002 Fiscal Responsibility, Stabilization and Transparency Law set fiscal deficit limits, i.e. annual growth of primary central government expenditure must not exceed 3.5 percent in real terms (excluding capital spending), the fiscal deficit as a percentage of GDP (excluding oil export revenue) must decrease by 0.2 percent each year, and non-financial public sector debt must not exceed 40 percent of GDP. The FRL and BBR and DR rules were superseded by a new 2010 FRL.

Equatorial Guinea

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Estonia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1993, 2014)	Coalition agreement, Statutory (2014)	General government	Yes	No	No	No

National rules (dates in brackets):
BBR (since 1993): Balanced budget for GG. The rule recently evolved to take into account the cyclical component: in 2007 and 2008 the authorities switched to targeting nominal surpluses because it became increasingly clear that the requirement for a nominal budget balance was not sufficient to rein in the overheating tendencies in the economy. Currently, given the still negative output gap, the government targets small deficits.The structural budget balance rule is supported by one paragraph (116) in the Constitution. The The rule has also been stated in all the State Budget Strategies as well as coalition agreements. A debt rule for local governments only has been in place since 1997.

Under the "fiscal compact" signed March 1, 2012, the government commits to adopt a structural budget balance rule in its constitution or in durable legislation, as well as an automatic correction mechanism by 2014. The State Budget Act of 2014 provides detailes about the rule and the automatic adjustment as well as the establishment of a Fiscal Council.

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Finland

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rules (1995, 2011)	Coalition agreement	Central government	No	No	No (1995), Yes (2013)	No
Expenditure rule (2003)	Coalition agreement	Central government	No	No	No (2003), Yes (2013)	No
Budget balance rule (1999, 2011, 2013)	Coalition agreement	Central government	No	No	No (1999), Yes (2013)	No (1999), Yes(2013)

National rules (dates in brackets):
DR (since 2011): There is a political commitment to achieve a substantial reduction in the CG debt-GDP ratio by the end of the parliamentary term (2015). Moreover, the government is commited to adjust if the CG debt/GDP ratio is not shrinking or if the CG deficit stands above 1 percent of GDP.

DR (1995-2006): CG debt must be reduced over the legislative period.

ER (since 2003): The rule sets annual limits to government expenditure for the four-year terms of office of the government. Limits are set in real terms for primary non-cyclical expenditure (about 75 percent of total central government spending, about 37 percent of total general government spending).

BBR (since 1999): A target (rule) for CG structural balance in place since 1999. However, over 2007-2011, the government targeted structural surplus of 1 percent of potential GDP. Cyclical or other short-term deviations allowed, if they do not jeopardise the reduction of the CG debt ratio. CG deficit must not exceed 2.5 percent of of GDP. The government decided in Feb, 2009 that it can temporarily deviate from the CG deficit target if structural reforms are undertaken to improve GG finances (in the medium or longer term). Since 2011, a target (rule) for CG nominal balance (1 percent deficit). Law 869/2012 transposes the fiscal compact signed in December 2012 and a structural balance rule into finnish law effective January 1, 2013. The law is not constitutional and can be revised as all other legislation. According to the law, the govenrment sets the MTO for the structural balance in accordance with the TSCG. The minimum pace of adjustment is 0.5 pp. Temporary deviations are allowed if the Council concludes that exceptional conditions prevail, as stated in the TSCG, in Finland.

Supranational rules (dates in brackets):
EU (1995) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

France

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation) Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Revenue rule (2011)	Statutory	Central government and social security	No	No	Yes	No
Revenue rule (2006)	Constitutional	Central government and social security	No	No	Yes	No
Expenditure rule (1998)	Statutory (2011)	Central government and social security	No	No	Yes	No
Budget Balamce Rule (2012)	Statutory	General Government	Yes	No	Yes	Yes

National rules (dates in brackets):

RR (since 2011): The Multi-Year Public Finance Planning Act sets binding minimum targets for the net impact of new revenue measures (€11 billion in 2011 and additional €3 billion in 2012, 2013 and 2014).

RR (since 2006): Central government and social securities to define ex ante the allocation of higher than expected tax revenues.

ER (since 1998): Targeted increase of expenditure in real terms, or targeted increase of expenditure excluding interest payments and pensions in nominal terms. The stricter provision applies.

BBR (2012): The Loi Organique of December 2012 transposes the "fiscal compact" signed March 1, 2012 and a structural budget balance rule into French law. The Loi de programmations des finances publiques (LPFP) specifies the path for the structural balance.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Gabon

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Central African Economic and Monetary Community (2002)
For a description of the rules and the key characteristics see Section III.

Georgia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2014)	Statutory Basis	General government	Yes	No	No	Yes
Budget balance rule (2014)	Statutory Basis	Central government	Yes	No	No	Yes
Debt rule (2014)	Statutory Basis	General government	Yes	No	No	Yes

National rules (dates in brackets):
ER (since 2014): The ratio of ‘expenditures and increase in non-financial assets’ to GDP of the consolidated budget to the GDP shall not exceed 30 percent.

BBR (since 2014): The ratio of the consolidated budget deficit to GDP shall not exceed 3 percent.

DR (since 2014): The ratio of the State Debt to GDP shall not exceed 60 percent.

Germany

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (1969, 2011)	Constitutional	Central government	Yes (2011)	No	No	Yes
Expenditure rule (1982)	Political commitment	Central government + regional government	No	No	No	No

National rules (dates in brackets):

BBR (from 2011): A new structural balance rule was enshrined in the constitution in June 2009. After a transition period, starting in 2011, it took full effect in 2016 for the Federal government and will take effect in 2020 for the states. The rule calls for a structural deficit of no more than 0.35 percent of GDP for the Federal government and structurally balanced budgets for the Laender. For the Federal government the adjustment of the structural deficit to 0.35 percent of GDP in broadly equal steps by 2016 has started in 2011; for the Laender a transition had not yet started in earnest in 2011.

BBR (1969-2010): Until 2011, a "golden rule" for the central government was in place (since 1969), aimed to limit net borrowing to the level of investment except in times of a “disturbance of the overall economic equilibrium." The Laender had similar requirements in their constitutions.

ER (1982-2009): Expenditure cannot grow faster, on average, than revenue (until 2008 expenditure growth ceiling of annually 1 percent on average); rule applies to central and regional governments.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Greece

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2011)	Statutory	Central Government	No	No	No	No
Balanced Budget rule (2014)	Statutory	General Government	Yes	No	No	Yes

National rules (dates in brackets):

ER (since 2011): Spending ceilings for line ministries were introduced for the first time in 2010 with a change to the OBL (See Law 3871/2010 article 8, para 6E). The first implementation took place with the MTFS 2011-2014 in July 2011.

BBR (since 2014): Under the "fiscal compact", the government commits to adopt a structural budget balance rule (deficit not exceeding 0.5 percent of GDP) and automatic correction mechanism in its constitution or equivalent legislation by 2014. The organic budget law was amended in 2014 to transpose the fiscal compact into national law, including the requirement that the medium-term fiscal strategy set binding multi-year expenditure ceilings for lines ministries and the health sector.

Supranational rules (dates in brackets):
EU (1992) and euro area (2001)
For a description of the rules and the key characteristics see Section III.

Grenada

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2015)	Statutory	General government	Yes	No	Yes	Yes
Debt rule (2015)	Statutory	General government	Yes	No	Yes	Yes
Expenditure rule (2015)	Statutory	General government	Yes	No	Yes	Yes

National rules (dates in brackets):

BBR (since 2015): The primary balance is maintained at 3.5 percent of GDP on average over the economic cycle through the expenditure rule until public debt is reduced to 55 percent of GDP. Once the debt target is achieved, the primary balance is maintained at its debt-stabilizing level (currently estimated around 1 percent of GDP).

DR (since 2015): The framework establishes a debt ceiling of 55 percent of GDP, more ambitious than the regional target for the ECCU of 60 percent of GDP by 2030. The debt ceiling will be achieved through a primary balance target implemented with an expenditure rule.

ER (since 2015): The expenditure rule caps the growth of real primary spending of the central government and covered parastatal entities at 2 percent per year.

Supranational rules (dates in brackets):
Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

Guinea-Bissau

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
West African Economic and Monetary Union (since 2000)
For a description of the rules and the key characteristics see Section III.

Hong Kong SAR

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1997)	Statutory	General government	Yes	No	No	No

National rules (dates in brackets):

BBR (since 1997): Article 107 of the Basic Law stipulates that "The Hong Kong Special Administrative Region shall follow the principle of keeping expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product.

Hungary

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2010)	Statutory	General government	No	No	Yes (2010)	No
Budget balance rule (2004, 2010)	Statutory	General government	No	No	Yes (2009)	No

National rules (dates in brackets):

ER, BBR (2010-2011): In November 2008, Hungary adopted a law that foresaw a primary budget balance rule and a real debt rule to take effect in 2012. Transition BBR and ER rules called for a reduction of the budget deficit (in percent of GDP) and limited real expenditure growth in 2010 and 2011. These rules were abandoned with the Economic Stability Law (December 2011), which eliminated the 2008 fiscal responsibility law.

BBR (2004-2009): Primary budget surplus balance target.

DR (from 2016): The new Constitution, adopted in April 2011 and taking effect in 2012, contains a separate public finance chapter, renewing the entire rules-based set-up by establishing a constitutional debt limit of 50 percent of GDP. Linked to this, a separate provision specifies that until this debt ceiling is achieved the "public debt stock must be reduced". Details of this debt rule were further specified in the above mentioned Economic Stability Law. The implementation of the new constitutional rule - requiring a cut in state debt every year until it falls to below 50 percent of GDP - will only come into effect in 2016 and the debt reduction is temporarily suspended when real GDP contracts.

The Fiscal Council, initially established in 2009, to monitor the implementation of the BBR, was significantly weakened following the 2011 reorganization which reduced its budget and eliminated its dedicated staff.

Under the "fiscal compact", the government commits to adopt a structural budget balance rule (deficit not exceeding 0.5 percent of GDP) and automatic correction mechanism in its constitution or equivalent legislation.

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Iceland

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2004)	Political Commitment	Central government	No	No	No	No

National rules (dates in brackets):

ER (2004-2008): De facto expenditure rule. Real expenditure growth limit of the central government (2 percent for public consumption and 2.5 percent for transfers). In practice, the fiscal rule served as guidepost during the period although in some years these limits were exceeded and were discontinued (after the bank crisis) from 2009 onwards. Under the IMF-supported Stand-By Arrangement, the authorities committed to achieving specific primary balance targets in 2009-11.

India

India

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2004)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (2004-2008): Current budget balance target defined in the Fiscal Responsibility and Budget Management Act (FRBMA). Originally the target was to reduce the fiscal deficit to 3 percent of GDP by 2008. During the crisis the deadlines were moved further out and eventually the rule was suspended in 2009. In 2011, given the process of ongoing recovery, Economic Advisory Council publicly advised the Government of India to reconsider reinstating the provisions of the FRBMA. The escape clause in the fiscal rule law (FRBMA) allows the government not to comply with the targets in exceptional circumstances "as the central government may specify." In 2013, the authorities modified the FRBMA implementation rules to re-establish a deficit reduction path aiming to achieve the original medium-term target of 3 percent of GDP; in 2015, the deadline for this was set as 2017/18.

Indonesia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2004)	Coalition agreement	General government	No	No	No	No
Budget balance rule (1967)	Coalition agreement	General government	No	No	No	No

National rules (dates in brackets):

DR (since 2004): Total central and local government debt should not exceed 60 percent of GDP.

BBR (since 1967): The consolidated national and local government budget deficit is limited to 3 percent of GDP in any given year.

These rules are set out in the State Finance Law and Government Regulation 23/2003.

Iran

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Revenue rule (2010)	Political Commitment	Central government	Yes	No	Yes	No

National rules (dates in brackets):

RR (since 2010) : rule estipulates that 14.5 percent of oil revenues should go to NIOC (National Oil Company), 20 percent of oil revenues should go to the NDF (Iran's national development fund, SWF) and this share should increase by 3 percentage points each year.The remaining will remain with government. The rule was proposed in the "General Policies of the 5th Development Plan", included in the 5th Development Plan Law, and first implemented in the 2010 budget. As a result of international sanctions, the rule was modified in 2015 to allow the NDF share to be decreased to 20 percent until 2017. This modification was implemented in the form of a escape clause ahead of the preparation of the 2015 budget as part of Supreme Leader's orders and permissions. Such orders are binding for both Governemnt and Parliament. Parliament monitors the rule by its two arms (Supreme Audit Court and Parliament Research Center). Government officials violating the law are subject to penalties by the Supreme Audit Court.

Ireland

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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A Fiscal Advisory Council has been in place since July 2011, and has been put on a statutory basis in the Fiscal Responsibility Act, which was approved by parliament in November 2012. The Act will also codify the core elements of the Fiscal Compact into law, including a commitment by government to observe the 0.5 percent of GDP structural deficit ceiling, and the debt reduction rule (i.e. that debt in excess of 60 percent will be reduced by 1/20th every year). Following Ireland's graduation from the excessive deficit procedure (EDP) at the end of 2015 (Coucil Decision (EU) 2016/1000 of June 17, 2016), Ireland is subject to the preventive arm of the Stability and Growth Pact as from 2016.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Israel

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2005)	Statutory	Central government	No	No	Yes	No
Budget balance rule (1992)	Statutory	Central government	No	No	Yes	No

National rules (dates in brackets):
ER (since 2005): The Deficit Reduction Law (DRL), adopted in 1991, was amended in 2004 to also include a provision for limiting real growth of the central government fiscal expenditure (1.7 percent from 2007). For the biannual budget adopted July 2009, the rules were relaxed to allow a real growth of expenditure of 3 percent for 2009. The Deficit Reduction and Budgetary Expenditure Limitation Laws (2010) make spending growth a function of public debt—rising, as the gap falls between actual debt and the objective of reducing it to 60 percent of GDP; and rising with trend GDP—measured as a 10 year moving average—and with projected inflation. This formula caps real spending growth in 2011 at 2.6 percent. In 2014, the expenditure rule formula has been changed accordingly: 3-year average of population growth rate + 50/(the debt-to-GDP ratio in the last know year)

BBR (since 1992): The DRL sets ceilings for the central government fiscal deficits for the near term. The budget deficit ceilings were set in 2006 at 2, 1.5, and 1 percent of GDP for 2007-09 and relaxed in the biannual budget adopted in July 2009 to allow a budget deficit of 6 and 5.5 percent of GDP for 2009 and 2010. The Deficit Reduction and Budgetary Expenditure Limitation Laws (2010) set a path to 2014 (1 percent of GDP deficit). In July 2012, the government revised the deficit targets as follows: 3 percent (2013), 2.75 percent (2014), 2.5 percent (2015), 2 percent (2016), and 1.5 percent (2019). In 2013, the government revised the deficit targets as follows: 4.65 percent (2013), 3 percent (2014), 2.5 percent (2015), 2 percent (2016-17), and 1.5 percent (2018-20). In 2014, the government revised the deficit targets as follows: 3.4 percent (2015), 2 percent (2016-18), and 1.5 percent (2019-20).

The DRL specifies that the more restrictive of the expenditure and defict rules applies when there is a divergence between the two.

Italy

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2014)	Constitutional	General Government	No	No	Yes	No

BBR (from 2014): A constitutional amendment was approved in April 2012 that introduces the principle of a balanced budget in structural terms with details and implementation principles to be specified in secondary legislation by end-February 2013, in line also with requirements under the "fiscal compact." The same constitutional amendment calls for the establishment of an independent parliamentary body for the monitoring of the fiscal developments and the compliance with the fiscal rule.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Jamaica

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2010, 2014)	Statutory	Central government + public bodies, General government since 2014	Yes	No	No	Yes
Debt rule (2010, 2014)	Statutory	Central government + public bodies, General government since 2014	Yes	No	No	Yes

National rules (dates in brackets):
Jamaica's fiscal responsibility framework approved in March 2010 includes two rules. In 2014, Jamaica adopted a new fiscal rule, which sets a floor on the overall balance of the covered public sector, to bring debt down to 60 percent of GDP or below by 2025/2026. The frameowk also includes disposition to limit loan value related to PPPS with a cumulative ceiling of 3 percent of GDP during an EFF arrangement. It includes a well-designed escape clause and an automatic correction mechanism, whereby annual dviations are stored in a notional account. When this exceeds a threshold then annual adjustments have to get back on track with the rule.

BBR (since 2014): 2014 rule aims to attain a fiscal balance by the end of the financial year ending on March 31, 2018.

DR (since 2014): 2014 rule aims to bring debt down to 60 percent of GDP or below by 2025/2026.

BBR (2010-2014): to reduce the fiscal balance to nil by the end of the financial year ending on March 31, 2016.

DR (2010-2014): to reduce the total debt to one hundred percent or less of the gross domestic product by the end of the financial year ending on March 31, 2016.

The framework also includes a target to reduce the ratio of wages paid by the government as a proportion of the gross domestic product to nine percent or less by the end of the financial year ending on March 31, 2016. It is very unlikely that the targets will be met. This is not considered as an expenditure rule in the database since it covers only a sub-aggregate of expenditure. The framework envisages beyond the end of the financial year ending on March 31, 2016, to maintain or improve on the targets specified above. The targets specified above may be exceeded on the grounds of national security, national emergency, or such other exceptional grounds, as the Minister may specify in an order subject to affirmative resolution.

Japan

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rules (2006, 2010-2012)	Political commitment	Central government	No	No	No	No
Balance budget rule (1947, 1998)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

ER (2010-2012): The Fiscal Management Strategy in effect since 22 June 2010, introduced a Medium-term Fiscal Framework, including an "Overall Expenditure Limit" (the amount of the General Account Expenditure, excluding debt repayment and interest payment, should not exceed that of the previous fiscal year). Reconstruction-related expenditures shall be managed separately from other expenditures, accompanied with their financial resources (cutting other expenditures, non-tax revenues including sales of government's assets, and tax revenues by special taxes for reconstruction). The expenditure ceiling has been removed in 2013 under the current Abe administration

ER (2006-2008): In 2006, the government set numerical targets (cabinet decision) by spending category (e.g., public investment, social security etc). The 2006 targets were intended to be valid through FY2011 and indeed were valid for FY2007 and FY2008 budgets. But the targets were abandoned for FY2009 due to the crisis.

BBR (1998): The Fiscal Structure Reform Act was adopted in 1997 and scrapped in the following year. The act specified the need to reduce overall GG deficit (excl. SSF) to no more than 3 percent of GDP and that JGB are not issued for current spending.

BBR (since 1947): Since 1947, the Public Finance Law (Article 4) included a golden rule under which current expenditure shall not exceed domestic revenues. Since 1975, except the period of 1990-1993, the government requested a waiver of this rule.

PAYGO (since 2011): The Fiscal Management Strategy introduced in 2010 (with effect of 2011) a pay-as-you go rule, which implies that any measure that involves increases in expenditure or decreases in revenue need to be compensated by permanent reductions in expenditures or permanent revenue-raising measures. Since pay-as-you-go rules do not set numerical limits on large budgetary aggregates, they are typically considered procedural rules and thus not included in the dataset.

Kenya

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (1997)	Political commitment	Central government	No	No	No	No
Revenue Rule (1997)	Political commitment	Central government	No	No	No	No

National rules (dates in brackets):

DR (since 1997): Policy goals for debt ratios. However, these have proved to be non-binding and subject to change. Currently, the debt-to-GDP ratio in NPV terms to be below 45 percent (a goal of their medium term debt-management strategy).

RR (since 1997): Maintaining revenue at 21-22 percent of GDP.

Supranational rules (dates in brackets):
East African Monetray Union (since 2013)
For a description of the rules and the key characteristics see Section III.

Kosovo

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2013)	Statutory	General government	Yes	No	No	Yes
Debt rule (2010)	Statutory	General government	No	No	No	No
Expenditure Rule (2006)	Political commitment	General government	No	No	No	No

National rules (dates in brackets):

BBR (from 2013): Overall deficit ceiling of 2 percent of GDP. Capital spending is exempt from the ceiling provided it is financed from privatization receipts and the government bank balance exceeds a certain threshold. Framework contains carryover rules in case of under- or overperformance and an escape clause for well-defined events with major fiscal consequences.In December 2015, parliament adopted an amendment to the investment clause that creates additional space for capital projects. The amendments allow for new donor-financed capital projects—in addition to privatization-financed projects—to be exempted from the deficit ceiling.

DR (since 2010): A debt limit of 40 percent of GDP exists since the adoption of the Law on Public Debt in 2010 but it does not provide operational guidance since the debt ratio is far below that ratio.

ER (2006-2008): Ceiling on current expenditure growth of 0.5 percent per year in real terms. Initially, it was applied to overall spending; later it was modified to apply current spending, but the rule was not adhered to. From 2009 the rule was formally in force only for municipalities.

Latvia

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2013)	Constitution	General Government	Yes	No	Yes	Yes
Debt rule (2013)	Statutory	General Government	Yes	No	Yes	Yes
Expenditure rule (2014)	Statutory	General Government	Yes	No	Yes	Yes

National rules (dates in brackets)
Under the "fiscal compact" signed March 1, 2012 (ratified in May 2012), the government adopted a structural budget balance rule which came into force on March 6, 2013.

BBR (since 2013): Constrains the structurally adjusted fiscal deficit to 0.5 percent of GDP or less.

DR (since 2013): Debt-to-GDP, in accordance with the European Council Regulation at the end of the year, shall not exceed 60%.

ER (since 2014): Expenditure, excluding GDP deflator (inflation), can not increase faster than growth of potential GDP.

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Liberia

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2009)	Statutory	General government	No	No	No	No

National rules (dates in brackets):
DR (since 2009): Ceiling of 60 percent of GDP on nominal public debt.

Lithuania

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2008)	Constitutional (2015) Statutory (2008)	General government	Yes	No (2008), Yes (2015)	No (2008), Yes (2015)	No (2008), Yes (2015)
Revenue rule (2008)	Statutory	General government	Yes	No (2008), Yes (2015)	No (2008), Yes (2015)	No
Debt rule (1997)	Statutory	Central government	No	No (1997), Yes (2015)	No (1997), Yes (2015)	No
Budget balance rule (2015)	Constitutional	Central government	Yes	Yes	Yes	Yes

National rules (dates in brackets):

ER (since 2008): If the GG budgets recorded a deficit on average over the past 5 years, the annual growth of the budget appropriations may not exceed 0.5 percent of the average growth rate of the budget revenue of those 5 years. The Expenditure rule was revised and entered into force in 2015. If the GG budgets showed a deficit on average over the past 5 calendar years, then the annual growth rate in percentage of the totality of expenditures of the State budget, social insurance fund, health insurance may not exceed 0.5% of the average multiannual growth rate of potential GDP.

RR (since 2008): The GG deficit of the budget shall be reduced by excess revenue of the current year.

DR (since 1997): Limits set on CG net borrowing.

BBR (since 2015): Following the "fiscal compact" signed March 1, 2012 (ratified in June 2012), the government adopted a structural budget balance rule in its Constitution Law on the Implementation of the Fiscal Treaty, as well as an automatic correction mechanism. (effective as of 1 January, 2015).

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Luxembourg

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (1990, 2004)	Coalition agreement	Central government (1990), General government (2004)	No	Yes	No	No
Expenditure rules (1990)	Coalition agreement	Central government	No	Yes	No	No
Budget balance rule (2014)	Statutory	General government	Yes	Yes	No	No

National rules (dates in brackets):
DR (since 2004): GG debt is to be kept at a level substantially below limits foreseen in the SGP.

DR (1990-2003): The CG should maintain public debt at a low level. New public debt can be issued to finance rail infrastructure projects (a hybrid between a debt rule and a golden rule).

ER (since 1990): In the course of the legislative period (per coalition agreement), public expenditure growth is maintained at a rate compatible with the medium-term economic growth prospects which is quantified. Since 2010, the target is to bring expenditure growth back to the medium-term growth prospects once the countercyclical response to the crisis has been phased out.

BBR (since 2014): Under the "fiscal compact" signed March 1, 2012 (ratified in March 2013), the government adopted a structural budget balance rule in durable legislation, as well as an automatic correction mechanism in 2014. The government should follow adjustment path towards the MTO (structural deficit equal or lower than 0.5% of GDP by 2018).

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Malaysia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1959)	Statutory	Central government	No	No	No	No
Debt rule (1959)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (Golden Rule) (since 1959): Government follows the golden rule, whereby the government only borrows for development/capital spending. The Loan (Local) Act 1959 (paragraph 3,5) and Government Funding Act 1983 (paragraph 3,4) says "Sums raised must be must be paid into the Development Fund and usage of the funds is specified under Schedule 2 of the Development Funds Act 1966."

DR (since 1959): The Loan (Local) Act 1959 and Government Funding Act 1983 cap federal government domestic debt at 55 percent of GDP (measured as the sum of outstanding Malaysian Government Securities (MGS), Government Investment Issuance (based on Islamic principles) and Islamic Treasury Bills, and also syndicated loans raised within the country) (from 2009, 45 percent of GDP in 2008 and 40 percent of GDP in 2003). This is complemented by other legal rules, such as limits on external debt (RM 35 billion) and Treasury bills issued (RM 10 billion). The government aims to keep the overall fiscal deficit around 3 percent of GDP by 2015, which however it does not consider as a fiscal rule. There are no formal sanctions in case the government breaches these rules, and the government has formally always complied with all the rules. With the Government policy of focusing towards domestic sources of financing, domestic debt ceiling of 55 percent of GDP has been raised over time in line with the reduction of external debt limits to RM35 billion (from 2002, RM60 billion and RM45 billion in 2006).

Maldives

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2013)	Statutory	Central government	No	No	No	Yes
Debt rule (2013)	Statutory	Central government	No	No	No	Yes

National rules (dates in brackets):

BBR (since 2013): There are two provisions currently contained in the Fiscal Responsibility Law (FRL): (a) The primary balance to be in surplus by end-2016 (b) overall budget deficit to be reduced to levels not exceeding 3.5 percent of GDP by end-2016 and maintained at that levels thereafter. Exceptions to the adherence to the stipulated fiscal rules are allowed in two instances, viz: (a) natural disaster and (b) economic downturn. A natural disaster is defined as an instance where 15 percent of population encounters hardship on account of a natural calamity. The definition for an economic downturn is very vague – but it mostly covers instances where growth falls in consecutive periods, inflation and unemployment rise and country endures a banking/financial sector crisis or a BoP crisis. The Maldives FRL provides for the establishment of a Fiscal Reserve (FR) – at a time when the government achieves a primary balance surplus. A portion of the primary surplus, as determined by the Finance Minister will be credited to the FR . The FR will be maintained by the MMA. Specific rules and regulation (not explicitly stated in the FRL) will govern the operation of the FR

DR (since 2013): The FRL specifies that debt/GDP be brought down to levels not exceeding 60 percent by end 2016. Debt in this regard is also to include government guarantees. Thereafter, for the next five years, the required level of debt is to be determined and specified by the Minister of Finance. The law also currently specifies that post January 01, 2016 loans taken by the GoM should only be for national development projects (taken to mean that loans should not finance recurrent expenditure).

Mali

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):

West African Economic and Monetary Union (2000)

Malta

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2014)	Constitution	General government	Yes	No	Yes	Yes

National rules (dates in brackets):

BBR (since 2014): Under the "fiscal compact" signed March 1, 2012 (ratified in June 2013), the government adopted in 2014 a structural budget balance rule (balanced or surplus) as well as an automatic correction mechanism.

Supranational rules (dates in brackets):

EU (2004) and euro area (2008)
For a description of the rules and the key characteristics see Section III.

Mauritius

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2008)	Statutory	General government	Yes	No	No	Yes

National rules (dates in brackets):

DR (since 2008): Fiscal rule defined in the 2008 Public Debt Management Act (PDMA). The PDMA puts a legally mandated ceiling of 60 percent on the debt-to-GDP ratio. The ceiling was expected to be 50 percent of GDP starting in 2013, but the authorities recently changed the date to 2018. The PDMA puts a legally mandated ceiling of 60 percent on the debt-to-GDP ratio until 2017. The ceiling decreases to 50 percent from 2018.

Mexico

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2006)	Statutory	Central government	Yes	No	No	Yes
Expenditure rule (2013)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 2006): Balanced budget on a cash basis established in the FRL. It applies to the federal public sector which includes the central government, social security, and key public enterprises (e.g., the oil company PEMEX and the electricity company CFE). It includes a reference price for oil that is set by a formula and also a system of four stabilization funds, including an oil stabilization fund. Starting with the 2009 fiscal year, the definition was changed to exclude the investment outlays of the state-owned oil company Pemex from the balanced-budget rule. This change reflects general reforms aimed at boosting investment in oil projects and the inclusion of all Pemex's investment projects as budgetary investment. The escape clause was used in 2010, 2011 and 2012. The 2006 Law includes sanctions for noncompliance. The escape clause establishes that if non-oil revenues are below their potential due to a negative output gap, there can be a deficit equivalent to the shortfall. An escape clause establishes that under exceptional circumstances there can be a deficit envisaged in the budget. The escape clause was used in 2010, 2011 and 2012.

ER (since 2013): The 2013 amendment to the FRL provides for a cap on structural current spending (SCS) defined as current primary expenditure including transfers to state and local governments for capital but excluding those outlays governed by automatic rules (pensions, subsidies for electricity and sub-national revenue-sharing). Transitory provisions establish that SCS cannot grow faster than 2 percent in real terms through 2017.

Mongolia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2013)	Statutory	Central government	Yes	No	No	Yes
Expenditure rule (2013)	Statutory	Central government	Yes	No	No	Yes
Debt rule (2014)	Statutory	General government	Yes	No	No	Yes

National rules (dates in brackets):
ER (since 2013): Under the Fiscal Stability Law (FSL), which was enacted in 2010, expenditure growth cannot exceed the growth of non-mineral GDP from 2013.

BBR (since 2013): Under the FSL, the structural defict cannot exceed 2 percent of GDP from 2013.The structural balance is defined as the difference between structural revenues and overall expenditures, and structural revenues are defined as revenues that would be received if the prices of major minerals were at a particular level, defined as a 16 year moving average of mineral prices.

DR (since 2014): Public debt in NPV terms cannot exceed 40 percent of GDP from 2014. The government in February 2015 amended the FSL and enacted a new Debt Management Law: (1) structural fiscal deficit limits are temporarily raised (5 percent of GDP in 2015, 4 percent of GDP in 2016, and 3 percent of GDP in 2017) but kept at 2 percent of GDP for 2018 and beyond; (2) non-commercial DBM (Development Bank of Mongolia) spending is brought onto the budget and thus included in the calculation of the structural fiscal deficit; (3) debt limits are temporarily raised (58.3 percent in 2015, 55 percent in 2016 and 50 percent in 2017) but remain at 40 percent for 2018 and beyond ; and (4) the definition of debt is narrowed from public to general government debt (with the new definition, SOE debt and government guarantees that are fully secured by government securities are excluded)

Montenegro

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2014)	Statutory	Central government	No	No	No	Yes
Debt rule (2014)	Statutory	Central government	No	No	No	Yes

National rules (dates in brackets):
BBR (since 2014): A fiscal responsibility law limiting the cash deficit of the General Government to no more than 3 percent of GDP at market prices was adopted in 2014 in line with the Maastricht deficit limits. If the deficit deviates from the limit there exists a formal procedure which requires the government to outline the measures to be implemented within 60 days of the day of established deviation to bring the deficit back to the prescribed level.

DR (since 2014): Limit of 60 percent of GDP for general government debt was adopted in 2014 in line with the Maastricht criteria. If the debt reaches 60 percent of GDP, the Government is to propose the measures as an amendment to the State Budget Law to bring the debt to the prescribed level. If the debt exceeds 60 percent of GDP the Government is to propose to the Parliament a reduction of multi-year expenditures, reduction of expenditures of municipalities, as well as propose other measures to ensure reduction of State debt. If the debt exceeds 60 percent owing to implementation of capital projects, whereby the borrowing in respect of such projects is decided by the Parliament, the Government is to propose a debt reduction program for a period not exceeding five years. It appears as if the provisions of the law might have been violated in 2015 and 2016.

Namibia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2010)	Coalition agreement	Central government	No	No	No	No
Debt rule (2001)	Coalition agreement	Central government	No	No	No	No

National rules (dates in brackets):

ER (since 2010): Public expenditure levels below 30 percent of GDP.

DR (since 2001): Public debt-to-GDP ratio of 25–30 percent annually.

Netherlands

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (1994)	Coalition agreement	General government	Yes	Yes	No	No
Revenue rule (1994)	Coalition agreement	General government	Yes	Yes	No	No
Budget balance rule (2014)	Statutory	General government	Yes	Yes	No	No

National rules (dates in brackets):

ER (since 1994): Real expenditure ceilings are fixed for total expenditure (covering CG, health care and social security; covers about 90 percent of GG expenditure) and sectoral expenditure for each year of government's four-year office term. Coverage of expenditure was changed in recent years: from 2007-10 interest payments were excluded; since 2009, expenditure is defined in net terms, i.e. gross expenditure minus non-tax revenues, from 2009-10 expenditure excluded unemployment and social assistance benefits. If overruns are forecast, the Minister of Finance proposes corrective action.

RR (since 1994): At the beginning of the electoral period, the coalition agrees on the desired development of the tax base and tax rates. The multi-year path then depends entirely on economic developments. Any additional tax relief needs to be compensated through a tax increases and vice versa. Since 2011 (based on the Sept. 2010 Coalition Agreement) a few changes took effect: (i) a signaling margin for the GG deficit of 1 percent of GDP deviation from the planned deficit path was adopted, triggering additional consolidation measures, (ii) the coverage was changed as described above, (iii) a windfall formula for revenue was adopted, requiring to use 50 percent to reduce debt (applies only when the MTO has been achieved and the actual GG balance shows a multi-annual surplus) and the rest to reduce the burden from taxes and social security contributions. The Central Planning Bureau provides the independent macroeconomic assumptions.

BBR (since 2014): The Sustainable Public Finance Law adopted in April 2013 introduces a structural balance rule in line with the provision of the fiscal compact. The rule does not however specify a correction mechanism or escape clauses and is subject to monitoring by the Council of State.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

New Zealand

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1994)	Statutory	General government	No	No	No	No
Debt rule (1994)	Statutory	General government	No	No	No	No

National rules (dates in brackets):
The Public Finance Act (PFA) adopted in 1989 sets out the principles for responsible fiscal management. Such principles have been subsumed in the Fiscal Responsability Act (FRA) adopted in 1994 The FRA also includes principle rules for the budget and debt.

BBR (since 1994): The government needs to run operating surpluses annually until "prudent" debt levels are achieved. Once these are achieved on average total operating balances should not exceed total operating revenues.

DR (since 1994): Reduce debt to prudent levels and, once this is achieved, maintain prudent debt levels on average over a reasonable period. Moreover, achieve and maintain levels of total net worth that provide a buffer that may impact adversely on total net worth in the future. In case of deviations from the principles, the government needs to specify the reasons. The FRA requires governments to set out specific fiscal targets for 3-year and 10-year objectives, typically in percent of GDP.

Niger

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
West African Economic and Monetary Union (since 2000)
For a description of the rules and the key characteristics see Section III.

Nigeria

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2007)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 2007): Annual overall deficit ceiling of 3 percent of GDP.

Norway

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2001)	Political commitment	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 2001): Non-oil structural deficit of the central government should reflect the expected return of the Government Pension Fund Global (GPFG),which is estimated to be 4 percent, in the long run. The fiscal guidelines allow deviations from the rule over the business cycle to both directions.

Pakistan

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2005)	Statutory	Central government	No	No	No	Yes
Debt rule (2005)	Statutory	Central government	No	No	No	Yes

National rules (dates in brackets):

The Fiscal Responsibility and Debt Limitation (FRDL) Act adopted in 2005 sets out the principles of sound management of public finances. Numerical targets were laid out for the budget balance and debt but in practice fiscal policy has not been guided by these targets. The FRDL Act was amended in 2016 to provide a better operational guidance for fiscal policymaking and safeguard medium-term debt sustainability.

BBR (since 2005): Balanced (current) budget by 2008 and surplus thereafter. The 2016 FRDL Act imposes a limit on the federal budget deficit of 4 percent of GDP (excluding foreign grants) from FY 2017/18 to FY2019/20 and 3.5 percent of GDP thereafter.

DR (since 2005): Debt-to-GDP ratio to be reduced to 60 percent by 2013, by reducing public debt by no less than 2.5 percent of GDP per year. The 2016 FRDL Act maintains a limit of 60 percent of GDP on the general government debt until FY2017/18 and adopting a 15-years transition path towards achieving 50 percent of GDP.

Panama

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (2002, 2009, 2012)	Statutory	General government	No	No	No	Yes
Debt rules (2002, 2009)	Statutory	General government	No	No	No	Yes

National rules (dates in brackets):

BBR (since 2012): The revised Fiscal Social Responsibility Law (June 2012) and the Savings Fund of Panama Law (2012) introduce the concept of an "adjusted balance" of the non-financial public sector (NFPS) for which a statutory limit is set. The adjusted balance of the NFPS is defined as the NFPS balance minus the annual deposits into the newly created Savings Fund of Panama (FAP). Starting in 2015, yearly contributions of the Panama Canal Authority to the budget in excess of 3.5 percent of GDP are to be transferred into the FAP. Should deposits fall short of the 3.5 percent but are higher than 3 percent of GDP, the government can borrow the difference. From 2012-14, the rule fiscal applies to the non-adjusted balance since the FAP accumulates funds only from 2015. The new budget deficit limits are 2.9 percent of GDP for 2012, 2.8 percent for 2013, 2.7 percent for 2014, 2.0 percent for 2015, 1.5 percent for 2016, 1.0 percent for 2017, and 0.5 percent from 2018 onwards. New escape clauses have been introduced (state of emergency and economic slowdown).

BBR (mid-2009 to mid-2012; DR (since mid-2009): The new FRL sets fiscal rules that limit the deficit of the nonfinancial public sector (excluding Panama Canal Authority) at 1 percent of GDP and target public debt of 40 percent of GDP by 2015. The following escape clauses were included (i) natural disaster (ii) national state of emergency, (iii) economic recession. The deficit target was adjusted in June 2009 to a deficit ceiling of 2-2.5 percent of GDP, with the gradual transition period extended to 4 years. Under the new rules, the NFPS ceiling is relaxed if U.S. GDP grows by 1 percent or less for two consecutive quarters and the monthly index of economic activity in Panama grows at 5 percent or less on average over a six-month period. At the same time, the target date to reduce public debt-to-GDP ratio below 40 percent of GDP is moved from 2014 to 2017.

BBR, DR (2002-2009): adopted as part of the Fiscal Responsibility Law (FRL). Nonfinancial public sector deficit ceiling of 1 percent of GDP (excluding Panama Canal Authority), but waiver in case of real GDP growth of less than 1 percent. In that case, adjustment of the deficit ceiling to 3 percent of GDP in the first year and then gradual transition to the original ceiling within a 3 year period. Debt-to-GDP target of 40 percent by 2014. The rule was suspended from September 2004-05. The Law was replaced with a new Social and Fiscal Responsibility Law adopted in June 2008, becoming effective January 2009 and modified in June 2009 to deal with the economic crisis.

Paraguay

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (2015)	Statutory	Central government	Yes	No	Yes	No
Expenditure rules (2015)	Statutory	Central government	Yes	No	Yes	No

National rules (dates in brackets):

BBR (since 2015): The Fiscal Responsibility Law (FRL) enacted in 2013 introduces a ceiling on the headline budget deficit of 1.5 percent of GDP for the central government, starting with the 2015 budget. Congress can approve a deficit of up to 3 percent of GDP in cases of national emergency; international crisis affecting the domestic economy; or negative growth. The budgeted average deficit over three consecutive budget periods must not exceed 1 percent of GDP. This rule only applies to the ex ante medium-term budget plan, not to its execution.

ER (since 2015): The 2013 FRL caps the real growth of bugetary primary spending at 4 percent per annum, starting with the 2015 budget.

The Comptroller General is responsible for monitoring compliance of FRL. Any eventual breach is deemed a dereliction of duty by the civil servants responsible and the sanctions would be applied.

Peru

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2000, 2003, 2009, 2013)	Statutory	Central government	Yes	No	Yes (2015)	Yes
Expenditure rule (2000, 2003, 2012)	Statutory	Central government	No	No	Yes (2015)	Yes
Debt rule (2013)	Statutory	General government	Yes	No	Yes (2015)	No

National rules (dates in brackets):

BBR (since 2000): Deficit ceiling for the non-financial public sector. The ceiling was set at 2.0 percent of GDP for 2000 and 2003, 1.5 percent of GDP for 2001, 2002 and from 2004-2008. The application of rule was suspended in 2001 and 2002. In 2009 and 2010, the application of the deficit rule was suspended owing to the implementation of the fiscal stimulus plan and a new limit of 2 percent was set. In 2013,it was specified that the NFPS balance could not show a deficit . Law 30099, adopted in october 2013, eliminates the budget balance rule replacing it by ex-ante guidelines for the structural balance of the non-financial public sector. Under the new law, evey government must enact a macro-fiscal policy statement within 90 days of assuming office which details the guidelines for the strcutural balance of the NFPS for the whole presidential period. The structural deficit cannot exceed 1 percent of GDP.

ER (since 2000): Real growth current expenditure ceiling of 2 percent (2000-02), 3 percent (2003-08) and 4 percent since 2009. In 2012, expenditure on maintenance of infrastructure, expenditure on goods and services of social programs covered by the Performance-Based Budgeting scheme and equipment intended for Public Order and Security were excluded from current expenditure. Also, the rise in the average annual CPI for Metropolitan Lima rather than the BCRP target was used to calculate real growth of current expenditure. Subsequently, in 2013 and 2014, only the fiscal deficit rule remained in effect.

DR (since 2013): Debt ceiling of non-financial public sector is 30 percent of GDP. For subnational governments (SNGs), debt/(average of last 4 years revenue) should be smaller than 100 percent.

The application of expenditure and budget balance rules may be suspended for up to three years when (a) real GDP is declining, with the ceiling on the deficit being raised up to 2.5 percent of GDP, with a minimum annual reduction of 0.5 percent of GDP until the 1 percent deficit ceiling is reached; and (b) in other emergencies declared by the Congress at the request of the Executive. The Executive must specify in its request the ceilings to be applied during the period of exception for the deficit and expenditure rules, with the minimum annual reduction of 0.5 percent of GDP on the deficit applying also in this case. A fiscal council, which became operational in 2015, monitor the fiscal rules.

Poland

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2011, 2015)	Statutory	General government (since 2015)	Yes (since 2015)	No	Yes (since 2015)	Yes (since 2015)
Budget balance rule (2006)	Political commitment	Central government	No	No	No	No
Debt rule(1999, 2014)	Constitutional	General government	Yes	No	No	No

National rules (dates in brackets):
ER (since 2011, 2015): Overall increase in CG discretionary spending and all newly enacted spending cannot exceed 1 pps in real terms (based on CPI inflation) (defined in the Public Finance Act as a temporary rule,). A permanent expenditure rule was passed by parliament in late 2013 and will take effect in 2015. The rule caps the growth of public expenditure at trend GDP growth (or below trend-GDP growth if debt is above pre-specified thresholds). The expenditure rule was modified in 2016 budget to allow more flexibility to increase spending.

BBR (2006-07): 4-year nominal anchor of 30 billion PLN deficit for the CG budget. The Public Finance Act (PFA) requires local governments to have balanced current budget starting from 2011.

DR (since 1999, 2014): Debt ceiling for GG of 60 percent of GDP, established in Constitution and Public Finance Act. The latter includes triggers for corrective actions when the debt ratio reaches thresholds of 50, 55, and 60 percent of GDP. These thresholds were revised downwards by 7 percentage points in 2014 to take into account changes in the pensions system.

Under the "fiscal compact" signed March 1, 2012, the government commits to adopt a structural budget balance

Supranational rules (dates in brackets):
EU (2004)
For a description of the rules and the key characteristics see Section III.

Portugal

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2015)	Statutory	General government	Yes	No	Yes	Yes

National rules (dates in brackets):

BBR (from 2015): National rules: The new Budgetary Framework Law (BFL—May 2011, revised in October 2011 and June 2013) approved a fiscal rule establishing that the general government structural balance cannot be less than the medium-term objective in the Stability and Growth Pact. It also includes requirements for a correction of the multiannual plan whenever deviations from the target occur. The rule came into effect in 2015. An independent Fiscal Council was established at end-2011. Among its responsibilities will be assessing whether the fiscal rule (when it is implemented) is being complied with.

The current BFL already largely complies with the commitments under the "fiscal compact," signed on March 1, 2012.

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Romania

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2010-12)	Statutory	General government	Yes	No	Yes	Yes
Budget balance rule (2013)	Statutory	General government	Yes	No	Yes	Yes
Debt rule (2013)	Statutory	General government	Yes	No	Yes	Yes

National rules (dates in brackets):

ER (2010-12): Total GG expenditure growth should not exceed projected nominal GDP for next three years until budget balance is in surplus. Moreover, personnel expenditure limits are binding for two years as set out in MTBF**.**

BBR (since 2013): In 2013, the FRL was amended in line with EU requirements to include structural fiscal targets and specify corrective actions in case of deviations. The MTO is a 1 percent of GDP deficit, to be achieved through structural adjsutments of 0.5 percent of GDP.

DR (since 2013): Debt ceiling is 60 percent of GDP

A Fiscal Council was established in mid-2010 which was one of the main objectives of the FRL. It issue opinions and recommendations on official macroeconomic and budgetary forecasts, the annual budget laws and ssesses the compliance of the medium-term fiscal strategy with the principles and rules specified in the FRL.

Supranational rules (dates in brackets):
EU (2007)
For a description of the rules and the key characteristics see Section III.

Russia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2007)	Statutory	General government	Yes	No	No	No
Expenditure rule (2013)	Statutory	Central government	Yes	No	Yes	Yes

National rules (dates in brackets):

BBR (2007-08): Russia's legal fiscal framework relies on the non-oil balance as a key fiscal indicator. The budget included a long-term non-oil deficit target of 4.7 percent of GDP. This was suspended in April 2009 as a result of the global financial crisis, and formally abolished in 2012.

ER (since 2013): Parliament adopted in mid-December 2012 a new oil-price based fiscal rule. The rule sets a ceiling on expenditures (oil revenue at the "base" oil price, plus all nonoil revenues, plus a net borrowing limit of 1 percent of GDP). Oil revenues above the "base" oil price need to be saved in the Reserve Fund until it reaches 7 percent of GDP (though there are some allowable exceptions to this under the law). Once the Reserve Fund reaches this threshold, at least half of excess oil revenues should go to the National Wealth Fund, while the remaining resources would be channeled to the budget to finance infrastructure and other priority projects. Starting in 2013, the rule will use a 5-year backward-looking average of oil prices as the base, which will gradually increase to a 10-year average by 2018, to avoid abruptly moving to a very low base oil price.

Rwanda

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):

East African Monetary Union (2013)

For a description of the rules and the key characteristics see Section III.

Senegal

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):

West African Economic and Monetary Union (since 2000)
For a description of the rules and the key characteristics see Section III.

Serbia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2011)	Statutory	General government	No	No	Yes	No
Debt rule(2011)	Statutory	General government	No	No	Yes	No

National rules (dates in brackets):

In October 2010, Serbia introduced fiscal responsibility law provisions in the Budget System Law from 2009. These include numerical fiscal rules and the adoption of a fiscal council to scrutinize the government's fiscal assumptions, policy, and performance. The fiscal rules comprise:

BBR (since 2011): The maximum fiscal deficit-to-GDP ratio in year t is calculated as d(t)=d(t-1) - 0.3 [d(t-1)-d*] - 0.4[g(t) - g*] where d* is the medium-term deficit which is set a 1 percent of GDP, g is the real GDP growth rate, and g* is the medium-term GDP growth (set a 4 percent). Thus, the rule corrects for past deficit deviations and allows a partial operation of automatic fiscal stabilizers. Over the medium-term the targeted annual deficit will be 1% of GDP.

DR (since 2011): General government debt, excluding the liabilities arising from the restitution cannot exceed 45 percent of GDP. The decision for a Fiscal Council was adopted by parliament in March 2011. Its tasks are to assess the credibility of the fiscal policy in terms of compliance with established fiscal rules and to provide the publicity and responsibility in fiscal policy implementation.

Singapore

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (1965)	Constitutional	Central government	Yes	Yes	No	Yes
Expenditure rule (1991)	Constitutional	Central government	Yes	Yes	No	No

National rules (dates in brackets):

BBR (since 1965): Budget to be balanced across government term of office.

ER (since 1991): Up to 50 percent of net investment income from the Monetary Authority of Singapore (MAS), Government of Singapore Investment Corporation (GIC Pte Ltd) and Temasek, an investment company owned by the Government of Singapore could be taken into annual budget for spending. Following a Constitutional amendment in 2008, up to half of the expected long-term real returns on fiscal reserves invested by GIC Pte Ltd and MAS, and up to half of the net investment income derived from Temasek, could be taken into the annual budget for spending. In 2015, the Constitution was amended to allow up to half of the expected long-term real returns on fiscal reserves invested by MAS, GIC Pte Ltd and Temasek to be taken into the annual budget.

Slovak Republic

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2012)	Constitutional	General government	Yes	No	Yes	Yes
Budget balance rule (2013)	Statutory	General government	Yes	No	Yes	Yes

National rules (dates in brackets):

DR (since 2012): In December 2011, a constitutional bill was adopted, taking effect March 1, 2012, which caps public debt at 60 percent of GDP (Eurostat debt concept). The bill also establishes calls for setting up the Council for Budgetary Responsibility a Fiscal Council to monitor and evaluate fiscal performance and assess the compliance with fiscal and transparency rules. Automatic sanction mechanisms take effect when the debt-to-GDP ratio reaches 50 percent. The Minister of Finance would be obliged to clarify the increase to parliament and suggest measures to reverse the growth. At 53 percent of GDP, the cabinet shall pass a package of measures to trim the debt and freeze its wages. At 55 percent, expenditures would be cut automatically by 3 percent and next year's budgetary expenditures would be frozen, except for interest payments, EU Funds and co-financing of EU Funds, and EU budget contributions). At 57 percent of GDP, the cabinet shall submit a balanced budget. Should the debt climb to 60 percent of GDP, the cabinet will face a confidence vote in parliament. The law also includes numerically defined escape clauses for a major recession, banking bankings system bailout, natural disaster, and international guarantee schemes. Starting in 2018, the debt ceiling will be gradually reduced by one percentage point of GDP each year to reach 50 percent of GDP by 2027; the intermediate debt brakes will be changed accordingly.

BBR (since 2013): The Budgetary Rules Act was amended in 2013 to transpose the provisions of the fiscal compact into national law (structural balance rule and corrective mechanism). The amendments came into effect in January 2014. Compliance is assessed twice a year by the fiscal council.

Supranational rules (dates in brackets):
EU (2004) and euro area (2009)
For a description of the rules and the key characteristics see Section III.

Slovenia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Debt rule (2000, 2015)	Statutory (2015), Coalition (2000)	General government		Yes (2000), No (2015)	No	
Budget balance rule (2015)	Statutory	General government		No	No	

National rules (dates in brackets):

DR (2000-2004, 2015): The debt-to-GDP ratio of GG and non-financial public entities (classified outside GG) cannot exceed 40 percent of GDP. In line with the Fiscal Compact, DR was adopted in 2015. Debt-to-GDP, in accordance with the European Council Regulation at the end of the year, shall not exceed 60%.

In 2011, a new expenditure framework was introduced for the general government (in cash terms). It lays down expenditure ceilings, on a rolling basis, by limiting expenditure growth to potential GDP growth (both in nominal terms) and restraining it further as long as the primary deficit and the general government debt (as percent of GDP) exceed their target values. The parameters determining the degree of this further restraint are revisable. The ceilings are fixed for the first two years (t-1 and t) and indicative for the following two years (t+1 and t+2). They are set by the end of April of year t-1 in the budgetary memorandum. For the dataset, these ceilings are not included as a rule since they are binding for less than three years, the threshold stated in the paper to be considered an expenditure rule.

BBR (since 2015): Under the "fiscal compact" signed March 1, 2012, the government adopted a structural budget balance rule in durable legislation, as well as an automatic correction mechanism in 2015.

Supranational rules (dates in brackets):
EU (2004) and euro area (2007)
For a description of the rules and the key characteristics see Section III.

Spain

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rule (2011)	Statutory	General government	Yes	No	Yes (2014)	No
Budget balance rules (2003, 2006, 2011)	Statutory	General government	Yes	No	Yes (2014)	Yes

National rules (dates in brackets):
The Balanced Budget Constitutional Amendment (September 2011) and the new Organic Budget Law introduced new structural deficit, debt, and expenditure rules. A fiscal council, the Independent Authority for Fiscal Responsibility (AIREF), was created in 2013 and made operational in 2014 to monitor rule compliance and validate budget assumptions.

ER (since 2011): Nominal expenditure growth for central and local governments shall not exceed Spain's nominal medium-term GDP growth. Interest and non-discretional expenditure on unemployment benefits are excluded.

BBR (from 2020): Structural deficits for central and regional governments cannot exceed limits set by EU; balanced budgets for local governments; rules come in force from 2020 (constitutional amendment from Sept. 2011).

BBR (2006-11): The budgetary objectives account for economic cycle with the govt. determining a lower and an upper threshold of real GDP growth. In "normal" conditions (GDP growth between the lower and upper limit), balanced budget. In weak economic times (currently below 2 percent GDP growth) , the overall deficit must not exceed 1 percent of GDP (2 percent in 2007-09). In strong economic times (GDP growth above 3 percent), the budget should be in surplus. In addition, a deficit of up to 0.5 percent of GDP is allowed to finance public investment under certain conditions. Exceptional budget deficits must be justified (e.g., natural disasters, exceptional slowdown, etc.) and accompanied by a medium-term financial plan in order to correct this situation within the next 3 fiscal years. In the case of the central government this plan must be submitted to parliament. In the case of Autonomous Communities, the plan must be submitted to the CPFF. The “exceptional circumstances” and “special conditions” clauses were activated in 2008 and the provision to presenting plans to correct within 3 years were put on hold without a specific time frame.

BBR (2003-05): In "normal" economic conditions, balanced budget, embedded in a MT fiscal framework (3 years, but not binding) consistent with the EU Stability Program.

DR (from 2020): Not higher than 60 percent of GDP, taking effect from 2020 (constitutional amendment from Sept. 2011).

Supranational rules (dates in brackets):
EU (1992) and euro area (1999)
For a description of the rules and the key characteristics see Section III.

Sri Lanka

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2003)	Statutory	Central government	No	No	No	No
Debt rule (2003)	Statutory	Central government	No	No	No	No

National rules (dates in brackets):

BBR (since 2003): Deficit targets over a multiyear horizon.

DR (since 2003): Falling debt ceilings over a multiyear horizon. The 2013 amendement to the Fiscal Management (Responsability) Act stipulate that debt to GDP ratio should not exceed 85 percent from January 1, 2013 and 60 percent from January 1, 2020.

Fiscal Management (Responsibility) Act adopted in early 2003, with the aim to containing the overall budget deficit to 5 percent and debt to 85 percent by the end of 2006. The target could not be achieved and target dates were first modified in 2005, and repeatedly postponed thereafter.

St. Kitts and Nevis

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

St. Lucia

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

St. Vincent and the Grenadines

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
Eastern Caribbean Currency Union (1998)
For a description of the rules and the key characteristics see Section III.

Sweden

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2000)	Statutory (2010)	General government	No	No	Yes (2007)	No
Expenditure rule (1997)	Statutory (2010)	Central government and social security	No	No	Yes (2007)	No

National rules (dates in brackets):

BBR (since 2000): A surplus target for the GG over the cycle. From 2000-07, the surplus target was 2 percent of GDP. Since 2007, it is 1 percent of GDP. The fulfillment is measured by several indicators without a clear weighting scheme (they include the average GG balance since the adoption of the target, a seven-year moving average, and the annual structural balance).

ER (since 1997): Nominal expenditure ceiling for CG and pension system set for a three-year period with the outer year added annually. Ceilings cannot be adjusted except for technical issues. A budgetary margin is used as a buffer. Interest expenditure is excluded from the ceiling. The independent Fiscal Policy Council was created in 2007.

Under the "fiscal compact" signed March 1, 2012, the government commits to adopt a structural budget balance rule in its constitution or in durable legislation, as well as an automatic correction mechanism.

Supranational rules (dates in brackets):
EU (1995)
For a description of the rules and the key characteristics see Section III.

Switzerland

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rule (2003)	Constitutional	Central government	Yes	No	No	Yes

National rules (dates in brackets):

BBR (since 2003): The structural budget has to be balanced. Operationally this implies that one-year-ahead ex ante central government expenditure need to equal predicted revenues, adjusted by a factor reflecting the cyclical position of the economy. Any deviations of actual spending from the ex post spending ceiling, independent of their cause, are accumulated in a notional "compensation account." If the negative balance in that account exceeds 6 percent of expenditure (about 0.6 percent of GDP) the authorities are required by law to take measures sufficient to reduce the balance below this level within three years. Effective 2010, the rule was enhanced to tackle also deficits that may arise from "extraordinary expenditure and revenue" not covered under the structural balance rule. Deficits accumulate in an "amortization account" and need to be eliminated over the next six years by running structural budget surpluses (via reducing expenditure). The negative balance in the amortization account only needs to be reduced once the compensation account is balanced or in surplus. Escape clause: Government can approve by supermajority a budget deviating from the rule in "exceptional circumstances."

Tanzania

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
East African Monetary Union (since 2013)
For a description of the rules and the key characteristics see Section III.

Togo

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
West African Economic and Monetary Union (since 2000)
For a description of the rules and the key characteristics see Section III.

Uganda

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
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Supranational rules (dates in brackets):
East African Monetary Union (since 2013)
For a description of the rules and the key characteristics see Section III.

United Kingdom

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (1997, 2009, 2010, 2015)	Statutory	Public sector	No	Yes (2010)	Yes (2010)	No
Debt rule (1997, 2009, 2010)	Statutory	Public sector	No	Yes (2010)	Yes (2010)	No

National rules (dates in brackets):

BBR (since May 2010): Achieve cyclically adjusted current balance by the end of the rolling, five-year forecast period (currently by FY2016/17). In October 2015, Consistent with the medium-term fiscal plans, the authorities have adopted a new fiscal rule requiring a budget surplus starting in FY 2019/20 as long as Q4 on Q4 growth exceeds 1 percent. If growth falls below 1 percent, the government is allowed to run deficits until conditions enable a return to budget surpluses. This rule is not strictly binding but operated on a "comply or explain" basis. It is also complemented by target to reduce the net debt to GDP ratio in every year to FY2019/20.

BBR (2009-2015): Require a year-on-year reduction in public sector net borrowing to FY2015/16, so that public sector net borrowing as a percentage of GDP is more than halved over the four years to FY2013/14 (from FY2009/10).

BBR (1997-2008): Golden rule over the cycle: General government borrowing only allowed for investment, not to fund current spending. Performance against the rule is measured by the average surplus on the current budget in percent of GDP over the economic cycle.

DR (since 2010): Achieve a falling public sector net debt-to-GDP ratio by FY 2015/16.

DR (2009-2015): Ensure that public sector net debt as a percentage of GDP is falling in FY2015-16.

DR (from 1997-2008): Sustainable investment rule: public sector net debt in percent of GDP should be held at a stable and prudent level over the cycle. Other things equal, net debt will be maintained below 40 percent of GDP over the cycle.

There is a FRL to support these rules. From Nov 2008-Dec. 2009, the government departed temporarily from the fiscal rules and adopted a temporary operating rule: “to set policies to improve the cyclically adjusted current budget each year, once the economy emerges from the downturn, so it reaches balance and debt is falling as a proportion of GDP once the global shocks have worked their way through the economy in full." The Office for Budget Responsibility, which was established in 2010, provides economic and fiscal forecasts for the budget and examines and report on the sustainability of public finances.

Supranational rules (dates in brackets):
EU (1992)
For a description of the rules and the key characteristics see Section III.

United States

Type of National Rules (Start date in brackets)	Key Characteristics (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Expenditure rules (1990, 2011)	Statutory	Central government	Yes	No	Yes	No
Budget balance rule(1986)	Statutory	Central government	Yes	No	Yes	No

National rules (dates in brackets):
ER (from 2011): In August 2011, Congress enacted discretionary spending caps, saving about $900 billion over the next decade. As a result of the failure to adopt a medium-term comprehensive deficit reduction plan, additional spending cuts (the so-called sequester) came into effect in March 2013. These additional cuts, if not repealed by Congress, will produce savings of US$1.2 trillion over a decade with one-half coming from defense spending and the other half from domestic programs, excluding Social Security, Medicaid, parts of Medicare, and certain other entitlement programs. A bipartisan budget agreement on December 26, 2013 partially replaced the sequester in fiscal years 2014 and 2015 with small mandatory savings and new revenue from non-tax measures. A bipartisan budget agreement on December 26, 2013 partially replaced the sequester in fiscal years 2014 and 2015 with small mandatory savings and new revenue from non-tax measures. The Bipartisan Act of 2015 canceled the discretionary reductions for 2016 and 2017 and set new caps for those years.

ER (1990-2002): Annual appropriations limit adopted under the Budget Enforcement Act (BEA) of 1990 for discretionary spending (allowed to lapse in at the end of FY 2002). The rule was not adhered to from 1998 onwards under the large budget surpluses.

BBR (1986-90): The Gramm-Rudmann-Hollings (GRH) bill, passed in late 1985, specified a series of annual deficits targets with a balanced budget to be achieved in 1991. The balanced budget target was moved up in 1987 to 1993. If legislated policy was projected to miss the deficit target an automatic "sequestration" process (i.e., an enforcement process) would ensue (the latter process was modified in 1987 after the first version of the GRH was found unconstitutional by the Supreme Court).

PAYGO (1990-2002): The PAYGO rule was adopted under the BEA and allowed to lapse at the end of FY 2002. The rule applied to newly legislated entitlement spending or tax changes, i.e. a new proposal must be budget neutral. **PAYGO (from 2010):** The Statutory Pay-As-You-Go Act of 2010 stipulates that deficit-raising policies must be financed by other measures over a specified time period. However, a number of programs were exempt (e.g., legislation with an "emergency" designation, Social Security, and the Bush tax cuts for the middle class). Pay-as-you-go rules were used to ensure compliance of additional measures with budget neutrality. Since they do not set numerical limits on large budgetary aggregates, they are typically considered procedural rules and thus not included in the coding of this dataset.

Uruguay

Type of National Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Statutory Basis	Coverage	Formal Enforcement Procedure	Independent Body Sets Budget Assumptions	Independent Body Monitors Implementation	Well-Specified Escape Clauses
Budget balance rules (2006)	Statutory	General government	No	No	No	No

National rules (dates in brackets):

BBR (since 2006): The rule (Law 17.947) limits the annual increases in net public debt in nominal terms (through 2010, in U.S. dollar, and since then in units indexed on inflation or UI). Coverage has some idiossyncracies : the inclusion of the central bank and the exclusion of subnational (departmental) governments. It includes two escape clauses. The first one allows the government to raise the limit by 50 percent for a given year, without affecting the ceiling for subsequent years, in the event of extraordinary and unforseen circumstances. The second one allows for an increase in the debt limit by 1.5 percent of GDP should adverse weather conditions affect electricity production (and the costs borne by the public electricity producer UTE). The rule was modified repeatedly since it was first introduced. The ceiling was increased by US$ 100 million and the first escape clause to 100 percent in 2009. The currency denomination of the ceiling was switched from U.S. dollar to UI and the second escape clause was introduced in 2011. The limit on the number of consecutive uses of the escape clause was removed in 2015.

III. Supranational Fiscal Rules: Key Characteristics

Central African Economic and Monetary Community

Member States: Cameron, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, Gabon

Type of Supranational Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Coverage	Monitoring of Compliance Outside Government	Formal Enforcement Procedure	Well-Specified Escape Clauses	BB target in cyclically-adjusted/ structural terms or over the cycle	Rule(s) exclude public investment or other priority items from ceiling
Budget balance rules (2002, 2008)	Central government	Yes	Yes	No	No	Yes
Debt rule (2002)	Central government	Yes	No	No	---	Yes

Supranational rules (dates in brackets):

BBR (from 2008): In 2008 the CEMAC Commission introduced two supplementary criteria: (i) the basic structural fiscal balance in percent of nominal GDP should be in balance or surplus—this concept is derived from the main criterion by replacing actual oil revenue with its three-year moving average; and (ii) the non-oil basic fiscal balance in percent of non-oil GDP should be in balance or in surplus.

BBR (since 2002): The basic fiscal balance, defined as total revenue net of grants minus total expenditure net of foreign-financed capital spending, should be in balance or surplus.

DR (since 2002): The stock of external plus domestic public debt should be kept below 70 percent of GDP.

East African Monetary Union

Member States: Burundi, Kenya, Rwanda, South Sudan, Tanzania, Uganda

Type of Supranational Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Coverage	Monitoring of Compliance Outside Government	Formal Enforcement Procedure	Well-Specified Escape Clauses	BB target in cyclically-adjusted/ structural terms or over the cycle	Rule(s) exclude public investment or other priority items from ceiling
Budget balance rule (2013)	Central government	Yes	NA	NA	No	No
Debt rule (2013)	Central government	Yes	NA	NA	No	No

Supranational rules (dates in brackets):

Supranational rules since 2013: The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a 50% ceiling on gross public debt in NPV terms and a budget balance rule (including grants) of 3% of GDP to be achieved by 2020/21.

Eastern Caribbean Currency Union

Member states: Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines

Type of Supranational Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Coverage	Monitoring of Compliance Outside Government	Formal Enforcement Procedure	Well-Specified Escape Clauses	BB target in cyclically-adjusted/ structural terms or over the cycle	Rule(s) exclude public investment or other priority items from ceiling
Budget balance rule (1998, 2006)	General government	Yes	No	No	No	No
Debt rule (1998, 2014)	General government	Yes	No	No	---	No

Supranational rules (dates in brackets):

DR (from 1998): The regional central bank's ruling Monetary Council announced on February 24, 2015 that member countries would aim to reduce public debt to 60 percent of GDP by 2030. Previously, the date to attain the 60 percent of GDP target was 2020**.** Previously, the date to attain the 60 percent of GDP target was 2020.

BBR (1998-2005): Overall deficit target of 3 percent of GDP.

European Union

Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

Type of Supranational Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Coverage	Monitoring of Compliance Outside Government	Formal Enforcement Procedure	Well-Specified Escape Clauses	BB target in cyclically-adjusted/ structural terms or over the cycle	Rule(s) exclude public investment or other priority items from ceiling
Budget balance rule (1993, 2005, 2012)	General government	Yes	Yes	Yes (2005)	Yes 1/	No
Debt rule (1993)	General government	Yes	Yes (2012)	Yes (2005)	--	No
Expenditure rule (2012)	General government	Yes	Yes (2012)	Yes (2012)	--	No

Supranational rules (dates in brackets):

BBR (from 1992): The Maastricht criteria include a limit of 3 percent of GDP for the fiscal deficit. If the deficit exceeds that limit an excessive deficit procedure is normally opened ("corrective arm"). With the 2005 reform of the Stability and Growth Pact (SGP), an excessive deficit procedure (EDP) may not be opened when two conditions are simultaneously met: (i) the deficit exceeds only temporarily and exceptionally 3 percent of GDP, and (ii) if the deficit is close to the 3 percent deficit threshold. The 2011 governance reform added further flexibility for countries with a debt-to-GDP ratio below 60 percent. The ECOFIN Council sets a timeframe with the annual fiscal effort to be at least 0.5 percent of GDP in structural terms. Deadlines for the correction of the excessive deficit can be extended by the ECOFIN council in case of adverse economic developments. Insufficient progress can lead to closer surveillance and sanctions (0.2 percent of GDP non-interest-bearing deposit at the launch of the EDP) and fines (0.2 to 0.5 percent of GDP in case of no effective action) for euro area members. A qualified majority of the Council is needed to open an excessive deficit procedure; a reversed qualified majority is needed to impose sanctions. In addition to the ceiling for the headline deficit, medium-term budgetary objectives (MTO) are set for the structural budget balance ("preventive arm"). Until 2005, MTOs were defined as a budgetary position "close to balance or in surplus." As part of the 2005 reform of the SGP, country-specific MTOs were introduced with MTOs not to be less than 1 percent of GDP deficit (in structural terms). When euro area members have not reached their MTO, they should make annual efforts of at least 0.5 percent of GDP to reach them. No enforcement procedures related to MTOs were in place in the past, but with the 2011 governance reform (Six Pack), lack of action to correct a significant deviation from the MTO can lead to the imposition on an interest bearing deposit (0.2 percent of GDP) for euro area member states.The 2012/13 reforms (Fiscal Compact and Two Pack) reinforced monitoring and enforcement procedures. In 2015, a revised guidance on the implementation of the SGP clarified the existing provisions for flexibility by describing in greater details the escape clauses to encourage investment and structural reforms, and to account for the economic cycle under the preventive arm.

DR (from 1992): The Maastricht criteria include a limit of 60 percent of GDP for general government debt. With the November 2011 governance reform, a required annual pace of debt reduction was introduced (based on a benchmark of 1/20th of the distance between the actual debt ratio and the 60 percent threshold on average over three years), starting three years after a country has left the current excessive deficit procedure (EDP). If progress is insufficient during the transition period, an excessive deficit procedure can be opened, with sanctions and fines (for euro area members). Opening an excessive deficit procedure requires a qualified majority of the ECOFIN council.

ER (from 2012): With the November 2011 governance reform, the annual growth of primary expenditure—excluding unemployment benefits and subtracting revenue discretionary increases—should not exceed long-term nominal GDP growth. This benchmark applies only when a country is not in excessive deficit procedure and is thus part of assessing adequate progress toward the MTO (i.e., structural budget balance target). No excessive deficit procedure can be opened when the rule is violated but sanctions can be applied to euro area members (0.2 percent of GDP interest-bearing deposit).

For more details on the rules and enforcement procedures, see the Vade Mecum on the Stability and Growth Pact (http://ec.europa.eu/economy_finance/publications/eeip/pdf/ip021_en.pdf).
1/ The 3 percent deficit criterion is in headline terms. The medium-term budgetary objectives (MTO) are defined in structural terms.

West African Economic and Monetary Union

Member States: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo

Type of Supranational Rules (Start date in brackets)	**Key Characteristics** (start date in brackets if different from implementation)					
	Coverage	Monitoring of Compliance Outside Government	Formal Enforcement Procedure	Well-Specified Escape Clauses	BB target in cyclically-adjusted/ structural terms or over the cycle	Rule(s) exclude public investment or other priority items from ceiling
Budget balance rule (2000, 2015)	Central government	Yes	Yes	Yes	No	No
Debt rule (2000, 2015)	Central + general government	Yes	Yes	Yes	No	No
Revenue rule (2000, 2015)	Central government	Yes	No	Yes	No	No

Supranational rules (dates in brackets):

Supranational rules (from 2000): The rules refer to the fiscal convergence criteria of the West African Economic and Monetary Union (WAEMU). Initial first-order convergence criteria included a balanced budget rule (excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures) and a 70 percent of GDP ceiling on public debt. These were complemented with less binding convergence targets, called 2nd tier, which included a 20 percent floor on revenues. In January 2015 changes to the WAEMU convergence criteria were acted. The first order convergence criteria on balanced budgets now specifies that the overall fiscal deficit (including grants) should remain below 3% of GDP. The nominal debt-to-GDP ratio was kept at 70 percent of GDP.