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TECHNICAL MANUAL

FISCAL RULES AT A GLANCE: AN UPDATE 1985—2021

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REMARKS

This technical document provides country-specific details in 106 Fund member countries or economies in the Fiscal Rules Database 1985–2021 by IMF Fiscal Affairs Department. It is accompanied by a dataset in excel format and an accessible data visualization tool available at https://www.imf.org/external/datamapper/fiscalrules/map/map.htm and is an update of the 2015 database "Fiscal Rules at a Glance" by Lledo, Yoon, Fang, Mbaye, and Kim (2017).

The dataset benefits from the comments with country teams in area departments of the IMF and the country authorities, and guidance from Paulo Medas in the Fiscal Affairs Department. Joni Mayfield and Chenlu Zhang provided valuable research and administrative support. The authors are responsible for its contents. The information does not represent the views of the IMF or IMF Executive Board.

The dataset covers four main types of fiscal rules—budget balance rules, debt rules, expenditure rules, and revenue rules applying to the central or general government or the public sector. The dataset presents details on various characteristics of rules, such as their legal basis, coverage, enforcement, escape clauses, as well as key supporting features such as institutional supporting arrangements on multi-year expenditure ceilings, independent monitoring bodies, and fiscal responsibility laws. To the extent possible, the dataset and this technical document describe the country experience on fiscal rules during COVID-19. Another accompanying dataset on fiscal council is available at https://www.imf.org/en/Data/Fiscal/fiscal-council-dataset.

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Previous datasets:

Lledo, Victor, Sungwook Yoon, Xiangming Fang, Samba Mbaye, and Young Kim. 2017. "Fiscal Rules at a Glance", March 2017, International Monetary Fund, Washington, D.C.

Schaechter, Andrea, Tidiane Kinda, Nina Budina, and Anke Weber. 2012. "Fiscal Rules in Response to the Crisis—Toward the 'Next Generation' Rules: A New Dataset", IMF Working Paper No.12/187, July 2012, Washington, D.C.

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I. Acronyms and Abbreviations

BBR	Budget balance rule
CEMAC/CAEMC	Central African Economic and Monetary Community
CG	Central government
DR	Debt rule
EAC	East African Community
EAMU	East African Monetary Union
ECCU	Eastern Caribbean Currency Union
ER	Expenditure rule
EU	European Union
FRL	Fiscal responsibility law
GG	General government
IFI / FC	Independent Fiscal Institution / Fiscal Council
MTFF	Medium-term fiscal framework
PAYGO	Pay-as-you-go rule
MTO	Medium-term budgetary objectives in European Union
RR	Revenue rule
TSCG	Treaty on Stability, Coordination and Governance in the Economic and Monetary Union
WAEMU	West African Economic and Monetary Union

II. Introduction

This paper provides country-specific information on fiscal rules in use in 106 economies from 1985 to 2021. It summarizes the latest vintage of the IMF Fiscal Rules Dataset and its electronic data visualization tool, and updates the 2015 data in "Fiscal Rules at a Glance" (Lledo, Yoon, Fang, Mbaye, and Kim 2017).

The dataset covers four types of rules: expenditure rules, revenue rules, budget balance rules, and debt 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 statutory basis, coverage, monitoring, and enforcement procedures. Please refer to Davoodi and others (2022) for recent trends and performance of fiscal rules and a description of the variables.

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 in principles. However, the demarcation lines of what constitutes a fiscal rule are not always clear. The dataset and technical manual follow the 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. Fiscal rules for subnational governments or fiscal sub-aggregates are not included here. The accompanying background document on subnational government fiscal rules includes Eyraud and others (2019).
- We focus on *de jure* arrangements and not to what degree rules have been adhered to in practice.

The document contains national rules and a cross-reference to Section V if the country also operates under supranational fiscal rules. The date when a rule took effect is shown in brackets, and is shown in blank if the implementation year is not available. When a characteristic of the rule was changed over time, the year of the change is shown in the respective text. A description of each rule and the corresponding time period the rule was in force or revised is included in the bottom part of each table. Supranational fiscal rules are described in Section V. As more information becomes available, the dataset has reflected better understanding of fiscal frameworks in member countries (national and supranational fiscal frameworks) through consultation with area departments, the authorities, and legislations in the public domain. Some entries will therefore be different from the previous release of datasets. Several pacific island economies have numerical fiscal targets (Nakatani 2021) but the detailed information with respect to their statutory basis, coverage, and the adoption date is not available and therefore excluded in this dataset.

A separate dataset on fiscal councils—recently updated as of end-2021—provides a de-jure overview on the key mandates, resources, and operational independence of fiscal councils across the world. Please see Davoodi, Elger, Garcia-Marcia, Fotiou, Lagerborg, Lam, and Pillai. 2022. "Fiscal Council Dataset: Technical Manual", Fiscal Affairs Department, International Monetary Fund, Washington, D.C. https://www.imf.org/en/Data/Fiscal/fiscal-council-dataset.

III. Fiscal Rules Dataset: 1985 - 2021

The dataset covers all IMF members that have adopted fiscal rules (national and supranational) during 1985 to 2021. It updates the 2015 vintage and includes those fiscal rules that have taken effect already or where clear transition regimes are specified. Those adopted but not yet in pace are reflected in the rule description but not the codification. The dataset is compiled based on a variety of sources, including assessments of fiscal framework legislations, country documents, inputs from IMF staff, and the complementary datasets from OECD and European Union.

The dataset broadly includes about 75 variables on issues related to fiscal rules. It comprises a detailed description of the rules and the quantitative information on the number and types of rules, date of major amendments, legal basis, coverage, enforcement, and supporting procedures. Each of these qualitative characteristics is codified, mostly in binary coding with a score of one '1' if a country's fiscal rule had that specific feature and a score of zero '0' otherwise. Some features, such as the legal basis and coverage, provide finer differentiation. Assigning such scores sometimes require certain judgement. The codification captures, to the extent possible, specific features that would be linked to the effectiveness of the fiscal rules. In general, in some numerical categories beyond binary codes, a higher score reflects stronger presence of supporting features for an effective fiscal rule.

- **Types of fiscal rules in place:** Four main types are recorded: expenditure rules (ER), revenue rules (RR), budget balance rules (BBR), and debt rule (DR). Binary entry of '1' if the country has that specific type of fiscal rule or '-' otherwise. Some countries have multiple rules with '1' indicated in each category.
- **National or supranational rules:** The variable denotes whether the fiscal rules are national (denoted as '0'), supranational (denoted as '1'), or both (denoted as '2').
- **Year of implementation:** It indicates the year when the fiscal rules were adopted.
- **Year of major addition, subsequent changes, or scrapping:** It indicates the year when there is a major addition or changes to the fiscal rule.
- **Number of numerical rules**: It indicates the number of fiscal rules, separated into national and supranational rules.
- **Description:** It provides a detailed description of the fiscal rules in the country.
- **Enforcement:** Two binary variables are included.
  - Monitoring of compliance outside government—(Yes: 1; No: 0)
  - Formal enforcement procedures—(Yes: 1; No: 0)
- **Coverage**: The government sector that is covered by the fiscal rule—'1' for central government; '2' for general government or wider public sector. The number is adjusted upward by 0.5 to account for similar rules but applying to different levels.
- **Legal basis** (highest form): The variable is scored 1 to 5. '1': political commitment; '2' coalition agreement; '3': statutory basis; '4': international treaty; '5' constitutional. In case multiple legal basis, the higher statutory basis was recorded.
- **Escape clauses:** Binary variable (Yes:1; No:0)
- **Supporting procedures and institutions—**contain the following categories in binary variables
  - Multi-year expenditure ceilings (aggregate, ministries, or line items): (Yes:1; No:0)
  - Independent body sets budget assumptions: (Yes:1; No:0)
  - Independent body monitors implementation: (Yes:1; No:0)
  - Fiscal Responsibility Law: (Yes:1; No:0)
- **Stabilization over cycles** (National and supranational rules): Binary variable (Yes:1; No:0)

- **Investment excluded from the rule limits** (National and supranational rules: Binary variable (Yes:1; No:0)
- **Activation of escape clauses:** Binary variable (Yes:1; No:0) in each type of rule (ER, RR, BBR, DR)
- **Suspension of fiscal rules**: Binary variable (Yes:1; No:0) in each type of rule (ER, RR, BBR, DR)
- **Period of suspension:** The year in which the suspension of the rule would apply until
- Additional categories:
  - Income group (advanced, emerging market economies, low-income developing countries, resource rich countries)—binary variable (Yes:1; No:0);
  - Belong to the European Union—binary variable (Yes:1; No:0);
  - Federal system—binary variable (Yes:1; No:0)
  - Member of currency union—binary variable (Yes:1; No:0)
  - Geographical region—1: Western Hemisphere; 2: Europe; 3: Asia and Pacific; 4: Middle East and Central Asia; 5: Sub-Saharan Africa.

IV. National Fiscal Rules: Country Information

Andorra

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (2014)	No	No	General government	Yes	Yes	Yes
Revenue rule (2014)	No	No	General government	Yes	No	No
Budget balance rule (2014)	No	No	Central government	Yes	No	No
Debt rule (2014)	No	No	General government	Yes	Yes	No

National fiscal rules:
Fiscal rules were implemented in 2014 and designed to ensure fiscal discipline and sustainability. The law No.32/2014, and subsequent modifications, introduced a multi-annual budget framework that covers the four-year central and local governments' mandates and is updated every year. It sets limits on debt, deficit, current spending, and revenue. The general government consists of central and local governments but excludes the pension fund. The central government corresponds to Govern d'Andorra and any public or para-public institutions associated with it. The Court of Auditors is responsible for controlling the compliance with the obligations established by the Law.

- Expenditure rule (since 2014): The rule required that the growth of current primary spending of the general government would be up to the nominal GDP growth if positive, or zero otherwise. The limit does not apply to local governments if its debt (including public and para-public institutions associated with the local government) is below 180 percent of the average budgeted revenue in the preceding three years). Current primary spending is defined as the sum of wages and salaries, goods and services and current transfers.

- Revenue rules (since 2014): Direct tax revenues cannot be larger than 40 percent of total tax collection (excluding taxes from international trade).

- Budget balance rule (since 2014): The limit of general government overall deficit was set at 1 percent of GDP, while the local governments were not subject to a limit, as long as the local governments comply with the debt limit.

- Debt rule (since 2014): The rules set the limit of general government and central government at 55 percent of GDP, and 40 percent of GDP, respectively. Public or para-public institutions associated with

the central government (50 percent of each institution's own equity); Local government debt were limited to twice of the average budgeted revenues in the preceding 3 years.

Two modifications were made to law No.32/2014. The Law No. 1/2018 approved the 2018 fiscal budget and amended the Article 12, with changes related to compliance. The Law No.18/2019 of February 15 approved the 2019 fiscal budget and amended the Article 11 to incorporate changes related to discussion process of the budget framework with the Legislature. The Article 15 was amended to simplify the preparation of the budget by avoiding high annual cash deficits by setting a maximum of 1 percent of GDP while maintaining the debt limits already provided for by the law. To finance the extraordinary expenses, the Law created a structural fund ('compte de compensació') that should be endowed with an amount equivalent to 0.1 percent of the total budgeted expenses of the central and local governments. The stock available can be used to partly fund the extraordinary budget when needed. Also, if the amount exceeds 0.5 percent of GDP, the excess can be used to debt reduction or public investment.

The escape clause was incorporated in Law 32/2014 of November 27, 2014. The authorities are required to go back to the debt limits within 6 years, but there are no requirements on the composition and size of the extraordinary budget. The escape clause was activated in 2020 and remain activated in 2021. The debt and spending limits associated with the central government can only be exceeded under extraordinary circumstances, comprising natural disasters, serious emergencies, and extraordinary events, including those of economic nature. When this happens, the General Council of the Parliament approves: (i) an extraordinary budget that exceeds the debt and spending limits established by the Law; and (ii) a plan that sets the path to return to compliance with the debt and spending limits within six years. The escape clause does not apply to the local governments, which should always comply with the limits established by the Law. If under exceptional circumstances, the budget allocation for the local governments is not enough, the extraordinary need is covered by the central government.

Antigua and Barbuda

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2021)	No	No	Central government	Political commitment	No	Yes
Revenue rule (2021)	No	No	Central government	Political commitment	No	No
Debt rule (1998)	No	No	Central government	Political commitment	No	No

National rules (2021):
In February 2021, the government presented the 2021 budget to the House of Representatives. Embedded in the budget were the fiscal rules underlying the medium-term fiscal strategy.

- Expenditure rule (2021): recurrent spending to be kept below 20 percent of GDP over the medium term and wages and salaries below 9 percent of GDP by 2025; and

- Revenue rule (2021): the tax-to-GDP ratio to reach at least 18 percent by 2023 and maintained at a minimum of 20 percent over the medium term.

- Debt rule (2021): It set the rules on public debt level to fall below the ceiling of 70 percent of GDP by 2030.

Supranational rules (since 1998): Antigua and Barbuda is a member state of the ECCU, which has adopted the supranational rules since 1998, see details in Section V.

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

Argentina

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2000)	Yes	Yes	General government	Yes	No	Yes
Budget balance rule (2000-17)	Yes	Yes	General government	Yes	No	No

National fiscal rules:

Fiscal rules are set out in the Fiscal Responsibility Law (FRL) adopted in 1999 and then revised in 2001 and 2004 (law 25.917) and 2017 (law 27.428). The rules were suspended between 2009 and 2017 and again between 2020 and 2021.

- Expenditure rules (since 2000, revised in 2017): During 2000-17, the rules required that primary expenditure cannot grow more than nominal GDP or at most stay constant in real terms in periods of negative nominal GDP growth. The expenditure rules were suspended between 2009 and 2017. Since 2018, the expenditure rules included: i) Primary current expenditure cannot grow more than CPI; ii) Primary expenditure cannot grow more than CPI for jurisdictions with primary deficits and not more than nominal GDP for jurisdictions that have reached primary balance (although if GDP growth is negative, expenditure cannot grow more than CPI); iii) public employment cannot grow my more than population growth. The expenditure rules were suspended between 2020 and 2021.

- Budget balance rule (2000-17): During 2000-17, all jurisdictions (central government and provinces) were required to balance revenue and expenditure, excluding investment in basic social and economic infrastructure and projects financed by international financial institutions. The budget balance rule was suspended between 2009 and 2017, and was abolished in the 2017 revision of fiscal responsibility framework.

  The FRL established a provincial borrowing constraint whereby debt servicing costs could not exceed 15 percent of the current revenues after deduction of revenue-sharing (coparticipación) transfers to municipalities (this rule was also suspended between 2009-2017 and from 2020. All administrations were encouraged to create fiscal countercyclical funds.

  The FRL has no formal escape clauses, but the fiscal rules were suspended by Congress for the periods 2009-2017 (the initial suspension was temporary but was subsequently extended in annual budget laws) and for 2020-2021.

Armenia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2018)	No	No	Central government	Yes	Yes	No
Budget balance (2002)	No	No	Central government	Yes	Yes	No
Debt rule (2008)	No	No	Central government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (since 2002, revised in 2009): A deficit ceiling was initially set at 10 percent of GDP, then lowered at 5 percent in 2002, then increased to 7.5 percent in 2009.

- Debt rule (since 2008, revised in 2015 and 2018): Armenia adopted a debt rule in 2008, under which public debt may not exceed 60 percent of GDP in a 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. The debt rule was revised in 2015, which defined public debt to apply only to government debt, excluding central bank's debt. The debt rule was revised in 2018. The upper threshold for central government debt (excluding central bank debt) remained 60 percent of GDP. The provision to correct the debt between 50 and 60 percent of GDP was removed. Instead, the government is required to present an action plan in its MTEF to gradually bring government debt below 50 percent of GDP. If the debt ratio exceeds 60 percent of GDP, the government shall submit an action plan by the standing Committees on Financial, Credit and Budget and Economic Issues of the National Assembly for consideration to bring the debt path below 60 percent of GDP, and include this plan to the MTEF.

- Expenditure rule (since 2018): As the debt rule was revised in 2018, the government introduced expenditure ceilings that linked to the debt levels to manage the deviations. First, recurrent spending cannot exceed the revenue (i.e., the fiscal deficit cannot exceed capital expenditure) if the government debt exceeds 40 percent of GDP. Second, the maximum increase in recurrent expenditure (excluding debt service costs) is subject to a ceiling set in the government decree if the government debt exceeds 50 percent of GDP.

Austria

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1999)	Yes	Yes	General government	Yes	No	No

National fiscal rules:

- Budget balance rule (since 1999; revised in 2011, 2017): Since 1999, the deficit targets for the federal, regional, and local governments were contained in the Austrian Stability Pact (ASP) within a multiyear budgetary setting. The budgetary targets were revised in March 2011. Over the years, 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. The 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. Since 2017, the structural deficit limit for general government is 0.45 percent of GDP. The new fiscal rule has been conceptually similar to the German debt brake rule though it had not been anchored in the constitution. The ex-post deviations would be accumulated in notional 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 had to be initiated at times when the output gap was negative and narrowing or was positive. In the transition period (2012-16), the ASP determined the fiscal targets in terms of headline rather than structural deficits.

The government had also adopted four-year expenditure ceilings since 2009. Expenditure ceilings were divided into fixed (about ¾ of expenditure) and flexible ones. The latter concern areas would vary over cyclical fluctuations, such as social security allocations. While the ceilings were in principle set for a 4-year rolling horizon, the ceiling has been binding only for the budget year. In that sense, they were considered as medium-term expenditure framework rather than a numerical fiscal rule.

Supranational rules: Austria is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Australia

Type of national rules (Start date in bracket)	Key characteristics Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rules (1985; 2009)	No	No	Central government	Political commitment	No	No
Revenue rule (1985; 1998)	No	No	Central government	Political commitment	No	No
Budget balance rule (1985; 1998)	No	No	Central government	Political commitment	No	No
Debt rule (1998)	No	No	Central government	Political commitment	No	No

National fiscal rules:

The Charter of Budget Honesty Act 1998 provided a legislative framework for the conduct and reporting of 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. There is a political commitment for the government to adhere to these principles when setting the budget targets. Under the Parliamentary Service Act 1999, the Parliamentary Budget Office (PBO) was established in 2012 to provide independent oversight of fiscal policy. It operates to inform the Parliament by providing non-partisan analysis of the budgets, fiscal policy, and the financial implications of proposals.

- Expenditure rules (1985-88; since 2009): During 1985-88, the rules required government expenditure not rising as a proportion of GDP in 1985-86 and over the life of the Parliament. In its 1985-86 Budget, the Australian Government set out the "trilogy" commitments for the life of the Parliament (three years). Under the Charter of Budget Honesty Act in 1998, the budgets were underpinned by redirecting government spending to quality investment and maintaining strong fiscal discipline by controlling government expenditure as a share of the economy. Key elements of the government's fiscal strategy identified at each budget update since 1998, have specified how government should formulate fiscal policy, including by controlling expenditure growth, while maintaining the efficiency and quality of government spending and guaranteeing the delivery of essential services. From 2009-10, expenditure rules committed to keeping real growth in spending to 2 per cent per year, conditional on certain budget balance and/or economic outcomes. From 2014-15 to 2019-20, the expenditure rule focused on the payments to GDP ratio falling.

- Revenue rules (1985-88; since 1998): During 1985-88, the rules required tax revenues not rising as a proportion of GDP in 1985-86 and over the life of the Parliament. Since 1998, the key elements of the fiscal strategy include supporting revenue growth through a robust economy while maintaining a sustainable tax burden with a cap on the tax receipts-to-GDP ratio (23.9 percent of GDP currently).

- Budget balance rule (1985-88; since 1998): During 1985-88, the rules required the government to reduce the budget deficit in dollar terms in 1985-86 and as a proportion of GDP over the life of the Parliament. Since 1998, the budget spelt out the fiscal strategy, specifying how the government should formulate the fiscal policy. The medium-term fiscal strategy is focused on growing the economy in order to stabilize and reduce debt. Targets were to achieve a budget balance, or budget surpluses, over a time period (such as the course of the economic cycle or the medium term). From 2017-18 to 2019-20 the strategy was specified as being 'designed to deliver sustainable budget surpluses building to at least 1 per cent of GDP. From 2020-21 a two-stage strategy was introduced; in the second stage, the objective was to support growth and to stabilize and reduce debt as a share of GDP by targeting a budget balance, on average, over the course of the economic cycle that is consistent with the debt objective.

- Debt rule (since 1998): The 1998 Charter underscores the key requirements to improve the government's net financial worth over the medium term. A legislative limit on the face value of Australian Government Securities on issue was first imposed in 2008 through an amendment to the Commonwealth Inscribed Stock Act 1911. This legislative limit was removed in 2013 and replaced by a requirement of the Treasurer to give a direction as to the maximum face value of Australian Government Securities that may be on issue (see Treasurer's press statement 2013).

Azerbaijan

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2019)	No	No	Central government	Yes	Yes	No
Budget balance (2019)	No	No	Central government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2019): The fiscal rule was introduced and implemented in 2019, covering the consolidated budget. The expenditure growth ceiling was set as the lower of (i) 3 percent over approved last year's expenditure; or (ii) the sum of projected nonoil revenues and "spendable" oil revenues, where the spendable oil revenues are linked to the level of net financial assets. The expenditure ceiling was revised to real terms (instead of nominal terms).
- Budget balance rule (since 2019): The budgeted non-oil primary balance in the year ahead as percent of non-oil GDP should not be set weaker than the levels of the current year.

The fiscal rules were temporarily suspended in 2020 due to COVID-19 and were expected to be revised and reinstated in FY2022.

The Bahamas

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2018)	Yes	No	Central government	Yes	Yes	No
Budget balance (2018)	Yes	No	Central government	Yes	Yes	No
Debt rule (2018)	Yes	No	Central government	Yes	Yes	No

National fiscal rules (2018):

- Expenditure rule (since 2018): The Fiscal Responsibility Act stipulated an expenditure growth ceiling (expenditure growth in line with medium-term growth) will be active once the government achieves the budget balance target.

- Budget balance rule (since 2018, revised in 2019): The fiscal rules were set by the Fiscal Responsibility Act (2018). The government stipulated to achieve an overall deficit target of 0.5 percent of GDP by FY2020/21. Hurricane Dorian triggered the escape clause in 2019 and the government postponed the achievement of deficit target to FY2024/25.

- Debt rule (since 2019, revised in 2019, 2020): The government specified to achieve a debt target of 50 percent of GDP by FY2024/25. The 2018 FRA set the path toward the target. In 2019, the government revised the timeframe to achieve the debt target to FY2028/29. The timeframe was further postponed to FY2030/31 owing to the pandemic shock in 2020.

Belgium

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1993)	Yes	Yes	Central government	Coalition agreement	No	No
Revenue rule (1992)	Yes	Yes	Central government	Coalition agreement	No	No
Budget balance rule (2014)	Yes	Yes	General government	Coalition agreement	No	No

National fiscal rules:

- Expenditure rule (1993-98): The rule required that the real growth of primary expenditure of the central government ought to be equal or be less than 0 percent.
- Revenue rule (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.
- Budget balance rule (since 2014): The government adopted a structural budget balance rule, in line with the provisions of the "fiscal compact" signed March 1, 2012. The rule was set in a coalition agreement and required that 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 percent of GDP. This limit can be extended to a structural deficit of 1 percent of GDP if the debt to GDP ratio is significatively below 60 percent of GDP and the risks for the sustainability of public finances in the long term are low.

Supranational rules: Belgium is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Benin

Type of national rules (Start date in bracket)	**Key characteristics** Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Benin is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were acted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules excluded public investment or other priority items from the ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Botswana

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2003)	No	No	Central government	Political commitment	No	No
Budget balance rule (2003)	No	No	Central government	Political commitment	No	No
Debt rule (2005)	No	No	Central government	Yes	No	No

National fiscal rules:

- Expenditure rule (since 2003): The spending limits on total government expenditure were set as fiscal targets embedded in the National Development Plan. The expenditure limits included 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).

- Budget balance rule (since 2003): A balanced budget rule (in cash terms) was specified in the National Development Plan. They reflected government targets and not legally binding constraints.

- Debt rule (since 2005): Botswana has one binding debt limit, which was introduced by the Stocks, Bonds, and Treasury Bills Act in 2005 that capped total domestic and foreign debt each to 20 percent of GDP (total 40 percent of GDP).

Brazil

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (2000, 2016, 2021)	Yes	Yes	General government	Constitutional (federal gov.); statutory (state gov.)	No	No
Budget balance rule (1998)	Yes	Yes	General government	Constitutional	No	Yes

National fiscal rules: The Fiscal Responsibility Law has been in place since May 2000, which set out several fiscal rules:

- Expenditure rule (since 2000, revised in 2016, 2021): The rules required that (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. Expenditure ceilings have applied to public investment. In 2016, the Constitutional Amendment No. 95, adopted on December 15, 2016 established that an expenditure rule would remain in place for the following 20 years. With some exclusions, the rule set ceilings on federal government real primary expenditure as of 2016 and indicated that nominal expenditure can grow thereafter in line with inflation. The constitutional amendment bill to change the base and the index for adjusting the expenditure ceiling for past inflation was ratified in December 2021.

- Budget balance rule (since 1998): The "Golden Rule" was set in the Constitution, which required credit operations (including financial revenues) cannot exceed capital expenditures (includes amortizations). Separately, the government has set primary balance targets in the fiscal framework but those are revised annually. Hence, based on the criteria used for the manual, the dataset does not record the primary balance target as a budget balance rule.

With respect to public debt, the Fiscal Responsibility Law required that the Senate sets debt limits for all levels of government. However, there was never an agreement reached on the limit for the central government and limits were only in place for States and Municipalities by the Senate. The government sets numerical multiyear indicative debt targets—not legally-binding rules.

Escape clauses exist in the budget balance targets (which is not considered as a fiscal rule under the criteria) for exceptional conditions (such as wars and civil unrests) and natural disasters but can only be invoked with Congressional approval. The government activated the public calamity clause in 2020 to lift the obligation to comply with the primary balance targets and other obligations under the fiscal responsibility laws. The government budget for other non-pandemic related expenditures was consistent with the expenditure rule limit in the Constitution. It also created a 'war budget' in 2020 through a constitutional amendment to accommodate higher pandemic-related spending.

The expenditure rule is “constitutional” at the federal level but “statutory” at the subnational level. 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).

An Independent Fiscal Institution (IFI) was established in 2016, under the scope of the Federal Senate. According to Resolution No. 42/2016 of the Federal Senate, the IFI has four legal mandates: (i) publish fiscal and budgetary forecasts; (ii) assess the adherence of fiscal and budgetary indicators to legal targets; (iii) estimate the impact of relevant fiscal events; and (iv) forecast variables relevant for the long-term equilibrium of the public sector.

Bulgaria

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2006, 2012)	Yes	No	General government	Yes	No	No
Budget balance rule (2006, 2009, 2012)	Yes	No	General government	Yes	No	No
Debt rule (2003)	Yes	No	Central government	Yes	No	No

National fiscal rules

- Expenditure rule (2006-09, since 2012): The expenditure ceiling was set at 40 percent of GDP. During 2006 to 2009, the rule was a political commitment approved by the Council of Ministers within the multiannual financial framework. The expenditure rule discontinued in 2010 and 2011, after its breach in 2009. The rule was renewed and strengthened in 2012 under the amendment of the Organic Budget Law, effective since January 2012. 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.

- Budget balance rule (2006-08, 2009-11, since 2012, revised in 2014): The annual budget deficit under the consolidated fiscal program on a cash basis cannot exceed 2 percent of GDP. In addition, 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. To comply with the "fiscal compact" signed March 1, 2012, the Public Finance Law also introduced 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. During 2009-11, the deficit rule required the deficit to be contained and brought progressively below 3 percent of GDP. The budget balance rule during 2006-08 required to keep a balanced or surplus budget.

- Debt rule (since 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 government debt cannot exceed 60 percent of GDP, otherwise the debt should be under a declining path. The Public Finance Law was repealed from 2014 the state debt law, with the rules unchanged while also introducing concrete measures for adjustment in case the debt limit (60 percent of GDP) is exceeded.

Supranational rules: Bulgaria is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Burkina Faso

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Burkina Faso is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were acted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules excluded public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remained at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Burundi

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2013): Burundi is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on the fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Cabo Verde

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1998)	No	No	Central government	Yes	No	No
Debt rule (1998)	No	No	Central government	Political commitment	No	No

National fiscal rules:

- Budget balance rule (since 1998): The ceiling on domestic borrowing was set at 3 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.

- Debt rule (since 1998): A debt ceiling was set at 60 percent of GDP but the debt ceiling is not legally binding (public debt is currently above it with no action being taken). There is enough transparency in the public accounts of Cabo 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.

Cambodia

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Debt rule (2018)	No	No	General government	Political commitment	No	No

National fiscal rules

- Debt rule (since 2018): The government committed to a debt rule when publishing the Public Debt Management Strategy 2019-23 in 2018. It established several ceilings on debt and debt service: (i) a debt ceiling for total public debt (comprising public domestic debt, public external debt and publicly guaranteed debt) at 55 percent of GDP; two debt ceilings for the present value of public and publicly-guaranteed domestic (external) debt to GDP to be below 15 percent (40 percent) of GDP; (iii) debt service ceilings that restricts the present value of public and publicly guaranteed external debt to exports (revenue) ratio to be below 180 percent (18 percent), respectively.

Cameroon

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
			Key characteristics			
N.A.						

Supranational rules: Cameroon is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Canada

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
			Key characteristics			
Expenditure rule (1998)	Yes	No	Central government	Political commitment	No	No
Budget balance rule (1998)	Yes	No	Central government	Political commitment	No	No
Debt rule (1998)	Yes	No	Central government	Political commitment	No	No

National fiscal rules:

- Expenditure rule, budget balance rule, and debt rule (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). Prior to the fiscal rules during 1991-96, the Federal Spending Control Act limited all program spending except self-financing programs. Overspending in one year was permitted if offset in the following two years. Compliance with the Act was assessed by Auditor General.

Central African Republic

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: Central African Republic is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Chad

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: Chad is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Chile

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2001)	Yes	No	Central government	Yes	No	No

National fiscal rules:

- Budget balance rule (since 2001, revised in 2008, 2009, 2010): The rules set the limits on the structural budget balance, with an independent body providing key inputs. Government expenditures were 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. 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).

The implementation of the rule has been revised since 2009. While the limit was set at zero structural surplus, a de facto escape clause was used to accommodate countercyclical measures. The 2010-14 administration 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).

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 advises the Minister of Finance on issues regarding the structural balance rule including regarding methodological changes. The council, whose views will be made public but not binding, serves to enhance the rigor and transparency of the rule.

Colombia

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
			Key characteristics			
Expenditure rule (2000)	Yes	No	Central government	Yes	Yes	Yes
Budget balance rule (2011)	Yes	No	Central government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2000): There was a rule on current expenditure growth of the central government. Due to the pandemic, the rule was suspended for two years. In September 2021, a Social Investment Law was passed, which established a transition path with explicit deficit targets for 2022-2025 and a new fiscal rule with a debt anchor to be fully implemented at the end of that period.

- Budget balance rule (since 2011): A structural balance rule for the central government (approved by Congress in June 2011), set a path for fiscal consolidation that lowered the structural deficit of the central government to 2.3 percent of GDP in 2014 and set a ceiling for the deficit of 1 percent effective in 2022. The rule also allowed for fiscal expansion when the expected output growth rate was 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 created a sovereign wealth fund (SWF) to save windfall revenue from natural resources. Annual targets have been framed by a medium-term fiscal framework. An independent advisory commission operationalized the structural balance rule and assessed 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).

The Social Investment Law introduced in September 2021 will revise the fiscal rule to modify the deficit limits and include a debt anchor effective in 2022 (Ley No. 2155, September 2021).

Congo, Republic of

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: Republic of Congo is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Costa Rica

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2020)	Yes	Yes	Central government	Yes	Yes	Yes
Budget balance rule (2001)	Yes	No	Central government	Yes	No	No

National fiscal rules:

- Expenditure rule (since 2020): The expenditure rule, operating as of 2020, limits current expenditure growth to 100, 85, and 75 percent of the average GDP growth over the previous four years when debt two years before (t-2) is below 30, between 30 to 45, and between 45 to 60 percent of GDP, respectively, and total spending growth to 65 percent of the same benchmark when debt two years before (t-2) is above 60 percent of GDP.

- Budget balance rule (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 Financial Management and Public Budget Law (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.

Côte d'Ivoire

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Côte d'Ivoire is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules excluded public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Croatia

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (2012)	Yes	Yes	General government	Yes	Yes	Yes
Budget balance rule (2012)	Yes	Yes	General government	Yes	Yes	No
Debt rule (2009)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

The Croatian Parliament enacted a Fiscal Responsibility Law (FRL) in November 2010, which entered into force in January 2011. In December 2013, the FRL was amended to replace the existing rules with new fiscal rules.

- Expenditure rule (since 2012, revised in 2014): The expenditure rule called for general government expenditure cut 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 implied that real growth in public expenditure cannot exceed potential growth, unless the supplement was financed by specific discretionary measures. The increase in expenditure of the general budget that was directly linked to projects co-financed under the EU pre-accession programs were excluded from the fiscal rules following accession in July 2013.

- Budget balance rule (since 2012, revised in 2014): After the primary balance of zero is reached, the permanent rule constrained the general government's cyclically adjusted primary balance to zero or surplus. In 2014, a structural balance rule was established with a minimum adjustment of 0.5 percent of GDP until the government reached its medium-term objectives (that is, the budget deficit would be less than 3 percent of GDP and public debt would be below 60 percent of GDP).

- Debt rule (since 2009): Besides the rules specified in the FRL, the 2008 organic budget law included a debt rule which specified that the central government debt-to-GDP ratio by the end of the year could exceed that of the previous year only if the ratio did not exceed 60 percent of GDP.

Supranational rules: Croatia is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Cyprus

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2014)	No	No	General government	Yes	Yes	No
Debt rule (2014)	No	No	General government	Yes	Yes	No

National fiscal rules (2014):

- Budget balance rule (since 2014): 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.

- Debt rule (since 2014): 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 exceeds 60 percent of GDP at market prices, and when there is a significant deviation from the medium-term budgetary objective or the adjustment path towards it.

Supranational rules. Cyprus is a member state in the European Union. Please see the supranational fiscal rules of European Union for details.

Czech Republic

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2017)	Yes	No	General government	Yes	Yes	No
Debt rule (2017)	Yes	No	General government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (since 2017): The legislation sets the structural balance limits for the general government, while taking into account the state budget and state funds. The government can then set the expenditures in the budget based on the transformation from the accrual methodology to cash accounting methodology. Past deviations are recorded in a notional correction account, which would impose a tighter fiscal stance in future years. Before 2017, it was considered as a Medium-Term Expenditure Framework, which covered two years beyond the budget year. The central government and state funds were covered by expenditure limits but the government may change the MTEF for the originally second and third years when a state budget bill was introduced, which were not considered as fiscal rules.
- Debt rule (since 2017): The general government debt rule sets two debt thresholds at 55 percent of GDP (adjusted for the cash reserve) and 60 percent of GDP. The law prescribes the actions which are to be adopted when each of these thresholds breached. Local government rule requires the municipalities to hold their debt below 60 percent of GDP of the 4-year average revenues. In case of breaching this level, the municipality is obliged to repay the debt at certain amount. The upper-level governments could withdraw part of shared taxes and use these funds to repay the municipality's debts by the required amount.

Supranational rules. Czech Republic is a member state in the European Union. Please see the supranational fiscal rules of European Union for details.

Denmark

Type of national rules (Start date in bracket)	**Key characteristics** Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1994; 2014)	Yes	Yes	General government	Constitutional	Yes	Partial
Revenue rule (2001-2011)	No	No	General government	Political commitment	Yes	No
Budget balance (1992; 2014)	Yes	No	General government	Constitutional	Yes	No

National fiscal rules:

- Expenditure rule (1994-2006; 2007-11, since 2012, revised in 2014): During 1994-2006, the rule capped the growth of real public consumption growth at 0.5 percent per year, and 1.0 percent during 2002-06. In 2007-08, the rule stipulated the target of public consumption as a percentage of cyclically adjusted GDP and real growth in public consumption. Since 2009, the Convergence Program in Denmark required that public consumption as a share of cyclically adjusted GDP should be reduced to 26.5 percent by 2015, without interim targets in the intermediate years. In 2012, a fiscal rule on public expenditures was introduced to strengthen Denmark's compliance with the SGP. It implied that real growth in public expenditures cannot exceed potential GDP growth, which was a (rough) measure of structural development in the tax base. If growth in expenditures increased beyond potential GDP growth, it must be financed by specific discretionary revenue measures. The Budget Act which came into force in 2014 introduced expenditure ceilings. The ceilings set legally binding limits for expenditures in central government, municipalities, and regions, respectively. The expenditure ceilings were adopted in the parliament and covered a continuous period of 4 years. Improved budget management and economic sanctions supported the compliance with the expenditure ceilings.

- Revenue rules (2001-11): Direct and indirect taxes cannot be raised. Derogation from the rule is allowed if a tax rate is raised for environmental reasons or to fulfill Denmark's EU obligations and if extra revenue is used to reduce other taxes.

- Budget balance rule (since 1992, revised in 2005, 2007, 2009, 2011, 2014): The rule was adopted in 1992, which stipulated the target of the structural balance as a percentage of GDP in the medium term. Although there was no predefined escape clause, the target was revised several times. The 2001 plan by the government envisaged to achieve a target surplus by 2010. The August 2007 plan envisaged a surplus range through 2010 and a target of at least balance in 2011 to 2015. The convergence programme for 2009 had a target of at least balance in 2015. In the 2011 convergence programme, the government targeted a structural general deficit of less than 1/2 percent in 2015 and

a balanced structural budget by 2020. Since 2014, the rules required that 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 in extraordinary circumstances. Moreover, an automatic correction mechanism would be activated in case of a significant projected deviation in a given year from the budget balance requirement. The Danish Economic Council has assessed (annually) whether economic policy adhered to the target of the structural public balance, complied with expenditure ceilings, and whether the adopted expenditure ceilings were consistent with medium term projections for public finances.

Supranational rules: Denmark is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Dominica

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2021)	No	No	General government	Yes	Yes	No
Debt rule (2021)	No	No	General government	Yes	Yes	No

National rules:

- Budget balance rule (since 2021): In November 2021, the Cabinet approved a Fiscal Responsibility Act to transition to a rules-based fiscal responsibility framework. The ceiling will be achieved through a primary balance target of 2 percent of GDP (surplus) by 2026, and from 2027 onwards a primary balance rule of maintaining a 2 percent of GDP primary surplus in all years in which debt to GDP exceeds 60 percent.

- Debt rule (since 2021): The Act establishes a debt ceiling of 60 percent of GDP to be achieved by 2035 (in line with the supranational debt target). In any years in which the cumulative deviation between the actual primary balance and the target primary balance exceeds 2 percent of GDP, corrective revenue and expenditure measures will be undertaken to reduce the difference over the next 3 years, with at least one-third of the adjustment in the first year. Grants and government expenditures which are intended to provide liquidity to the government in the event of natural disasters are exempt from the rules and targets. A Fiscal Responsibility Committee is to be established by March 31, 2025, with Cabinet approved members of the public and private sector, for monitoring compliance with the rules.

Supranational rules: Dominica is a member state of the ECCU, which has adopted the supranational rules since 1998, see details in Section V.

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

Ecuador

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2010)	No	Yes	General government	Yes	Yes	No (Yes before 2020)
Budget balance rule (2003; 2020)	No	Yes	General government	Yes	Yes	No
Debt rule (2003; 2020)	No	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2010, revised in 2020): The expenditure rule states that permanent expenditure cannot be higher than permanent revenue though both are not clearly defined. In exceptional cases where the government deems necessary, non-permanent revenue may be used to pay for permanent spending. 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. In 2020, the expenditure rules were revised. The Ministry of Finance shall determine the annual nominal limit for the increase of eligible primary expenditure for the central government. The limit is expressed in nominal terms and will be calculated by multiplying the eligible expenditure from the prior fiscal year by the long-term economic growth levels established by the central bank. Eligible expenditures shall be defined as primary expenditure, excluding pre-allocations established in Article 298 of the Constitution.

- Budget balance rule (2003-09, since 2020): 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. The rule requires the annual reduction in the non-oil deficit until a balanced budget is achieved. The targets for total primary and non-oil primary balance of the nonfinancial public sector will be set annually starting 2022 in view of achieving the debt anchor.

- Debt rule (2003-09, since 2020): During 2003-09, the debt rule required a reduction of debt to 40 percent of GDP. The rule applied only ex ante, did not bind the outcomes, and did not apply to the supplementary budgets during the year. Public debt must not exceed 40 percent of GDP. The FRL and above rules were superseded by a new 2010 FRL. In 2020, the debt rule was revised to set the ceiling for the consolidated debt of nonfinancial public sector and social security not exceeding the

equivalent of 40 percent of GDP, and established a transitory debt path as 57 percent of GDP by 2025, 45 percent by 2030, and 40 percent by 2032.

Escape clause: When the projected annual economic growth is 2 percentage points less than long-term economic growth and a negative output gap is expected, an additional space of up to 1 percent of GDP per year may be added to the nominal annual increase in eligible primary expenditure in the application of countercyclical fiscal policy, for a maximum of two consecutive cumulative years, when duly justified, provided that the measures are fully offset during the two years following the application, and that the nominal target initially established for the last year of the compensation is restored. The annual nominal change in eligible primary expenditure shall be consistent with the targets established for total and non-oil primary balance.

Equatorial Guinea

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: Equatorial Guinea is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Estonia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1993, 2014)	Yes	Yes	General government	Yes (statutory and coalition agreement)	No	No

National fiscal rules (1993):

- Budget balance rule (since 1993): It required a balanced budget for the general government and eventually evolved to account for the cyclical components. 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. The structural budget balance rule is supported by one paragraph (116) in the Constitution. The rule has also been stated in all State Budget Strategies as well as coalition agreements. A debt rule for local governments has only been in place since 1997 but it is not recorded in the database as it does not capture subnational governments. Under the "fiscal compact" signed March 1, 2012, the government committed 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 provided details about the rule and the automatic adjustment as well as the establishment of a Fiscal Council.

Supranational rules. Estonia is a member state in the European Union. Please see the supranational fiscal rules of European Union for details.

Finland

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2003)	Yes	No	Central government	Coalition agreement	No	Partial
Budget balance rule (1999; 2011)	Yes	No	Central government	Coalition agreement	Yes	No
Debt rule (1995; 2011)	Yes	No	Central government	Coalition agreement	No	No

National fiscal rules

- Expenditure rule (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).

- Debt rule (1995-2006; since 2011): There is a political commitment to achieve a substantial reduction in the central government debt to GDP ratio. Moreover, the government is committed to adjust if the central government debt to GDP ratio is not shrinking or if the deficit stands above 1 percent of GDP. During 1995-2006, the central government debt must be reduced over the legislative period.

- Budget balance rule (since 1999, revised in 2011): A target (rule) for structural balance of the central government has been in place since 1999. During 2007-2011, the government targeted a structural surplus of 1 percent of potential GDP. Cyclical or other short-term deviations allowed, if they do not jeopardize the reduction of the debt ratio but central government deficits cannot exceed 2.5 percent of GDP. The government decided in February 2009 to deviate temporarily from the deficit ceiling if structural reforms were undertaken. Since 2011, a target (rule) for the nominal budget deficit was set at 1 percent of GDP. Law 869/2012 transposed the fiscal compact signed in December 2012 and a structural balance rule into finish law effective January 1, 2013. According to the law, the government set the medium-term budgetary objectives 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. Finland is a member state in the European Union. Please see the supranational fiscal rules of European Union for details.

France

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1998)	Yes	No	Central government and social security	Yes	Yes	No
Revenue rule (2006; 2011)	Yes	No	Central government and social security	Yes	No	No
Budget balance rule (2012)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (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.

- Revenue rule (since 2006; revised 2011): The central government and social securities defined ex ante the allocation of higher than expected tax revenues. 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).

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

Supranational rules: France is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Gabon

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: Gabon is a member state in the CEMAC, which adopts supranational fiscal rules since 2002 (see Section V).

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

Georgia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2013)	Yes	No	General government	Constitutional	Yes	No
Budget balance rule (2013)	Yes	No	General government	Constitutional	Yes	No
Debt rule (2013)	Yes	No	General government	Constitutional	Yes	No

National fiscal rules (2013):

- Expenditure rule (from 2013; phased out in 2018): The ratio of 'expenditures and increase in non-financial assets' to GDP of the consolidated budget shall not exceed 30 percent. The expenditure rule was phased out in 2018.

- Budget balance rule (from 2013): The ratio of the consolidated budget deficit to GDP shall not exceed 3 percent.

- Debt rule (from 2013): The ratio of the State Debt to GDP shall not exceed 60 percent.

Germany

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1982)	No	No	Central government + regional government	Political commitment	No	No
Budget balance rule (2009)	Yes	Yes	Central government	Constitutional	Yes	No

National fiscal rules:

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

- Balance budget rule (since 1969; revised in 2009): Until 2011, a "golden rule" for the central government was in place (beginning 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. In June 2009, a structural balance rule, also known as a debt brake, was enshrined in the constitution. After a transition period, it will take full effect in 2016 for the Federal government and 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 that started in 2011; for the Laender a transition had not yet started in earnest till 2011. Unexpected deviations from the annual deficit threshold of 0.35% are recorded in a control account and uses subsequently in the subsequent budget. During 2020-21, an escape clause for German debt brake was activated in response to the COVID-19 pandemic though one also exists under the EU-wide escape clause.

Supranational rules: Germany is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Greece

Type of national rules (Start date in bracket)	Key characteristics Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2011)	Yes	No	Central government	Yes	No	No
Budget balance rule (2014)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (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.
- Budget balance rule (since 2014): Under the "fiscal compact", the government committed 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: Greece is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Grenada

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2015)	Yes	Yes	General government	Yes	Yes	Partial
Budget balance rule (2015)	Yes	Yes	General government	Yes	Yes	No
Debt rule (2015)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules (2015):

In June 2015, Grenada's parliament approved fiscal responsibility legislation that will transition Grenada to a rule-based fiscal framework.

- Expenditure rule (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. Projects financed by grants and the National Transformation Fund are exempted from the expenditure rule.
- Budget balance rule (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.
- Debt rule (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 2035. The debt ceiling will be achieved through a primary balance target implemented with an expenditure rule.

Supranational rules (1998):

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP."

Guinea Bissau

Type of **national rules** (Start date in bracket)			**Key characteristics**			
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Guinea Bissau is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules exclude public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Hong Kong SAR

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1997)	No	No	General government	Basic Law	No	No

Budget balance rule (since 1997): Article 107 of the Basic Law stipulates that The Hong Kong Special Administrative Region shall follow the principle of keeping the 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 bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2010)	Yes	No	General government	Yes	No	No
Budget balance rule (2004, 2009-2010, 2015)	Yes	Yes	General government	Yes	Yes	No
Debt rule (2016)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rules (2010-11): In November 2008, Hungary adopted a law that foresaw a primary budget balance rule and a real debt rule to take effect in 2012. The transitional expenditure rule called for limited real expenditure growth in 2010 and 2011. These rules were eventually abandoned with the Economic Stability Law (December 2011), which eliminated the 2008 fiscal responsibility law.

- Budget balance rule (2004-09, 2010-11; since 2015): The rules in 2004-09 required a primary surplus target. In November 2008, Hungary adopted a law that foresaw a primary budget balance rule and a real debt rule to take effect in 2012. The transitional deficit rule called for a reduction of budget deficits (in percent of GDP) These rules were eventually abandoned with the Economic Stability Law (December 2011), which eliminated the 2008 fiscal responsibility law. The budget balance rule was stipulated in the legislation 2015.LXXI tv2.

- Debt rule (since 2016): The new Constitution, adopted in April 2011 and taking effect in 2012, contained a separate public finance chapter, renewing the entire rules-based set-up by establishing a constitutional debt limit of 50 percent of GDP. A separate provision specified that until this debt ceiling is achieved the "public debt stock must be reduced". The debt rule 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 below 50 percent of GDP – came into effect in 2016 and the debt reduction was temporarily suspended when real GDP contracted. The debt rule can also be temporarily suspended during the introduction of a special legal order (state of national crisis, state of emergency, state of preventive defense, state of terrorist threat, unexpected attack, and state of danger).

The Fiscal Council, initially established in 2009, to monitor the implementation of the budget balance rule, was reorganized in 2011. The staff was replaced by the support from the dedicated staff of the central bank and the State Audit Office, as well as other research entities.

Supranational rules. Hungary is a member state in the European Union. Please see the supranational fiscal rules of European Union for details.

Iceland

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2004)	No	No	Central government	Political commitment	No	No
Budget balance rule (2016)	Yes	Yes	Central government	Yes	Yes	No
Debt rule (2016)	Yes	Yes	Central government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (2004-08): The de-facto rules limited the real expenditure growth of the central government (2 percent for public consumption and 2.5 percent for transfers). In practice, the fiscal rule served as a guidepost during the period although in some years these limits were exceeded and were discontinued (after the bank crisis) from 2009 onwards.

- Deficit rule (since 2016): The Law on Public Finance specified that the 5-year rolling sum of budget deficits must not be less than zero and that the deficit must not exceed 2.5 percent of GDP in any given year. An escape clause provided for exemptions from the rule in cases of extreme shocks, subject to parliamentary approval.

- Debt rule (since 2016): The Law on Public Finance was adopted at end-2015 which provided for the introduction of numerical limits on general government net debt and the budget deficit. Specifically, the general government net debt defined as gross debt less cash cannot exceed 30 percent of GDP. In case net debt exceeds this target, the annual improvement in the overall balance must be at least 1/20th of the excess.

India

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2004; 2012)	Yes	No	Central government and state governments	Yes	Yes	No
Debt rule (2018)	Yes	No	General government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (2004-08, since 2012, revised in 2015, 2018): The current primary balance target was defined in the Fiscal Responsibility and Budget Management Act. Originally the target was to reduce the fiscal deficit to 3 percent of GDP by 2008. During the global financial crisis, the deadlines were extended and eventually the rule was suspended in 2009. In 2011, given the process of ongoing recovery, the 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) allowed the government not to comply with the targets in exceptional circumstances "as the central government may specify." In 2012, the authorities modified the FRBM Act and rules to re-establish a deficit reduction path aiming to achieve the original medium-term target of 3 percent of GDP by 2014/15. There were several other amendments to the FRBMA including (i) the introduction of a current balance rule which excludes grants to states for capital expenditure; (ii) a revised current balance target; (iii) requirement to submit a MTEF; (iv) providing for central government to ask periodically the Comptroller and Auditor-General of India to review compliance with the rule. In 2015, the government revised the FRBMA to postpone the achievement of the quantitative targets from FY2014/15 to FY2017/18. In 2016 the government constituted a committee to provide recommendations on how to revise the FRBMA. Most of the recommendations of the committee were incorporated into FRBMA in 2018. It revised to overall fiscal deficit as the operational target and extended the horizon for achieving the fiscal deficit target to FY2020/21. Clarifications were made on the escape clauses in which the government was allowed to breach the deficit targets, which included a provision for reducing the fiscal deficit by at least one quarter percent of GDP if growth is significantly higher than last year. During the pandemic, the government activated the escape clause and suspended temporarily the fiscal rules.

- Debt rule (since 2018): In 2016 the government constituted a committee to provide recommendations on how to revise the FRBMA. Most of the recommendations of the committee were incorporated into the FRBMA in 2018. It required the government to adopt a debt target for central and general government at 40 and 60 percent of GDP, respectively. It set the horizon for achieving the debt target by FY2024/25 and expanded the scope of central government debt.

Indonesia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1967)	No	No	General government	Coalition agreement	No	No
Debt rule (2004)	No	No	General government	Coalition agreement	No	No

National fiscal rules:

- Budget balance rule (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 number 17 in 2003.
- Debt rule (since 2004): Total central and local government debt should not exceed 60 percent of GDP.

The fiscal rules were temporarily suspended through Law number 2 in 2020 in accordance with Article 42 in the 1945 Constitution, which allows the government to introduce a regulation in Lieu of Law in the case of compelling emergency under legislative supervision.

Iran

Type of **national rules** (Start date in bracket)	Key characteristics Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Revenue rule (2010)	Yes	Yes	Central government	Political commitment	No	No
Debt rule (2016)	Yes	Yes	Central government	Political commitment	No	No

National fiscal rules:

- Revenue rule (since 2010): The rule requires that 14.5 percent of oil revenues should go to the national oil company (NIOC) and another 20 percent of oil revenues should go to the National Development Fund (NDF), a sovereign wealth fund, and this share should increase by 3 percentage points each year. The remaining will be government share. The rule was proposed in the "General Policies of the 5th Development Plan" issued by the Supreme Leader of Iran and then it was included in the 5th Development Plan Law. It was 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 an escape clause ahead of the preparation of the 2015 budget through Supreme Leader's orders and permissions. Such orders are binding for government and parliament. The NDF share is started to increase to 30 percent in 2018 and increase by 2 percent points annually after that. Due to ongoing sanctions, the 2021 budget set the NDF share to 38 percent if crude oil exports surpass one million barrels per day. Otherwise, the NDF share would be decreased to 20 percent, with the 18-percentage point gap considered as government's debt to NDF and should be settled in the future.

- Debt rule (since 2016): The Article 8 of the 6th Development Plan (2016-21) sets a ceiling of 40 percent for the public debt-to-GDP ratio, including the debt of SOEs. The Note to the article allows this ratio to be raised to 45 percent under the discretion of the Minister of Finance and the approval of the Cabinet. Under certain emergency conditions, the government can also propose to raise the said ratio to 50 percent, subject to approval of the Islamic Consultative Assembly.

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 bracket)	Monitoring outside government	Formal enforcement procedures	**Key characteristics** Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2004)	Yes	Yes	General government	Political commitment	No	No

National fiscal rules:

- Budget balance rule (since 2004, revised in 2012): The Fiscal Responsibility Act, approved by the parliament in November 2012, put in place a Fiscal Advisory Council on a statutory basis. The Act codified 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). The fiscal rules established in the Act would not be binding until Ireland exited the excessive deficit procedure (EDP).

Supranational rules: Ireland is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Israel

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2005)	Yes	No	General government	Yes	No	No
Balance budget rule (1992)	Yes	No	General government	Yes	No	No

National fiscal rules:

- Expenditure rule (since 2005, revised in 2009, 2010, 2014): 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 in 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) made 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 capped 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).

- Budget balance rule (since 1992, revised in 2009, 2010): The DRL set 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 each year, the medium-term path of the deficit targets was revised.

The law specified that the more restrictive of the expenditure and deficit rules would apply when there has been a divergence between the two.

Italy

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Balance budget rule (2014)	Yes	No	General government	Constitutional	No	No

National fiscal rule

- Balance budget rule (since 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: Italy is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Jamaica

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2010)	No	Yes	General government	Yes	Yes	No
Debt rule (2010)	No	Yes	General government and public bodies	Yes	Yes	No

National fiscal rules:

- Budget balance rule (since 2010, revised in 2014 and 2017): The fiscal responsibility framework was first approved in March 2010. It required the government to reduce the fiscal balance to zero by the end of fiscal year ending March 31, 2016. The fiscal rules were revised in 2014 to attain an overall fiscal balance by the end of the fiscal year ending March 31, 2018. The government set the primary deficit at 7 percent of GDP since 2017.

- Debt rule (since 2010, revised in 2014 and 2020): It required a reduction of total government debt to 100 percent of GDP or less by the end of the fiscal year ending March 31, 2016. Beyond 2016, the framework envisaged to maintain or improve the targets. The revision in 2014 set the rules to bring debt down to 60 percent of GDP or below by fiscal year 2025-26. The framework also included a disposition to limit loan value related to public-private partnership with a cumulative ceiling of 3 percent of GDP. In 2020, the debt rule kept the debt target at 60 percent of GDP but aimed to achieve it by fiscal year 2027-28.

The fiscal rules specified above had an escape clause that the rules could be deviated on the grounds of national security, national emergency, or such other exceptional grounds, as the Finance Minister may specify in an order subject to affirmative resolution. It also had a correction mechanism, whereby annual deviations are stored in a notional account. When this exceeds a threshold, annual adjustments have to be implemented to get back to the fiscal rules. The authorities activated the escape clause in 2020 for one year to make space for fiscal support measures during COVID-19.

Japan

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
			Key characteristics			
Expenditure rule (2006; 2010, 2015, 2018)	No	No	Central government	Political commitment	No	No
Balance budget rule (1947, 1998)	No	No	Central government	Yes	No	Yes

National fiscal rules:

- Expenditure rule (2006-09; 2010-13, 2015-18): In 2006, the government set numerical targets (cabinet decision) by spending category (e.g., public investment, social security, and others). 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. 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 was removed in 2013. Commitments to expenditure ceilings restarted in 2015, with stipulation of an increase of 1.6 trillion Yen till FY2018. But these remained cabinet decisions per government pronouncements in Basic Policy on Economic and Fiscal Management. There are no quantitative restrictions on aggregate government expenditure ceilings beyond FY2018 and are therefore not counted as expenditure rules from FY2018 onwards.

- Balance budget rule (1947, revised in 1998): Since 1947, the Public Finance Law (Article 4) included a golden rule under which current expenditure shall not exceed domestic revenues. Investment is excluded under a golden rule but included in the overall deficit. Since 1975, except the period of 1990-1993, the government requested a waiver of this rule. The Fiscal Structure Reform Act adopted in 1997 specified the need to reduce overall general government deficit (excl. Social security Fund SSF) to no more than 3 percent of GDP and that government bonds are not issued for current spending by FY2003 but it was scrapped in 1998 following the recession and change of government. Subsequent cabinet decisions focus on moving the deficit gradually to primary surpluses by FY2020 as stipulated in the Basic Policy on Economic and Fiscal Management (2015). However, achieving a primary surplus target by FY2020 was deemed difficult (Basic Policy on Economic and Fiscal Management, 2018). Accordingly, starting in 2018, the date of achieving a primary surplus target was shifted to FY2025. The cabinet decisions have also been accompanied over the years by a

commitment to gradually reduce debt-GDP ratio. Cabinet decisions do not involve imposing quantitative restrictions on the level of debt and the pace of debt reductions and are therefore not counted as debt rules based on the criteria used in the Manual.

- Pay-as-you-go (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. This has become important due to the need to account for spending associated with an aging population. Since pay-as-you-go rules do not capture a large share of public finances, they are not considered fiscal rules based on the criteria used in the Manual.

Kazakhstan

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Budget balance rule (2013)	No	No	General government	Yes	No	No
Debt rule (2013)	No	No	General government, central bank, quasi-sovereign entities	Yes	No	No

National fiscal rules:

The presidential decree "On the Concept for a New Fiscal Policy," No. 590 (2013) established the fiscal rule framework. Later the 2016 presidential decree "On the Concept for the Formation and Use of the Funds of the National Fund of the Republic of Kazakhstan," No. 385 (2016) added four fiscal rules on budgetary aggregates and two operational rules on the transfer of National Fund of the Republic of Kazakhstan (NFRK) to the budget.

- Budget balance rule (since 2013, revised in 2016): The rules required that the state budget deficit was to be reduced to 1 percent of GDP from 2018. The 2016 decree added new additional budget balance rules to require that the nonoil deficit of the Republican Budget as a share of GDP was subject to annual limits, on a declining path, set through 2025.

- Debt rule (since 2013, revised in 2016): The debt rule required that the state debt (comprising central and local governments, the National Bank of Kazakhstan NBK, and debt of quasi-sovereign entities) was to be kept below 60 percent of GDP. Since 2020, the state debt and central government debt limits were set at 27 percent and 25 percent of GDP, respectively. The 2016 decree added a new debt rule which required government debt (including government-guaranteed debt) and the external debt of the quasi-sovereign entities to be kept below the foreign exchange assets of the oil fund NFRK. It also restricted the debt service of the Republican Budget to be kept below 15 percent of budget revenue. Assets of the NFRK should exceed a floor of 30 percent of predicted GDP at the end of the year.

Two operational rules were established in the 2016 decree on the annual NFRK guaranteed transfers to the state budget. The decree required (i) a declining path for the maximum annual size of NFRK transfers for 2017–19, set in local currency, rather than U.S. dollars, followed by an annual limit of KZT 2 trillion from 2020 onward; and (ii) targeted transfers can be allocated only by Presidential decision to finance anti-crisis programs during economic downturns or slowdowns in economic growth.

Kenya

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Revenue rule (1997)	No	No	Central government	Political commitment	No	No
Debt rule (1997)	No	No	Central government	Political commitment	No	No

National fiscal rules:

- Debt rule (since 1997, revised in 2019): The Fiscal Responsibility Principles for the national government were set in the Public Financial Management Act 2012 with further elaboration in a Legal Notice in 2015, which were subsequently amended in 2019. This set a numerical limit to the total public debt of Kshs 9 trillion. Before 2019, the debt rule was set as maximum debt level of 50 percent of GDP in net present value terms. However, both specifications proved to be non-binding. Moreover, the government overdraft at the central bank is limited to 5 percent of previous year revenue.
- Revenue rule (since 1997): Maintaining revenue at 21-22 percent of GDP.

Supranational rules (2013): Kenya is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Kosovo

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2006)	No	No	General government	Political commitment	No	Yes
Budget balance rule (2013)	Yes	Yes	General government	Yes	Yes	Yes (since 2016)
Debt rule (2010)	Yes	No	General government	Yes	No	No

National fiscal rules:

- Expenditure rule (2006-08): The rule set a 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 to current spending, but the rule was not adhered to. From 2009 the rule was formally in force only for municipalities.

- Budget balance rule (since 2013, revised in 2015): The rule set an 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. The 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, the 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.

- Debt rule (since 2010): The rule set a debt limit of 40 percent of GDP existed since the adoption of the Law on Public Debt in 2010 but it did not provide operational guidance since the debt is far below that ratio. In December 2015, the parliament adopted an amendment that included a debt limit of 30 percent of GDP.

Latvia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2014)	Yes	Yes	General government	Yes	Yes	No
Budget balance rule (2013)	Yes	Yes	General government	Constitutional	Yes	No
Debt rule (2013)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

Under the "fiscal compact" signed March 1, 2012 (ratified in May 2012), the government adopted a structural budget balance rule which constrains the structurally adjusted fiscal deficit to 0.5 percent of GDP or less and came into force on March 6, 2013.

- Expenditure rule (since 2014): Expenditure, excluding GDP deflator (inflation), cannot increase faster than growth of potential GDP.
- Budget balance rule (2013): The rules constrained the structurally adjusted fiscal deficit to 0.5 percent of GDP or less.
- Debt rule (since 2013): In accordance with the European Council Regulation, debt to GDP cannot exceed 60 percent of GDP.

Supranational rules: Latvia is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Liberia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Debt rule (2009)	No	No	General government	Yes	No	Yes

National fiscal rules (2009):

- Debt rule (since 2009): The Public Financial Management Act of 2009 and the accompanying regulations introduced a debt ceiling rule limiting public debt to 60 percent of GDP and requiring that any borrowing be used to finance capital spending only.

Lithuania

Type of **national rules** (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2008)	Yes	Yes	Central government	Constitutional	No	No
Budget balance rule (2015)	Yes	Yes	General government	Constitutional	Yes	No

National fiscal rules

- Expenditure rule (since 2008, revised in 2012, 2015): If the general government budgets recorded a deficit on average over the past 5 years, the annual growth of the budget appropriations may not exceed a half of the average growth rate of the budget revenue of those 5 years. The central government deficit of the budget shall be reduced by excess revenue of the current year. The expenditure was revised and entered into force in 2015. If the general government 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 percent of the average multiannual growth rate of potential GDP. In addition, it also set limits on net borrowing of central government.

- Budget balance rule (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: Lithuania is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Luxembourg

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1990)	Yes	No	Central government	Coalition agreement	No	No
Budget balance rule (2014)	Yes	Yes	General government	Yes	No	No
Debt rule (1990; 2004)	Yes	No	General government	Coalition agreement	No	No (Yes before 2004)

National fiscal rules:

- Expenditure rule (1990-2013): In the course of the legislative period (per coalition agreement), public expenditure growth was maintained at a rate compatible with the medium-term economic growth prospects which is quantified. Since 2010, the target was to bring expenditure growth back to the medium-term growth prospects once the countercyclical response to the crisis has been phased out. The expenditure rule was abandoned as of 2014.

- Budget balance rule (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 an adjustment path towards the MTO (structural deficit equal or lower than 0.5% of GDP by 2018).

- Debt rule (1990-2003; since 2004): Since 2004, the general government debt is kept at a level substantially below limits foreseen in the Stability Growth Pact. During 1990-2003, the central government 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).

Supranational rules: Luxembourg is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Malaysia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1959)	Yes	No	Central government	Yes	No	Yes
Debt rule (1959)	Yes	No	General government	Yes	No	No

National fiscal rules (1959):

- Budget balance rule (golden rule) (since 1959): The 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 paid into the Development Fund and usage of the funds is specified under Schedule 2 of the Development Funds Act 1966. The 12th National Plan committed to a deficit target of 3-3.5 percent of GDP by 2025.

- Debt rule (since 1959, revised in 2003, 2008, 2009, and 2020): The Loan (Local) Act 1959 and Government Funding Act 1983 capped 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 syndicated loans raised within the country). The targets were revised to 40 percent of GDP in 2003, 45 percent of GDP in 2008 and 55 percent of GDP in 2009). 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. With the government policy of focusing toward domestic sources of financing, the 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). The government raised the debt limit in 2020 from 55 to 60 percent of GDP and again to 65 percent of GDP until 2022.

There are no formal sanctions in case the government breaches these rules, and the government has formally always complied with all the rules.

Maldives

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2013)	Yes	No	Central government	Yes	Yes	No
Debt rule (2013)	Yes	No	General government	Yes	Yes	No

National fiscal rules:

The Fiscal Responsibility Act (FRA) (approved in May 2013) included several main components of numerical fiscal rules:

- Budget balance rules (since 2013): The rules required the overall deficit to reduce to 3.5 percent of GDP and maintained at that level thereafter, as well as requiring the government to maintain a primary surplus from 2016 onwards. The FRA also imposed limits on short-term borrowings by government from the Maldives Monetary Authority, and borrowings since June 2016 could only be used to finance investment projects. The FRA also includes provisions to limit guarantees and the participation in state-owned enterprises (SOEs) and establishes a fiscal reserve for contingency purpose.

- Debt rule (since 2013): It requires government debt, including government guarantees, not to exceed 60 percent of GDP.

There are also various loan limits in the Fiscal Responsibility Act (FRA), including (i) the loan balance for National development projections has to be larger than the levels in 2016; (ii) loan guarantees not exceeding the limit set by the Minister in the annual budgets; and (iii) advances from monetary authority to be repaid within 91 days should not exceed 1 percent of the 3-year moving average GDP level. These loan limits are not recorded in the database as they restricted the sources of financing and less on fiscal aggregates.

Mali

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
N.A.						

Supranational rules (2000, revised in 2015): Mali is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules exclude public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Malta

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Budget balance rule (2014)	Yes	Yes	General government	Constitution	Yes	No
Debt rule (2014)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (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.

- Debt rule (since 2014): The 2014 Fiscal Responsibility Act Articles 7-9 specified a debt limit at 60 percent of GDP at market prices.

Supranational rules: Malta is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Mauritius

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Debt rule (2008)	No	Yes	General government	Yes	Yes	No

National fiscal rules:

- Debt rule (since 2008, revised in 2010, and repealed in 2020): The fiscal rules were defined in the 2008 Public Debt Management Act (PDMA). It underpinned a legally-mandated ceiling on debt at 60 percent of GDP until 2017 (initially target date by 2013 and was revised to 2017 in 2010). The debt ceiling was set to 60 percent of GDP since 2018. During the pandemic, the authorities repealed the debt rule to allow for support measures in response to COVID-19. Without an explicit debt anchor, the authorities laid out medium-term plans to reduce debt to less than 80 percent of GDP by the end of 2025 and to less than 70 percent by 2030.

Mexico

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (2014)	No	Yes	Central government	Yes	No	Partial
Budget balance rule (2006, revised in 2013)	No	Yes	Central government	Yes	Yes	Yes

National fiscal rules:

- Expenditure rule (since 2014): The 2013 amendment to the FRL, effective since 2014, provided 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). The cap, set initially at 2 percent, is a measure of the potential output growth (average of past and projected growth rates).

- Budget balance rule (since 2006, revised in 2013): A balanced budget on a cash basis was established in the FRL. It applied 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 included a reference price for oil that was set by a formula and a system of four stabilization funds, including an oil stabilization fund. Since FY2009, 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 2006 Law included sanctions for noncompliance. An escape clause stipulated that under exceptional circumstances there could be a budget deficit. The escape clause was used in 2010, 2011, 2012, 2014, 2015, and 2016.

  In 2013, the government also specified a requirement on public sector borrowing beginning 2014. The PSBR target was introduced to strengthen the link between the fiscal balance and public debt dynamics. It included all public sector entities except subnational governments and the central bank. Current legislation does not specify a long-term ceiling for the PSBR but instead required that a target for the current year and indicative targets for the medium-term were specified in the budget documents. The level of the PSBR target would be set to achieve a non-increasing path of net public debt as a percentage of GDP.

Mongolia

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2013)	No	Yes	Central government	Yes	Yes	No
Budget balance rule (2013)	No	Yes	Central government	Yes	Yes	No
Debt rule (2014)	No	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (2013): Under the Fiscal Stability Law (FSL), which was enacted in 2010, expenditure growth cannot exceed the growth of non-mineral GDP from 2013.

- Budget balance rule (2013, revised in 2015, 2016, 2017): The structural deficit 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.

- Debt rule (since 2014, revised in 2015, 2016, 2017, 2018, 2019, 2020, 2021): 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). Amendments to the debt ceiling in the Fiscal Stability Law occurred in every year since 2015.

Montenegro

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2014)	No	Yes	Central government	Yes	No	No
Debt rule (2001)	No	Yes	Central government	Yes	No	Yes

National fiscal rules:

- Budget balance rule (since 2014): A fiscal rule was approved in 2014 to embrace the Maastricht deficit and debt limits. The Maastricht criteria included a fiscal deficit limit of 3 percent of GDP at market prices. If the deficit deviated from the limit, the formal procedure requires the government to outline the measures to be implemented within roughly 60 days of the day of established deviation to bring the deficit back to the prescribed level.

- Debt rule (since 2014): The debt rule requires the general government debt below 60 percent of GDP. It was adopted in 2014 in line with the Maastricht criteria. If debt exceeds the limit, the government would need to propose to the Parliament a multi-year reduction of expenditures. Limits can be breached if large development projects are being financed.

Namibia

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2010)	No	No	Central government	Coalition agreement	No	No
Debt rule (2001)	No	No	Central government	Coalition agreement	No	No

National fiscal rules:

- Expenditure rule (since 2010): The ceiling on government expenditure was set at 30 percent of GDP, which was revised to less than 33 percent of GDP as part of response to the pandemic.

- Debt rule (since 2001): The public debt limit was set at a range of 25-30 percent of GDP annually, which was revised to 35 percent of GDP. Debt servicing has been capped at less than 10 percent of revenues, while contingent liabilities should be capped at less than 10 percent of GDP.

The Netherlands

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	**Key characteristics** Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1994)	Yes	Yes	General government	Coalition agreement	No	No
Revenue rule (1994)	Yes	Yes	General government	Coalition agreement	No	No
Budget balance rule (2014)	Yes	No	General government	Yes	No	No

National fiscal rules.

- Expenditure rule (since 1994, revised in 2009): Real expenditure ceilings were fixed for total expenditure (covering central government, health care and social security; covers about 90 percent of general government 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 were forecast, the Minister of Finance would propose corrective action.

- Revenue rule (since 1994, revised in 2011): At the beginning of the electoral period, the coalition agreed on the desired development of the tax base and tax rates. The multi-year path then depended entirely on economic developments. Any additional tax relief needed to be compensated through 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 general government 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 provided the independent macroeconomic assumptions.

- Budget balance rule (2014): The Sustainable Public Finance Law in April 2013 introduced a structural balance rule in line with the provision of the fiscal compact. The rule did not however specify a correction mechanism or escape clauses and was subject to monitoring by the Council of State.

Supranational rules: The Netherlands a is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

New Zealand

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Budget balance rule (1994)	No	No	Central government	Yes	No	No

National fiscal rules and framework:

The Public Finance Act (PFA) is the key legislation and sets out the principles for responsible fiscal management. The framework requires governments to set their fiscal objectives in accordance with principles of fiscal responsibility in a transparent manner. The government considered it had a large degree of ownership to the framework, which has provided reputational incentives for its compliance.

- Budget balance rule (since 1994): The PFA included the principal framework for the budget balance and debt. Under the framework, the government is committed 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.

The framework also requires the government to reduce debt to prudent levels and, once this is achieved, maintain prudent debt levels on average over a reasonable period. The framework also specifies the government objective to achieve and maintain levels of total net worth that provides a buffer that may impact adversely on total net worth in the future. The debt objective has been a key fiscal anchor. In case of deviations from the principles, the government needs to specify the reasons. The PFA requires governments to specify the fiscal indicative targets for 3-year and 10-year objectives, typically in percent of GDP. New Zealand had quantitative debt targets (net core crown debt at 15-25 percent of GDP) in the fiscal strategy for the short term (3-year horizon) and long term (10-year horizon). As the legislation does not specify a quantitative rule for debt, the requirement for indicative targets is not considered a fiscal rule under the definition in the dataset

During the pandemic, New Zealand suspended the quantitative targets but remained committed to reduce or maintain debt at prudent levels. The government considered the current net debt level was prudent.

Niger

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
N.A.						

Supranational rules (2000, revised in 2015): Niger is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules exclude public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Nigeria

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2007)	No	No	Central government	Yes	No	No

National fiscal rules:

- Budget balance rule (since 2007): The overall deficit ceiling was set at 3 percent of GDP.

The authorities indicated to bring the deficit down below the ceiling by end 2022 and intended to keep the deficit at about 2½ percent of GDP in 2023.

Norway

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2001, 2017)	No	No	Central government	Political commitment	No	No

National fiscal rules:

- Budget balance rule (since 2001, 2017): The non-oil structural deficit of the central government should reflect the expected return of the Government Pension Fund Global (GPFG), which was estimated to be 4 percent, in the long run. In 2017, the rate of return on GFPG assets was lowered to 3 percent, reflecting a downward revision of the fund's expected real rate of return. The fiscal guidelines have allowed deviations from the rule over the business cycle to both directions. As a result, large movements in the fund's value, such as in 2019–20, are intended to be smoothed over several years, based on a forward-looking assessment of the GPFG's real rate of return.

Pakistan

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2005)	No	No	Central government	Yes	Yes	No
Debt rule (2005)	No	No	Central government	Yes	Yes	No

National fiscal rules (since 2005):

The Fiscal Responsibility and Debt Limitation (FRDL) Act adopted in 2005 set out the principles of sound management of public finances. Numerical targets were specified for the budget balance and debt but in practice fiscal policy has not been fully 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.

- Budget balance rule (since 2005, revised in 2016): The FRDL Act required a balanced (current) budget by 2008 and surplus thereafter. The 2016 revision to the FRDL Act imposed 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.

- Debt rule (since 2005, revised in 2016): The 2005 FRDL Act stipulated a reduction of debt to GDP ratio to 60 percent of GDP by 2013, and then a further reduction by no less than 2.5 percent of GDP per year. The 2016 revision to the FRDL Act maintained the limit of 60 percent of GDP on the general government debt until FY2017/18 and adopted a 15-year transition path towards achieving 50 percent of GDP.

Panama

Type of **national rules** (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2002; 2009)	No	No	General government	Yes	Yes	No
Debt rule (2002; 2009)	No	No	General government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (2002-07, since 2009, revised in 2012 and 2020): In 2002, the budget balance rule was adopted as part of the Fiscal Responsibility Law (FRL). Nonfinancial public sector deficit ceiling of 1 percent of GDP (excluding Panama Canal Authority) was established but could be waived in case of real GDP growth of less than 1 percent. In that case, the 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. 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. The FRL set the deficit limits of the nonfinancial public sector (excluding Panama Canal Authority) at 1 percent of GDP and indicative target public net 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 was 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. In 2012, the revised Fiscal Social Responsibility Law (June 2012) and the Savings Fund of Panama Law (2012) introduced the concept of an "adjusted balance" of the non-financial public sector (NFPS) for which a statutory limit is set. It was 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 would be transferred into the FAP. Should deposits fall short of 3.5 percent but higher than 3 percent of GDP, the government can borrow the difference. From 2012-14, the fiscal rule 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. An escape clause was introduced. In October 2020, as a result of the COVID-19, the rule underwent a new major modification, consisting of a new medium-term anchor on budget balance (deficit of 1.5 percent of GDP from 2025 onwards) and a new path of intermediate objectives towards the anchor. Targeted deficits are 10-10.5 percent of GDP in 2020, 7-7.5 percent in 2021, 4 percent in 2022, 3 percent in 2023, and 2 percent in 2024.

- Debt rule (2002-07, since 2009): A debt rule was adopted as part of the Fiscal Responsibility Law (FRL) with a debt ceiling at 40 percent of GDP 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. Since 2009, the date for reaching the debt target was extended from 2014 to 2017.

Paraguay

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2015)	Yes	Yes	Central government	Yes	No	No
Debt rule (2015)	Yes	Yes	Central government	Yes	No	No

- Budget balance rule (since 2015): The Fiscal Responsibility Law (FRL) enacted in 2013 introduced 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.

- Expenditure rule (since 2015): The Fiscal Responsibility Law (FRL) enacted in 2013 caps the real growth of budgetary primary spending at 4 percent per annum, starting with the 2015 budget.

The government activated the escape clause in 2020, which allowed the deficit to rise to 3 percent of GDP. In addition, the government suspended the deficit rule, adopted a larger deficit, and planned to return to the rules by 2024.

Peru

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2000, 2002 2012)	Yes	No	Central government	Yes	Yes	No
Budget balance rule (2000, 2009, 2013)	Yes	Yes	Central government	Yes	Yes	No
Debt rule (2013)	Yes	Yes	Central government	Yes	No	No

National fiscal rules:

- Expenditure rule (since 2000; revised in 2012 and 2013): The real growth current expenditure ceiling was set at 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. 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, the application of the expenditure rule was waived. Law No. 30099 established that the non-financial expenditures of national government cannot exceed the limit consistent with the guidelines of the structural balance set by the macro-fiscal policy statement. Expenditure rules were reintroduced, imposing ceilings on real (non-interest and current) expenditures of the general government. The ceiling on the expenditure rules is determined using as reference a (-15, +5) centered moving average of yearly real GDP growth.

- Budget balance rule (since 2000, revised in 2013): The deficit ceiling was set for the nonfinancial public sector (NFPS) at 2 percent of GDP for 2000 and 2003, 1.5 percent of GDP for 2001, 2002, and from 2004-2008. The application of rule was, however, suspended in 2001 and 2002. In 2009 and 2010, the deficit rule was suspended owing to 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. The Law No.30099, adopted in October 2013, eliminated the budget balance rule and replaced it by ex-ante guidelines for the structural balance of the non-financial public sector. Under the new law, every government must enact a macro-fiscal policy statement within 90 days of assuming office which details the guidelines for the structural balance of the NFPS for the whole presidential period. The structural deficit cannot exceed 1 percent of GDP.

- Debt rule (since 2013; revised in 2016): The debt ceiling of NFPS is 30 percent of GDP. For subnational governments (SNGs), debt/(average of last 4 years revenue) should not exceed 100 percent. The 2016

Revision (current framework) was meant to address concerns over transparency and a perceived expansionary bias of the existing framework. The structural balance rule was scrapped, and ceilings on the fiscal deficit and the debt ratio were set at 1 percent and 30 percent of GDP, respectively. Temporary breaches of the debt rule (of at most 4 percent of GDP in periods of financial volatility if the remaining fiscal rules are being met) are allowed.

The application of fiscal 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.

Poland

Type of national rules (Start date in bracket)	Key characteristics Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2011)	Yes	Yes	General government	Yes	Yes	No
Budget balance rule (2006)	No	No	Central government	Political commitment	No	No
Debt rule (1997)	No	Yes	General government	Constitutional	No	No

National fiscal rules:

- Expenditure rule (since 2011, revised in 2015): Under the expenditure rule in place since 2011, the overall increase in discretionary spending of the general government and all newly-enacted spending could not exceed 1 percentage point in real terms (based on CPI inflation) (defined in the Public Finance Act as a temporary rule). The expenditure rule was revised at end-2015, (inter alia, by replacing projected CPI with the NBP inflation target) to create room to launch a new child benefit program. Formally in place since 2015, the Stabilizing Expenditure Rule (SER) set a government spending path along long-term GDP growth and was anchored at the MTO (fiscal deficit of 1 percent of GDP), which meant tightening if the deficit or debt excess specific thresholds. The expenditure was limited to the medium-term real GDP growth multiplied by the inflation target corrected for a factor depending on deficit and debt, plus an adjustment parameter depending on revenue measures. During the pandemic, the national expenditure rules were suspended and revised in 2020.

- Budget balance rule (2006-07): The rule specified the 4-year nominal anchor of 30 billion PLN deficit for the central government budget. The Public Finance Act (PFA) requires local governments to have a balanced current budget starting from 2011.

- Debt rule (since 1997, revised in 2014): The debt ceiling for the general government of 60 percent of GDP was established in the Constitution (October 1997) and Public Finance Act. The latter included triggers for corrective actions when the debt ratio reached thresholds of 50, 55, and 60 percent of GDP. These thresholds were revised downwards by 7 percentage points in 2014 to account for changes in the pensions system. The 1997 constitution became effective in October 1997, but given the annual budget cycle, the 60 percent of GDP debt rule became operational from 1998 onwards.

An escape clause existed, which allowed for higher limit on expenditures in case of war, state of emergency and natural disasters but it did not allow for the pandemic. This was added in 2020 but also modified to allow for the requirement that the clause kicked in whenever the projected real GDP growth was 2 ppt below the six-year historical average and to provide scope for additional spending in 2021,

increasing the expenditure limit for 2021 by up to half of anti-crisis expenditures for 2020, thus allowing scope to increase the deficit in 2021 up to 8 percent of GDP.

Supranational rules: Poland is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Portugal

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2015)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Budget balance rule (since 2015): 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 included 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 would be assessing whether the fiscal rule (when it is implemented) has been complied with.

  The current BFL largely complied with the commitments under the "fiscal compact," signed on March 1, 2012. The government revised the BFL to internalize the remaining clauses of the new European fiscal governance rules by the end of 2012.

Supranational rules: Portugal is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Romania

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2010)	Yes	Yes	General government	Yes	Yes	No
Budget balance rule (2013)	Yes	Yes	General government	Yes	Yes	No
Debt rule (2013)	Yes	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (2010-12): Total expenditure growth of the general government should not exceed projected nominal GDP growth for next three years until budget balance is in surplus. This was eliminated in 2013 when EU requirements were introduced in fiscal responsibility law (FRL). Moreover, personnel expenditure limits were binding for two years as set out in the MTBF.

- Budget balance rule (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 adjustments of 0.5 percent of GDP.

- Debt rule (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 issued opinions and recommendations on official macroeconomic and budgetary forecasts, the annual budget laws and assessed the compliance of the medium-term fiscal strategy with the principles and rules specified in the FRL.

Supranational rules: Romania is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Russia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2013; 2017)	No	Yes	General government	Yes	No	No
Budget balance rule (2007; 2019)	No	Yes	General government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (effective from 2013, revised in 2017): The 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 non-oil 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 would use a 5-year backward-looking average of oil prices as the base, which would gradually increase to a 10-year average by 2018.

  The new federal budget rule adopted in 2017 decoupled expenditures from volatile commodity-based revenues. It used a baseline oil price assumption, in which higher prices would lead to a saving in the National Wealth Fund (NWF). If oil prices are below the assumption, the government can draw down money from the NWF to replace the revenue shortfall (drawdowns are capped if the fund's liquid assets fall below 5% of GDP). Compared to previous fiscal rules, the new one contained a tougher definition of unsustainable revenues: from now on the Russian budget shall regard as such any oil and gas income in excess of the one corresponding to the base price for oil at USD 40/bbl. Under the new rule, budget expenditures should not require cutting and would flow smoother in case of a wider range of oil price changes. The enforcement of the rule will require a 4.5–5 percent reduction of real federal budget expenditures in 2016-2020, which will not affect economic growth. The rule also stipulated that any additional spending can only be financed from non-oil revenue gains. Once the liquid part of the NWF reaches a 7 percent of GDP threshold, the government would be allowed to consider investment options other than low-risk external assets, but it cannot use NWF funds to finance additional budget spending, unless the oil price falls below the benchmark price.

- Budget balance rule (2007-09; since 2019): The budget balance rule was approved in 2007 and became effective in 2008. Russia's legal fiscal framework relied 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. Since

2019, the new fiscal rule targeted a zero primary balance at the benchmark oil price of $40 (in real 2017 terms, adjusted for the U.S. inflation). If actual oil prices exceed the benchmark, the fiscal authorities are required to purchase foreign exchange equal to the excess fiscal revenues (relative to the benchmark price) and save it in the National Welfare Fund (NWF). The Reserve Fund was merged with the National Welfare Fund in early 2018.

The authorities have temporarily suspended the fiscal rules in 2020 and 2021 (through a request to the parliament). The temporary suspension allowed the government to deploy significant fiscal support.

Rwanda

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2019)	No	No	Central government	Political commitment	No	No

National fiscal rules (2019):

- Budget balance rule (since 2019): The government set a rule on the ceiling of the overall fiscal deficit. From FY19/20 onward, the ceiling on the 5-year rolling average overall fiscal deficit was set at 5.5 percent of GDP.

Supranational rules (2013): Rwanda is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Senegal

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Senegal is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules exclude public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Serbia

Type of **national rules** (Start date in bracket)	**Key characteristics** Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2015)	Yes	No	General government	Yes	No	No
Budget balance rule (2011)	Yes	No	General government	Yes	No	No
Debt rule (2011)	Yes	No	General government	Yes	No	No

National fiscal rules:

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

- Expenditure rule (since 2015). In 2015, the Budget System Law had a provision that restricts spending with the aim to keep the share of general government wages up to 7 percent of GDP and share of pensions up to 11 percent of GDP.

- Budget balance rule (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 deficits, which is set to 1 percent of GDP, g is the real GDP growth rate, and g^* is the medium-term GDP growth (set to 4 percent). Thus, the rule corrected for past deficit deviations and allowed a partial operation of automatic fiscal stabilizers. Over the medium-term the targeted annual deficit would be 1% of GDP.

- Debt rule (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 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 bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1991)	No	Yes	Central government	Constitutional	No	No
Budget balance rule (1995)	No	Yes	Central government	Constitutional	Yes	No

National fiscal rules:

- Expenditure rule (since 1991): Spending should not exceed 50 percent of net investment returns on reserves held by the Monetary Authority of Singapore (MAS) and the Government of Singapore Investment Corporation (GIC). The rule was amended in 2008 to change the benchmark to the 'expected long-term net real investment returns'.

- Budget balance rule (since 1995): Budget to be balanced across the government term of office (usually 5 years).

Slovak Republic

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2014)	Yes	Yes	General government	Yes	Yes	No
Debt rule (2012)	Yes	Yes	General government	Constitutional	Yes	No

National fiscal rules:

- Budget balance rule (since 2014): 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 and compliance has been assessed twice a year by the fiscal council.

- Debt rule (since 2012): In December 2011, a constitutional bill was adopted, taking effect March 1, 2012, which capped the public debt at 60 percent of GDP (Eurostat debt concept). The bill also established 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 would take effect when the debt exceeds 50 percent of GDP. 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 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 included numerically defined escape clauses for a major recession, banking 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 were changed accordingly.

Supranational rules: Slovak Republic is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Slovenia

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2015)	Yes	Yes	General government	Yes	No	No
Debt rule (2000)	No	No	General government	Yes	No	No

National fiscal rules:

- Budget balance rule (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.
- Debt rule (2000-04): During 2000-04, the debt-to-GDP ratio of general government and non-financial public entities (classified outside general government) cannot exceed 40 percent of GDP.

In 2011, a new expenditure framework was introduced for the general government (in cash terms). It laid 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 a 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 were not included as a rule since they were binding for less than three years, the threshold stated in the paper to be considered an expenditure rule.

Supranational rules: Slovenia is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

South Sudan

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2013): South Sudan is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Spain

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2011)	Yes	Yes	General government	Yes	Yes	No
Budget balance rule (2003; 2006; 2011)	Yes	Yes	General government	Yes	Yes	Yes

National fiscal rules:

The Balanced Budget Constitutional Amendment (September 2011) and the new Organic Budget Law introduced new structural deficit, debt, and expenditure rules.

- Expenditure rule (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.

- Budget balance rule (2003-05; 2006-11; revised in 2011): The structural deficit for central and regional governments cannot exceed the EU limits; balanced budgets for regional governments. The rules came into force in 2020 (constitutional amendment in September 2011). The Independent Authority for Fiscal Responsibility was established in 2013 (operational in 2014) to monitor rule compliance and validate budget assumptions. During 2006-11, the budget balance rule specified the objectives to account for economic cycles by setting the lower and upper thresholds for real GDP growth. The rules required a balanced budget during "normal" conditions (GDP growth between the lower and upper limit). In weak economic times (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. A deficit of up to 0.5 percent of GDP would be 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 to correct this situation within the next 3 fiscal years. For the central government, the fiscal 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 for presenting plans to correct within 3 years were put on hold without a specific time frame. During 2003-05, the rules required a balanced budget in "normal" economic conditions, embedded in a medium-term fiscal framework (3 years, but not binding) consistent with the EU Stability Program.

The Constitutional amendments in September 2011 required that the debt threshold of 60 percent of GDP would take effect in 2020.

Supranational rules: Spain is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Sri Lanka

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2003)	No	No	Central government	Yes	No	No
Debt rule (2003)	No	No	Central government	Yes	No	No

National fiscal rules (2003):

- Budget balance rule (since 2003, revised in 2005 and 2013): Deficit targets were set over a multiyear horizon. The Fiscal Management (Responsibility) Act was adopted in early 2003, with the aim to containing the overall budget deficit to 5 percent of GDP by 2006.

- Debt rule (since 2003): The rules required declining debt ceilings over a multiyear horizon. The 2003 Fiscal Management (Responsibility) Act aimed to contain debt at 85 percent of GDP by 2006. The target could not be achieved and target dates were first modified in 2005, and 2013. The 2013 amendment to the Fiscal Management (Responsibility) Act stipulated that debt to GDP ratio should not exceed 85 percent from January 1, 2013 and 60 percent from January 1, 2020.

St. Kitts and Nevis

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: St. Kitts and Nevis is a member state of the ECCU, which has adopted the supranational rules since 1998, see details in Section V.

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

St. Lucia

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules: St. Lucia is a member state of the ECCU, which has adopted the supranational rules since 1998, see details in Section V.

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

St. Vincent and the Grenadines

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2022)	Yes	No	Central government	Political commitment	Yes	No
Budget balance rule (2022)	Yes	No	Central government	Political commitment	Yes	No

National fiscal rules (2022):

- Expenditure rule: The government sets expenditure ceilings on wage bills and on the total expenditure share of GDP over time.
- Budget balance rule: The government sets a budgetary limit on the primary balance.

Supranational rules (since 1998): St. Vincent and the Grenadines is a member state of the ECCU, which has adopted the supranational rules since 1998, see details in Section V.

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

Sweden

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (1997)	Yes	No	Central government and social security	Yes	No	No
Budget balance rule (2000)	Yes	No	General government	Yes	No	No
Debt rule (2019)	Yes	No	General government	Yes	No	No

National fiscal rules:

- Expenditure rule (since 1997): A nominal expenditure ceiling for central government 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.
- Budget balance rule (since 2000): A surplus target for the general government over the cycle. From 2000-07, the surplus target was 2 percent of GDP. During 2007-19, it was 1 percent of GDP. Since 2019, it has been changed to one third of a percent of GDP. The compliance has been measured by several indicators without a clear weighting scheme (they included the average general government balance since the adoption of the target, a seven-year moving average, and the annual structural balance).
- Debt rule (since 2019): A debt anchor for general government consolidated gross debt at 35 percent of GDP.

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.

The independent Fiscal Policy Council was created in 2007.

Supranational rules: Sweden is a member state of the European Union. Please see the supranational fiscal rules of European Union for details.

Switzerland

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2003)	No	Yes	Central government	Constitutional	Yes	No

National fiscal rules (2003):

- Budget balance (since 2003): The rules require a balanced budget. Operationally this implies that one-year-ahead ex ante central government expenditure needs to equal to the projected 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 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.

The rule has an escape clause that the government can exercise if there is a supermajority approval in the budget deviating from the rule in "exceptional circumstances."

Tanzania

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2015)	No	No	Central government	Yes	Yes	Partial
Budget balance (2015)	No	No	Central government	Yes	Yes	No

National fiscal rules (2015):

- Expenditure rule (since 2015): In 2015, Tanzania introduced the Oil and Gas Revenue Management Act, which included a ceiling on government spending set at 40 percent of GDP coupled with a requirement to maintain current spending constant as a share of GDP.
- Budget deficit rule (since 2015): In 2015, Tanzania introduced the Oil and Gas Revenue Management Act, which included a non-oil and gas deficit ceiling of 3 percent of GDP (with oil and gas revenues excluded from revenues and treated as financing). The deficit rule applies only when oil and gas revenues are higher than 3 percent of GDP.

Supranational rules (2013): Tanzania is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Thailand

Type of national rules (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (2015)	No	No	Central government	Yes	Yes	Partial
Budget balance (2015)	No	No	Central government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2018): The Fiscal Responsibility Act (2018) (FRA) stipulates that capital expenditure must account for no less than 20 percent of the annual budget and must not be less than the fiscal year budget deficit (Section 20). The Fiscal Policy Committee also sets numerical limits on the share of the central contingency fund (2-3.5 percent of total budget), principal repayment (2.5-3.5 percent), and new multi-year commitment (less than 10 percent of total budget).

- Debt rule (since 2018): The FRA provides the governing framework such that the Fiscal Policy Committee sets the limits of other numerical fiscal rules. (1) Public debt should not exceed 60 percent of GDP and the limit was revised to 70 percent in September 2021 to provide more space for COVID-19 related measures; ii) the debt service to annual government revenue is equal to or less than 35 percent; (iii) foreign debt to total public debt is kept below 10 percent; (iv) foreign currency debt service to exports of goods and services is less than 5 percent.

Timor-Leste

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Revenue rule (2005)	No	Yes	General government	Yes	No	Yes
Debt rule (2005)	No	Yes	General government	Yes	No	No

National fiscal rules:

- Revenue rule (since 2005): Timor-Leste has adopted a legally binding rule based on the Estimated Sustainable Income (ESI) since the establishment of the Petroleum Fund in 2005. The ESI is the estimated average rate of return on the Petroleum Fund in the long run. The revenue rule—enshrined in the Petroleum Fund Law—limits the withdrawal for budget purpose from the Petroleum Fund up to 3 percent only. The rule allows an "Excess Withdrawal" if the government justifies to the parliament that such excess withdrawal is to finance development with long-term interests. According to the Ministry of Finance, a total of $4.5 billion has been excessively withdrawn since 2009, leading to a noncompliance to the ESI revenue rule.

- Debt rule (since 2005): The rule focused on debt service cost and set a ceiling on the cost of external borrowing at 3 percent and required the government to benchmark the costs of external borrowing (external debt) with the average rate of Petroleum Fund's investment returns, subject to regular reviews to align with Petroleum Fund's investment strategies. The rule was sometimes referred as 'loan-cheap money' rule.

Separately, the government also applies a growth limit to budget categories but those are indicative targets and not legally binding and not considered as fiscal rules. The government published a policy proposal to revise the rules-based fiscal frameworks in 2020.
https://www.mof.gov.tl/wp-content/uploads/2020/08/Policy-Paper_Fiscal-Rules_English-Final.pdf

Togo

Type of **national rules** (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
N.A.						

Supranational rules (2000, revised in 2015): Togo is a member state of the West African Economic and Monetary Union (WAEMU). The supranational rules refer to the fiscal convergence criteria of the WAEMU. In January 2015 changes to the WAEMU convergence criteria were enacted, see section V.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules exclude public investment or other priority items from ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.

The supranational fiscal rules have been suspended since April 2020 during the pandemic.

Turkmenistan

Type of **national rules** (Start date in bracket)	**Key characteristics** Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2015)	No	No	Central government	Yes	No	No

National fiscal rules:

- Budget balance rule (since 2015): The 2014 Budget Code stipulated a balanced budget at the level of the central government. In practice, however, there was a degree of flexibility as the authorities accounted domestic borrowing and privatization proceeds as government 'revenues'.

The authorities have not suspended the rules during COVID-19.

Uganda

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2016)	No	No	Central government	Yes	Yes	No
Debt rule (2016)	No	No	Central government	Yes	Yes	No

National fiscal rules (2016): The Charter for Fiscal Responsibility for 2016/17-2020/21 approved in December 2016 set out criteria that were consistent with the supranational rules requirements:

- Budget balance rule (2016): The Charter set a budget balance rule with a ceiling on the fiscal deficit (including grants) of 3 percent of GDP to be achieved by 2020/21.

- Debt rule (2016): The Charter set a government debt ceiling of 50 percent of GDP in net present value terms, of which the net present value of external debt is maintained below 30 percent of GDP and the net present value of domestic debt is maintained below 20 percent of GDP.

A new Charter covering FY2021-22 to FY2025-26 was submitted to the Parliament pending approval.

Supranational rules (2013): Uganda is a member state of the East African Monetary Union (EAMU), see Section V. The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.

- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

United Kingdom

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1997, 2010, 2014, 2015, 2017, 2019, 2021)	Yes	No	Public sector	Yes	Yes	Yes
Debt rule (1986, 2020, 2021)	Yes	No	Public sector	Yes	Yes	No

National fiscal rules:

- Budget balance rule (1997-2009; revised 2010-14, 2014-15, 2015-16, 2016-21): Rules on budget balance have evolved over time, with changes in the definition of the budget balance (current, structural, overall balance), changes in the numerical targets on the budget balance, changes in horizon of fiscal policy (annual, rolling three years and rolling five years) as well as a mix of numerical targets and qualitative statements about the direction of the budget balance (e.g., achieving a lower deficit or a surplus over time).

  During 1997-2009, the government adopted a golden rule which aimed to balance the public sector current budget (revenues less current spending) over the cycle. Under a golden rule, the government can borrow only to fund investment spending and not current spending. In response to the global financial crisis, and in line with the escape clause in the 1998 approved Code of Fiscal Stability, the government departed temporarily from the fiscal rules during Nov 2008-Dec 2009 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 a balance, and the debt is falling as a proportion of GDP once the global shocks have worked their way through the economy in full."

  Following the global financial crisis, 2010 marked the beginning of casting the budget in every annual budget in a forward-looking medium-term framework of rolling three and five-year horizons. During 2010-14, the budget balance rule was revised to achieve balance in the cyclically adjusted current budget by the end of the rolling, five-year forecast period (by 2015-16).

  To ensure that expenditure on welfare remains sustainable, a new supplementary target was introduced in 2014 in the *Charter for Budget Responsibility* and in force through 2021. This imposes a ceiling in British Pounds on a subset of welfare spending at a level decided by the UK Treasury in its most recently published *Budget Report*. The level is carried out into the rolling five-year forecast

period using the OBR's projected inflation rate five years out. The welfare ceiling is not considered a fiscal rule as fiscal rules are defined to those that set numerical targets on aggregates that capture a large share of public finances. Therefore, the ceiling on welfare is not considered a fiscal rule in the database but included here as additional information as it is used by the national authorities.

During 2014-15, a revised rule called for achieving a cyclically adjusted current budget by the third year of the rolling five-year horizon rather than the end of a five-year forecast period. During 2015-16, the cyclically adjusted current balance rule is replaced by a rule on achieving a surplus on the overall balance by 2019-20. During 2017-18, the overall balance surplus rule is replaced by a rule on cyclically adjusted public sector net borrowing (a structural balance rule) requiring it to be below 2 percent of GDP by 2020-21. During 2019-Septemer 2021, three new rules from the 2019 Conservative Party general election manifesto came into effect. First, the current budget must at least be in balance by the third year of the rolling five-year forecast period. Second, a rule known as the maximum investment rule required that public sector net investment to average no more than 3 percent of GDP over the rolling five-year forecast horizon. Third, a debt-interest-to-revenue rule required that interest payments on public debt do not exceed 6 percent of revenues. These rules were not legislated by the parliament.

With the onset of the Pandemic, legislated fiscal rules were suspended soon after the March 2020 budget. The escape clause was activated as envisaged in para 3.6 the 2017 *Charter for Budget Responsibility* (the relevant Charter at the time): "In the event of a significant negative shock to the UK economy, the Treasury will review the appropriateness of the fiscal mandate and supplementary targets as a means of returning the public finances to balance as early as possible in the next Parliament."

In spite of the activation of the escape clause, the government asked the *Office for Budget Responsibility* (OBR) to use the three rules from the Conservative manifesto to assess fiscal performance since the government's policy decisions in the budget were guided by these rules even though they were not legislated targets. At the same time, the OBR used its mandate and also assessed fiscal performance against the legislated targets (from the 2017 Charter, the latest applicable Charter), namely, the cyclically adjusted public sector net borrowing should be less than 2 percent of GDP by 2020-21 as well as debt rule (see below) and the ceiling on welfare spending (see above).

On October 27, 2021, the government introduced a new budget and reinstated fiscal rules as part of its post-pandemic fiscal framework. It announced four rules, of which two were from the government 2019 election manifesto: A target to balance the current budget by the third year of the rolling forecast period; and that public sector net investment should not exceed 3 percent of GDP on average over the rolling forecast period. The remaining two are a debt rule and a ceiling on welfare spending covered above already). The government dropped the debt-interest-to-revenue rule.

- Debt rule (1987-2009; revised in 2010 and 2021): During 1997-2009, the rule, also known as the sustainable investment rule, required that the government reduce and keep public sector net debt below 40 percent of GDP. During 2010-15, the numerical target was dropped, and the rule simply required a declining public sector net debt as a percentage of GDP by the end of the rolling five-year

forecast horizon. During 2015-20, the rule required public sector net debt to fall every year through 2020-21. On October 27, 2021, the government adopted a new debt rule following the suspension of the previous debt rule during the pandemic. The new debt rule applies to public sector net debt, excluding the Bank of England. It requires a declining public sector net debt by the third year of the rolling five-year forecast period.

The Office for Budget Responsibility, which was established in 2010, provides independent and authoritative analysis of the UK's public finances, including assessment of fiscal rules performance, provision of economic and fiscal forecasting, assessment of fiscal sustainability and costing of budgetary proposals.

Fiscal rules in the UK are supported by an extensive set of legislations, including the Finance Act, the 1998 Code for Fiscal stability; the Fiscal Responsibility Act of 2010; the Budget Responsibility and National Audit Act of 2011; and the Charter for Budget Responsibility that is revised periodically and approved by the parliament.

Supranational rules: United Kingdom adopted the supranational rules of the European Union when it had been a member state of the European Union until January 2020. Please see the supranational fiscal rules of European Union for details.

United States

Type of **national rules** (Start date in bracket)	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
	Key characteristics					
Expenditure rule (1990, 2010)	Yes	Yes	Federal government	Yes	No	No
Budget balance (1986)	Yes	Yes	Federal government	Yes	No	No

National fiscal rules:

- Expenditure rule (1991-2002 and since 2010, revised several times): In August 2011, the Budget Control Act (BCA) enacted discretionary spending caps, estimated to save about $900 billion to 2021, it also institutes limits for direct spending for the period of 2012-2030. Spending for emergencies and overseas contingency operations do not count towards discretionary spending limits. Subsequent laws changed the discretionary spending limits or enforcement procedures, which increased annual deficits. The Statutory Pay-As-You-Go Act of 2010 is also still current and requires that the net effect of new direct spending and revenue laws cannot increase the deficit. During 1991-2002, annual appropriation limit was 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.

- Balance budget rule (1986-90): The Gramm-Rudman-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) would ensue (the latter process was modified in 1987 after the first version of the bill was found unconstitutional).

  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. 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 stipulated 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).

Uruguay

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2020)	No	No	Central government	Yes	Yes	No
Budget balance (2006)	No	No	Central government	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2020): The 2020 Law also introduced an expenditure rule as a third pillar: an indicative real spending limit for the real primary spending growth of the central government and social security administration not to exceed the estimated potential growth (including one-offs).

- Budget Balance rule (since 2006, revised in 2009, 2011, 2015, 2020): 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). The coverage includes the central bank but excludes subnational (departmental) governments. 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.

  A new rule was introduced by the new government in 2020 with an Urgent Consideration Law and greater details provided in the budget for 2020-2024. The new rule has three pillars: i) An indicative structural deficit limit for the headline deficit of the central government and social security administration—corrected for the effect of the business cycle and extraordinary developments (one-offs)—such that the debt-to-GDP ratio stabilizes over the medium term. ii) A net-indebtedness ceiling for the net annual debt issuance in US dollars of the central government (effectively limiting the headline deficit) which can be increased by up to 30 percent under exceptional circumstances.

The fiscal rules have 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 unforeseen 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 rules also envisage the establishment of a Committee of Experts and an Advisory Council, though details have not been announced.

Vietnam

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2016)	Yes	No	General government	Political commitment	No	Yes
Revenue rule (2016)	Yes	No	General government	Political commitment	No	No
Budget balance rule (2016)	Yes	Yes	General government	Political commitment	No	No
Debt rule (2016)	Yes	Yes	Public sector and publicly-guaranteed debt	Yes	Yes	No

National fiscal rules:

- Expenditure rule (since 2016, revised in 2021): The Resolution No.25/2016 in the five-year National Financial Plan 2016-20 specified some restrictions on expenditures for 2016-20. It specified development investment should account for 25 percent of total expenditures and set recurrent expenditure to be under 64 percent of total expenditures. The limits were revised in 2021, which set a higher floor on development investment (28 percent of total expenditures) and a lower ceiling on recurrent expenditures (62 percent of total expenditures).

- Revenue rule (since 2016; revised in 2021): The Resolution No.25/2016 in the five-year National Financial Plan 2016-20 specified some restrictions on revenues for 2016-20. It required a floor on the revenue of the State budget at least 23.5 percent of GDP, where revenues from taxes, fees, and charges should be at least 21 percent of GDP. Domestic revenues should be around 85 percent of total revenues of the budget. These operational limits were revised in 2021 (Resolution No.23/2021 in the five-year National Plan 2021-26). The floor on the revenue of the state budget is adjusted to 16 percent of GDP, and revenues from taxes, fees, and charges to 14 percent of GDP.

- Budget balance rule (since 2016, revised in 2021): The Resolution No.25/2016 in the five-year National Financial Plan 2016-20 specified the state budget deficits should not exceed 3.9 percent of GDP per year during 2016-20 for the general government and would aim to reduce to 3.5 percent of GDP by 2020. Separate limits were set for the central government (3.7 percent of GDP) and local governments (0.2 percent of GDP). The deficit limits were revised in 2021 for the period 2021-25. It specified a deficit ceiling of 3.7 percent of GDP on average during the period and targeted a budget deficit of 3.7 percent of GDP or below by 2026. Deficit limits for central and local governments were revised accordingly, to 3.4 percent and 3.7 percent of GDP, respectively.

- Debt rule (since 2016): Vietnam introduced a debt rule in 2016, with a statutory limit of 65 percent of GDP on public and publicly guaranteed debt (PPG). It also specified that government debts cannot exceed 54 percent of GDP and external debt cannot exceed 50 percent of GDP. Several prudent warning thresholds were set. The debt service for external debt should be less than 25 percent of total export receipts. The total government debt service should not exceed 25 percent of total annual revenues. The rules also restricted the growth rate of the government guaranteed debt stock not exceeding the nominal GDP growth of the preceding year. The five-year National Plan 2021-26 (Resolution No.10/2021) kept the statutory debt limit at 65 percent of GDP.

V. Supranational Fiscal Rules: Key characteristics

Central African Economic and Monetary Community (CEMAC)

Member states in IMF membership: Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea, and Gabon.

Type of **national rules** (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2002, 2008)	Yes	Yes	Central government	Yes	No	Yes
Debt rule (2002)	Yes	No	Central government	Yes	No	Yes

Supranational rules:

- Budget balance rule (from 2002, revised in 2008 and 2017): The budget balance rule established in 2002 required that 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. 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. In 2017, the CEMAC Commission modified the first criteria: (i) the three-year moving average of oil revenue is replaced by 80 percent of that value; and (ii) the basic structural fiscal balance in percent of GDP must exceed -1.5 percent of GDP (rather than be in balance or surplus), which have been effective since 2017. An additional rule on the non-accumulation of government arrears was adopted in 2017. This is assessed by the CEMAC Commission based on: (i) the non-accumulation of new arrears during the current year; and (ii) the gradual repayment of existing arrears in line with a published schedule.

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

- A new sanction mechanism for breaches of regional surveillance rules, including fiscal rules, is pending for adoption by the CEMAC Heads of States Conference.

East African Monetary Union (EAMU)

Member states in IMF membership: Burundi, Kenya, Rwanda, South Sudan, Tanzania, and Uganda

South Sudan joined EAC in 2016 but has not yet signed the EAC Monetary Union Protocol.

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2013)	Yes	N.A.	Central government	Yes	No	No
Debt rule (2013)	Yes	N.A.	Central government	Yes	No	No

Supranational rules: The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria.

- Budget balance rule (since 2013): It requires a budget balance rule (including grants) of a ceiling on fiscal deficit to be 3 percent of GDP to be achieved by FY2020/21.
- Debt rule (since 2013): The supranational rules refer to the East African Monetary Union (EAMU) convergence criteria, which include a primary criterion of a 50-percent ceiling on gross public debt in net present value terms.

Eastern Caribbean Currency Union (ECCU)

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

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (1998, 2005)	Yes	No	General government	Yes	No	No
Debt rule (1998, 2015, 2021)	Yes	No	General government	Yes	No	No

Supranational rules:

- Debt rule (since 1998, revised in 2015 and 2021): As per the regional central bank's Monetary Council's decision announced on February 12, 2021, member countries of the currency union are to achieve a debt target of 60 percent of GDP by 2035. The decision extends the previous target date of 2030 announced on February 24, 2015, which was extended from an original target date of 2020.

- Budget balance rule (1998-2005): Before the revision in 2006, fiscal benchmarks included a target of overall deficit of 3 percent of GDP.

European Union (EU)

Member States: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden. United Kingdom had been a member state until Jan 2020.

Type of national rules (Start date in bracket)	Key characteristics					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Expenditure rule (2012)	Yes	Yes	General government	Supranational	Yes (2012)	No
Budget balance rule (1992, 2005, 2012)	Yes	Yes	General government	Supranational	Yes (2005)	No
Debt rule (1992)	Yes	Yes	General government	Supranational	Yes (2005)	No

Supranational rules: Fiscal rules among EU countries are laid out in the Stability and Growth Pact (SGP). Approved in 1997 and reformed in 2005 and 2011-13, the SGP clarifies the budgetary criteria set up in the 1992 Maastricht Treaty EU countries must meet to adopt the Euro. The SGP contains a preventive and a corrective arm, where the former seeks to monitor and prescribe actions to avoid the buildup of fiscal imbalances, and the latter – also referred to Excessive Deficit Procedure (EDP) – seeks to monitor and prescribe actions to redress excessive fiscal imbalances.

Budget balance rule (since 1992) and expenditure rule (since 2012): The original SGP included two main fiscal rules: the overall fiscal deficit should be below 3 percent of GDP and government debt should be below 60 percent of GDP or sufficiently diminishing towards that level (corrective arm). There was also a requirement that the medium-term overall budget position be "close to balance or in surplus" in nominal terms (preventive arm). The 2005 SGP reform replaced the "close to balance rule" under the preventive arm by country-specific medium-term objectives (MTOs) for the structural budget position. The MTO is updated at least every three years. EU members are required to be at the MTO or converging towards it through an appropriate adjustment path, 0.5 percent of GDP annual improvement as a benchmark. This provides an appropriate safety margin against breaching the 3% headline deficit limit, with Member States, particularly those with debts over 60% of GDP, expected to do more when economic times are good and less when they are bad. Compliance with MTO is assessed on the basis of compliance with either (i) a structural budget balance (SBB) rule with MTO as limit if a country is at MTO or (ii) with the SBB rule corrective mechanisms (i.e. agreed adjustment path) if a country is below MTO. In 2015, the Commission issued a communication that provided new guidance on how to apply the flexibility in the existing SGP regarding role of structural reforms and investment in supporting a more growth-friendly

rules and assessing compliance on debt and deficit. These added a structural reform clause and an investment clause. Both clauses allow for a temporary deviation from the MTO or the adjustment path towards it if structural reforms and investment with certain characteristics are fully implemented.

The 2011 SGP reform (Six Pack) which became operational in 2012 added the 1/20th requirement on the pace of debt reduction. It operationalized the adjustment path under the debt rule in the corrective arm by introducing an annual pace of debt reduction (no less than 1/20th of the distance between the actual debt ratio and the 60 percent threshold). The 2011 reform also added an expenditure rule to the preventive arm which is used in conjunction with the SBB rule in order to assess the compliance with the MTO (annual expenditure growth should not exceed a reference medium-term potential GDP growth if country is at MTO or a fraction of that if country is on the path towards the MTO).

The 2012/13 reforms (Fiscal Compact and Two Pack) reinforced monitoring and enforcement procedures. Till the Fiscal Compact reform, no enforcement mechanism related to MTOs were in place. The Fiscal Compact required member states to formally adopt a structural budget balance rule (SBR) in its constitution or in durable legislation (with a lower limit of structural deficit of 0.5% of GDP; if public debt is lower than 60% of GDP, this lower limit is set at 1% of GDP) as well as an automatic correction mechanism after its ratification by at least 12 Euro Area member states. The Fiscal Compact (known also as Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, TSCG) was formally concluded on March 2 2012, and entered into force on January, 1 2013.

In March 2012, the Fiscal compact was signed by all Member States except the UK and Czechia (Croatia also did not sign this treaty, neither before nor after its EU accession on 1 July 2013). The Fiscal Compact provides for the balanced budget rule, with a lower limit of structural deficit of 0.5% of GDP for the MTO (if public debt is lower than 60% of GDP), and this lower limit is set at 1% of GDP if debt to GDP ratio is substantially below 60 percent of GDP and debt sustainability risks are low), to be enshrined in national law, preferably at constitutional level (the 'debt brake'). Member States may bring proceedings against other Member States before the Court of Justice of the European Union in cases where this rule has not been properly implemented. Additional provisions include, inter alia, automatic triggering of the correction mechanism and enforced rules for countries under the EDP. In addition, financial assistance from the European Stability Mechanism will only be provided to Member States that have signed the Fiscal Compact.

In 2015, a revised guidance on the implementation of the SGP clarified the existing provisions for rule flexibility by describing in greater details clauses to encourage investment and structural reforms, allowing for higher debt and deficit, and to account for the economic cycle under the preventive arm. For more details, see the Vade Mcum on the stability and Growth 2019 https://ec.europa.eu/info/publications/vade-mecum-stability-and-growth-pact-2019-edition_en.

<u>Debt rule (since 1992):</u> The Maastricht criteria include a limit of 60 percent of GDP for general government debt. With the Six Pack reform of 2011, the 1/20th required closing the gap 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 EDP can be opened, with sanctions and fines (only applicable to Euro Area members). Opening an EDP

requires a qualified majority of the ECOFIN council. A qualified majority for a proposal applies if two conditions are met: (i) 55% of EU member states vote in favor of the procedure (in practice this means 15 out of 27); and (ii) the proposal is supported by EU member states representing at least 65% of the total EU population.

General Escape clause. The EU general escape clause was introduced as part of the 'Six-Pack' reform of the Stability and Growth Pact in 2011. On March 20, 2020, the Commission concluded that in light of the expected severe economic downturn arising from COVID, the conditions to activate the general escape clause were met, for the first time since its inception in 2011. There is no commonly accepted or agreed definition of a severe economic downturn. The Commission asked the EU ministers of finance to endorse this conclusion which they endorsed on March 23, 2020. Once activated, the clause allows a Member State under the preventive arm to temporarily depart from the adjustment path towards the MTO, provided that this does not endanger fiscal sustainability in the medium term. The general escape clause does not suspend the procedures of the SGP, but it allows the Commission and the Council to depart from the budgetary requirements that would normally apply. The General Escape Clause would remain activated for the fiscal year 2022, while the European Commission expects that it would not be applied in fiscal year 2023.

For the IMF Fiscal Rule database, all categorical/binary variables checked for consistency with the European Commission (EC) fiscal rule database available at http://ec.europa.eu/economy_finance/economic_governance/index_en.htm.

West African Economic and Monetary Union (WAEMU)

Member states in IMF membership: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo.

Type of national rules (Start date in bracket)	**Key characteristics**					
	Monitoring outside government	Formal enforcement procedures	Coverage	Statutory basis	Escape clauses	Investment excluded from rules
Budget balance rule (2000, 2015)	Yes	Yes	General government	Yes	Yes	No
Revenue rule (2000, 2015)	Yes	No	Central government	Yes	Yes	No
Debt rule (2000)	Yes	Yes	Central General government	Yes	Yes	No

Supranational rules refer to the fiscal convergence criteria of the West African Economic and Monetary Union (WAEMU). In January 2015 changes to the WAEMU convergence criteria were enacted.

- Budget balance rule (2000, 2015): The initial first-order WAEMU convergence criteria included a balanced budget rule (on the basic fiscal balance excluding budget grants and foreign-financed capital expenditures, including HIPC/MDRI financed expenditures). The rules excluded public investment or other priority items from the ceiling initially. Since January 2015, the first order convergence criteria on balanced budgets were revised to set the ceiling on the overall fiscal deficit (including grants) to remain below 3 percent of GDP. Public investment is no longer excluded after the 2015 revision.

- Debt rule (2000, 2015): The initial first-order WAEMU convergence criteria included a debt ceiling at 70 percent of national GDP on public debt. The debt ceiling remains at 70 percent of national GDP during the 2015 revision.

- Revenue rule (2000, 2015): The WAEMU also specified a less binding convergence target on revenues, called 'second tier', which was set as a floor on the government revenue at 17 percent of GDP. The floor was amended in the 2015 revision to 20 percent of GDP.[1]

[1] The second order convergence criteria also include other ceilings such as government wage bill to tax revenue. They are not included as an expenditure rule because this dataset considers fiscal rules if numerical targets are on aggregates that capture a large share of public finances

The supranational fiscal rules have been suspended at regional levels since April 2020 during the pandemic. In June 2021, the head of states for WAEMU countries committed to converging toward the fiscal deficit anchor over the years 2024-26.

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