

FISCAL RULE ACT (ZFISP-1)

CHAPTER I:

GENERAL

Article 1

(Subject of the Act)

(1) This Act regulates the manner of implementing the principle of medium-term balance between the revenues and expenditures of the general government budgets without borrowing (hereinafter: the medium-term balance), the exceptional circumstances in which a deviation from the medium-term balance shall be permitted and the course of action in the event of such circumstances.

(2) This Act also regulates the operation of the Fiscal Council as an independent and autonomous state authority.

(3) This Act implements [Regulation \(EU\) 2024/1263](#) of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing [Council Regulation \(EC\) No 1466/97](#) (OJ L, 2024/1263, 30.4.2024) (hereinafter: [Regulation \(EU\) 2024/1263](#)) and [Council Regulation \(EC\) No 1467/97](#) of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L 209, 2.8.1997, p. 6), last amended by [Council Regulation \(EU\) 2024/1264](#) of 29 April 2024 amending [Regulation \(EC\) No 1467/97](#) on speeding up and clarifying the implementation of the excessive deficit procedure (OJ L, 2024/1264, 30.4.2024), (hereinafter: [Regulation \(EC\) 1467/97](#)).

(4) This Act partially transposes into the legislation of the Republic of Slovenia [Council Directive 2011/85/EU](#) of 8 November 2011 on requirements for budgetary frameworks of the Member States (OJ L 306, 23.11.2011, p. 41), last amended by [Council Directive \(EU\) 2024/1265](#) of 29 April 2024 amending [Directive 2011/85/EU](#) on requirements for budgetary frameworks of the Member States (OJ L, 2024/1265, 30.4.2024).

Article 2

(Definitions)

The terms used in this Act shall have the same meaning as in [Regulation \(EU\) 2024/1263](#) and [Regulation \(EU\) No 549/2013](#) of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1), as last amended by [Regulation \(EU\) 2023/734](#) of the European Parliament and of the Council of 15 March 2023 amending [Regulation \(EU\) No 549/2013](#) on the European system of national and regional accounts in the European Union and repealing 11 legal acts in the field of national accounts (OJ L 97, 5.4.2023, p. 1), (hereinafter: [Regulation \(EU\) 549/2013](#)), whereby the concept of

expenditure under [Regulation \(EU\) 2024/1263](#) shall, *mutatis mutandis*, be equivalent to the concept of expenditure under this Act and under [Regulation \(EU\) 549/2013](#).

CHAPTER II

IMPLEMENTATION OF THE MEDIUM-TERM BALANCE

Article 3

(Implementation of the medium-term balance)

(1) The revenues and expenditures of the general government budgets shall be deemed to be balanced in the medium term if the general government debt remains at a prudent level below 60% of gross domestic product (hereinafter: GDP) and the general government deficit remains below 3% of GDP, with both indicators maintained below these thresholds in the medium term.

(2) During an adjustment period in which the medium-term balance has not been achieved, the net expenditure path must follow the national medium-term fiscal-structural plan (hereinafter: medium-term plan) referred to in Article 5 of this Act, as endorsed by the Council of the European Union (hereinafter: the Council of the EU) in accordance with Article 17 of [Regulation \(EU\) 2024/1263](#); deviations shall be permitted, provided they do not exceed the limits set in Article 2(2) of [Regulation \(EC\) 1467/97](#).

Article 4

(Precautionary principle in planning and assessing the extent of expenditure)

To ensure the implementation of the medium-term balance, any risks that could affect macro-economic stability, the long-term sustainability of public finance and the extent of general government debt must be taken into account in planning and assessing the net expenditure path.

Article 5

(Medium-term plan)

(1) The medium-term plan shall be a document prepared in accordance with [Regulation \(EU\) 2024/1263](#) and adopted by the National Assembly of the Republic of Slovenia (hereinafter: the National Assembly) on the proposal of the Government of the Republic of Slovenia (hereinafter: the Government). The medium-term plan shall set out the implementation of the medium-term balance.

(2) The National Assembly shall adopt a medium-term plan at the latest by the time limit for its submission to the European Commission and the Council of the EU.

(3) The medium-term plan shall be drawn up for a period of four years, even if the medium-term balance has not been achieved and the Government proposes an extension of the adjustment period in accordance with the criteria set out in Article 14 of [Regulation \(EU\) 2024/1263](#)

(4) At least 15 days before the time limit for submitting the medium-term plan to the European Commission, the Government shall submit a proposal for the medium-term plan to the National Assembly for adoption and to the Fiscal Council for assessment.

(5) If the Council of the EU does not endorse the medium-term plan, the Government shall prepare a revised medium-term plan and submit it to the National Assembly and the Fiscal Council 15 days before the time limit laid down in Article 19 of [Regulation \(EU\) 2024/1263](#).

Article 6

(Annual progress report)

(1) Every year by 10 April, the Government shall submit to the National Assembly and the Fiscal Council for assessment a draft of the annual report on the progress in the implementation of the medium-term plan or the revised medium-term plan, in accordance with Article 21 of [Regulation \(EU\) 2024/1263](#).

(2) The Government shall consider the draft annual report by 30 April and submit the adopted annual report to the European Commission. The annual report shall be published on the website of the ministry responsible for finance.

CHAPTER III

FISCAL COUNCIL

Article 7

(Status and functions of the Fiscal Council)

(1) The Fiscal Council shall be an independent and autonomous state authority that prepares and publishes on its website assessments, which may also include recommendations to the Government regarding the compliance of fiscal policy with fiscal rules as laid down in this Act, in the regulations governing public finance or in European Union regulations governing economic governance in Member States.

(2) The Fiscal Council shall perform the following functions:

1. prepare an assessment of the adequacy of the net expenditure path set out in a proposal for a medium-term plan or revised medium-term plan within seven days of receiving such proposal;
2. prepare an assessment of the consistency, coherence and effectiveness of the budget planning system every four years;

3. prepare an assessment of compliance with the net expenditure path set out in the medium-term plan or revised medium-term plan within ten days of receiving from the ministry responsible for finance the projections of general government revenues and expenditures that are based on the proposal for the state budget or amendment to the state budget. The Fiscal Council shall prepare an assessment of compliance with the net expenditure path set out in the medium-term plan or revised medium-term plan if it receives from the ministry responsible for finance the projections of general government revenues and expenditures based on a proposal for a revised state budget, where the revised budget proposal affects the projections of general government revenues and expenditures, no later than three days before the consideration of the revised budget proposal in the National Assembly;
4. prepare an assessment of compliance of data on the outturn of the general government budgets contained in an annual progress report with the net expenditure path set out in the medium-term plan or revised medium-term plan within seven days of receiving the annual progress report;
5. conduct an analysis of the forecasts of macroeconomic and fiscal aggregates, as defined by the act governing public finance, every four years for the past four years, and present the analysis in a report. If any biases are found, the Fiscal Council shall report the relevant findings to the Government, and the forecast producer must prepare corrective measures based on these findings;
6. prepare the assessment referred to in paragraph two of Article 12 of this Act regarding the occurrence of exceptional circumstances within eight days;
7. participate in regular presentations and discussions in the National Assembly on planning and implementing the fiscal policy;
8. perform other functions necessary to exercise its powers, including those laid down in [Regulation \(EU\) 2024/1263](#) and [Regulation \(EC\) 1467/97](#).

(3) Based on the assessments of the Fiscal Council referred to in points 1 to 4 of the preceding paragraph and the assessments that the Fiscal Council prepares pursuant to [Regulation \(EU\) 2024/1263](#) and [Regulation \(EC\) 1467/97](#), the Government shall prepare a written and reasoned position on the Fiscal Council's assessments and submit it to the National Assembly either by time the subject matter of the assessment is considered in the National Assembly or within two months of the publication of the Fiscal Council's assessments. The National Assembly may instruct the Government to prepare measures based on a particular assessment by the Fiscal Council that follow the Fiscal Council's recommendations.

Article 8

(Composition of the Fiscal Council)

(1) The Fiscal Council shall consist of three members appointed by the National Assembly on the proposal of the Government.

(2) The office of a member of the Fiscal Council shall be incompatible with any other public office and any activities entailing the management, supervision or representation of direct or indirect spending units of the general government budgets. In performing their work, the members of the Fiscal Council may not accept any instructions.

(3) Appointed members of the Fiscal Council shall be experts in the field of macroeconomics, public finance or budget management, where at least one member must be an expert in macroeconomics and at least one an expert in public finance. A person shall be deemed an expert in the field of macroeconomics, public finance or budget management if they have at least a university degree or a degree attained in a second-cycle study programme in accordance with the Act governing higher education, and at least ten years of work experience in their field of expertise; their business performance, performance in past positions and reputation shall also be taken into account.

(4) A person who has been sentenced by a final judgment to more than six months' imprisonment for a premeditated offence prosecuted *ex officio* may not be appointed as a member of the Fiscal Council.

(5) A member of the Fiscal Council shall be appointed for a period of five years, but for no more than two consecutive terms.

(6) The office of a member of the Fiscal Council may be terminated early if:

1. the member submits a statement of resignation to the National Assembly;
2. the member is sentenced to imprisonment for a criminal offence;
3. the member permanently loses the capacity to perform the office;
4. the member no longer fulfils the requirements for members of the Fiscal Council laid down by this Act;
5. reasons for the incompatibility of office arise;
6. the member does not comply with the Constitution or law in performing their duties.

(7) The office of a member of the Fiscal Council shall be terminated early and shall cease on the day the National Assembly determines that a reason referred to in point 1, 2, 3, 4 or 5 of the preceding paragraph exists or on the day the National Assembly terminates the member's office based on the reasons referred to in point 6 of the preceding paragraph. A motion to terminate the office of a Fiscal Council member under point 6 of the preceding paragraph may be lodged by at least 15 deputies of the National Assembly. The motion must include a description of the alleged violation of the Constitution or law and proposed evidence of the violation of the Constitution or law. The President of the National Assembly shall immediately notify the Government of any early termination of office.

Article 9

(Selection procedure for the members of the Fiscal Council)

(1) The President of the Fiscal Council shall notify the Government six months before the expiry of the office of members of the Fiscal Council.

(2) After receiving a notification of the expiry of office or a notification that the proposed candidate for a member of the Fiscal Council has not obtained the required majority or that their office has been terminated early, the Government shall immediately publish a call for applications from candidates in the Official Gazette of the Republic of Slovenia.

(3) Candidates' applications shall be submitted to the Government within a time limit which may not be less than 30 days following the publication of the call, or in the case of an early termination of office under paragraph seven of this Article, not less than 15 days following the publication of the call. The applications must be reasoned. Each application must be accompanied by a written statement by the candidate that they are willing to accept the candidature.

(4) The Government shall propose candidates for the President and members of the Fiscal Council from among the applicants to the National Assembly.

(5) The Government shall propose candidates within 30 days of the expiry of the time limit referred to in paragraph three of this Article. It must state the reasons for candidature proposal and submit written statements by the candidate on candidature acceptance and on the date of assumption of office.

(6) The National Assembly shall vote on the proposed candidates for members of the Fiscal Council within 30 days of the submission of the proposal by the Government. The proposed candidate shall be appointed if a two-thirds majority of all deputies vote for the candidate. The name of the chosen candidate shall be published in the Official Gazette of the Republic of Slovenia.

(7) If a proposed candidate for a member of the Fiscal Council does not receive the necessary majority of deputies' votes, the President of the National Assembly shall immediately notify the Government thereof.

(8) If a new member or President of the Fiscal Council is not appointed by the day when the office of a member or the President of the Fiscal Council expires or if the newly appointed member or President of the Fiscal Council cannot assume the office on the day following the expiry of office of the current member or President of the Fiscal Council, the current member or President of the Fiscal Council shall perform the office until the newly appointed member or President of the Fiscal Council assumes the office.

(9) If the Government proposes to the National Assembly two candidates for two open positions of members of the Fiscal Council whose term of office expires on the same day and the National Assembly does not appoint candidates for both positions but only one, and if it is no longer possible to appoint a new Fiscal Council member before the expiry of the term of the previous member, it shall be decided by lot which of the two members whose term of office is soon to expire will continue to perform the office until the appointment of a new member. Which of the two members of the Fiscal Council whose term of office is expiring will continue to perform the office after the expiry shall also be decided by lot if one of the newly appointed members is unable to assume office in due time, provided that this is evident from the candidature proposal referred to in paragraph five of this Article.

(10) The lots referred to in the preceding paragraph shall be drawn at a Fiscal Council session in a manner determined by the Rules of Procedure of the Fiscal Council in the presence of the President of the National Assembly.

(11) The lots shall be drawn no later than ten days before the expiry of the term of office of the members of the Fiscal Council or, if this is not possible, no later than on the day following the day when the outcome of the appointment in the National Assembly is made public.

(12) Following the drawing of lots referred to in paragraphs nine and ten of this Article, the Fiscal Council shall publish in the Official Gazette of the Republic of Slovenia the name of the Fiscal Council member who will continue to perform the office.

Article 10

(Operation of the Fiscal Council)

(1) The Fiscal Council shall be represented by the President, who shall also manage and organise the work of the Fiscal Council.

(2) The Fiscal Council shall adopt the Rules of Procedure to govern its operation. The Rules of Procedure shall be published in the Official Gazette of the Republic of Slovenia.

(3) The Fiscal Council shall adopt decisions by a majority of all members.

(4) The funds required for the operation of the Fiscal Council shall be provided in the budget of the Republic of Slovenia on the proposal of the Fiscal Council. The Fiscal Council shall independently decide on the use of budget appropriations.

(5) The members of the Fiscal Council shall be employed with the Fiscal Council for at least 20% of full-time employment and the President for at least 50% of full-time employment.

(6) Public employees employed with the Fiscal Council shall provide professional assistance to the members of the Fiscal Council, so as to ensure the professional independence of the Fiscal Council. Administrative and technical tasks for the Fiscal Council shall be performed by the services of the Court of Audit of the Republic of Slovenia.

(7) All institutional units of the general government must provide the Fiscal Council with all information, data and analyses at their disposal that the Fiscal Council requires to perform the functions referred to in paragraph two of Article 7 of this Act. The Fiscal Council may enter in cooperation agreements with institutional units of the general government with regard to the free provision of data, analyses and other information that the relevant institutional unit of the general government may, in accordance with its competences, provide to the Fiscal Council for the performance of its functions.

(8) Every seven years, an independent provider shall assess the quality of performance of Fiscal Council's functions referred to in paragraph two of Article 7 and Fiscal Council's independence in performing its functions. The independent external provider shall be chosen by the Fiscal Council from among the recognised institutions or individuals with appropriate knowledge.

(9) Every year by the end of May, the Fiscal Council shall submit to the National Assembly for consideration a report on the work performed in the previous year.

CHAPTER IV

CORRECTION OF DEVIATIONS AND EXCEPTIONAL CIRCUMSTANCES

Article 11

(Correction of deviations from the medium-term balance)

(1) If the Government determines, based on an assessment of the Fiscal Council referred to in point 3 or 4 of paragraph two of Article 7 of this Act, that the medium-term balance is not being implemented in accordance with Article 3 of this Act, or if the Republic of Slovenia receives a recommendation referred to in Article 3(3) of [Regulation \(EC\) 1467/97](#) or a notice referred to in Article 5(1) of [Regulation \(EC\) 1467/97](#), the minister responsible for finance (hereinafter: the minister) shall apply measures referred to in paragraph two of this Article with a view to balancing public finance in the medium term.

(2) The minister shall, as of the first day of the following month and for no longer than 60 days, adopt measures with a view to restoring the medium-term balance of public finances, and in particular shall:

1. permit the assumption of liabilities only on the basis of the prior consent of the minister;
2. permit the reallocation of commitment appropriations on the basis of the prior consent of the minister.

(3) If the medium-term balance in accordance with Article 3 of this Act or compliance with the recommendation or notice of the Council of the EU referred to in paragraph one of this Article is not achieved with the measures referred to in the preceding paragraph, the Government shall, on the proposal of the minister, 15 days before the expiry of the 60-day time limit referred to in the preceding paragraph, call on the proposers of financial plans for the state budget to prepare proposals for any Acts or measures necessary to ensure the medium-term balance.

(4) If due to objective circumstances the medium-term balance is not achieved with the measures referred to in paragraph two and with the proposed acts and measures referred to in paragraph three of this Article, the Government shall, on the proposal of the minister, within three months of its finding or of the receipt of the recommendation or notice of the Council of the EU referred to in paragraph one of this Article, submit to the National Assembly for adoption a revised medium-term plan, in accordance with Article 15(1) of [Regulation \(EU\) 2024/1263](#).

(5) On the proposal of the minister, the Government shall also submit a revised medium-term plan to the National Assembly for adoption if an excessive imbalance procedure is initiated in accordance with Article 7(2) of [Regulation \(EU\) No 1176/2011](#) of the European Parliament and of the Council of 16 November 2011 on the prevention and correction of macroeconomic imbalances (OJ L 306, 23.11.2011, p. 25).

(6) If a new Government is appointed, it may, on the proposal of the minister, submit to the National Assembly for adoption a revised medium-term plan, in accordance with Article 15(2) of [Regulation \(EU\) 2024/1263](#).

(7) Provisions of Article 5 of this Act shall apply *mutatis mutandis* to the procedure for adopting a revised medium-term plan.

Article 12

(Exceptional circumstances)

(1) A deviation from the medium-term balance shall only be permitted if the conditions for applying the general or national escape clause referred in Articles 25 and 26 of [Regulation \(EU\) 2024/1263](#) are met.

(2) The occurrence of exceptional circumstances that permits the application of a national escape clause referred to in Article 26 of [Regulation \(EU\) 2024/1263](#) shall be determined by the Government after obtaining an assessment by the Fiscal Council on the occurrence of exceptional circumstances referred to in point 6 of paragraph two of Article 7 of this Act. Based on this determination, the Government shall submit a request to apply a national escape clause to the European Commission and the Council of the EU.

(3) In accordance with the recommendation of the Council of the EU referred to in Article 25 or 26 of [Regulation \(EU\) 2024/1263](#) on the admissible extent and duration of deviations from the medium-term balance, the Government may, if the medium-term plan can no longer be implemented, submit to the National Assembly for adoption a revised medium-term plan within three months of the end of application of the general or national escape clause, applying *mutatis mutandis* Article 5 of this Act.

CHAPTER V

TRANSITIONAL AND FINAL PROVISIONS

Article 13

(Continuation of the office of members of the Fiscal Council)

(1) The current members of the Fiscal Council shall continue performing the office until the expiry of their term of office.

(2) The current two members of the Fiscal Council may be employed in the manner referred to in paragraph five of Article 10 of this Act as of the first day of the month following the entry into force of this Act.

Article 14

(Time limits for the first assessment of the budget planning system and the first analysis of forecasts of macroeconomic and fiscal aggregates)

(1) The Fiscal Council shall prepare the first assessment of the budget planning system referred to in point 2 of paragraph two of Article 7 of this Act in 2029.

(2) The Fiscal Council shall prepare the first analysis of the forecasts of macroeconomic and fiscal aggregates referred to in point 5 of paragraph two of Article 7 of this Act in 2028.

Article 15

(Time limit for harmonising the Rules of Procedure of the Fiscal Council and the assessment of the quality of performance of Fiscal Council's functions)

(1) The Fiscal Council shall harmonise its Rules of Procedure with the provisions of this Act within three months of the entry into force of this Act.

(2) An independent external provider shall conduct the first assessment of the quality of performance of Fiscal Council's functions and of the independence of the Fiscal Council in performing its functions referred to in paragraph two of Article 7 of this Act in 2028.

Article 16

(End of validity)

On the day this Act enters into force, the following shall cease to be in force:

1. the Fiscal Rule Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 55/15, 177/20 – corr. and 129/22);
2. Article 37b of the Decree on development planning documents and the procedures for preparing the draft national budget (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 54/10 and 35/18);
3. Article 9a, paragraph two of Article 9b, paragraphs one and two of Article 9č, paragraph one of Article 9d and Articles 9e to 9o of the Public Finance Act (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 11/11 – official consolidated version, 14/13 – corr., 101/13, 55/15 – ZFisP, 96/15 – ZIPRS1617, 13/18, 195/20 – Dec. of the CC, 18/23 – ZDU-1O and 76/23);
4. the Ordinance on the framework for the preparation of the general government budget for the 2025–2027 period (Official Gazette of the Republic of Slovenia [*Uradni list RS*], Nos 35/24 and 98/24).

Article 17

(Entry into force)

This Act shall enter into force on the day following its publication in the Official Gazette of the Republic of Slovenia.

No 411-01/25-7/19

Ljubljana, 28 March 2025

EPA 1948-IX

National Assembly of the Republic of Slovenia

mag. Urška Klakočar Zupančič
President