

COMMISSION REGULATION (EC) No 1921/2001**of 28 September 2001****laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for revisions of the harmonised index of consumer prices and amending Regulation (EC) No 2602/2000****(Text with EEA relevance)**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, as last amended by Commission Regulation (EC) No 1617/1999 ⁽²⁾, and in particular Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽³⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a harmonised index of consumer prices (HICP) starting with the index for January 1997.
- (2) It is particularly important to secure a high degree of credibility of the HICP which may be supported by the objective of limiting in a given context the number of HICP revisions to the minimum extent necessary.
- (3) It is generally accepted that the annual average, annual and monthly rates of change of the HICPs are important for the measurement of inflation, more particularly for assessing price convergence and informing the monetary policy of the European Central Bank.
- (4) Changes in the system of national or harmonised rules constitute valid reasons for revisions to the HICPs to the extent that they ensure or improve the comparability, reliability, or relevance of the HICPs; changes in the system of harmonised rules should not require revisions unless otherwise stated in the context of particular implementing measures.
- (5) Article 6 of Commission Regulation (EC) No 2602/2000 of 17 November 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of price reductions in the harmonised index of consumer prices ⁽⁴⁾ needs to be amended accordingly.
- (6) Revisions due to mistakes, or because of new or improved basic information are valid reasons for revisions to HICPs because they improve the comparability, reliability, or relevance of the HICPs.

- (7) There is considerable scope for procedural differences between Member States on the revision of index series. A set of harmonised rules is necessary to ensure that the resulting HICPs meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95 as well as their reliability and relevance.
- (8) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee established by Council Decision 89/382/EEC, Euratom ⁽⁵⁾,

HAS ADOPTED THIS REGULATION:

*Article 1***Aim**

The aim of this Regulation is to provide information on significant effects of implementing measures under Regulation (EC) No 2494/95 and to establish harmonised rules concerning revisions to the HICP that are consistent with those measures, and sufficient to ensure their comparability, reliability, and relevance.

*Article 2***Definitions**

For the purpose of this Regulation the following definitions shall apply:

- (a) a 'revision' is an *ex-post* change in a HICP series, index level, rate of change or weight, that has been made publicly available through printed or electronic media by the Commission (Eurostat) affecting the results to one decimal place;
- (b) a 'mistake' is an unintentional breach of an established rule affecting at least one HICP series;
- (c) a 'provisional' result is a result which is, subject to revision, expected to be finalised in a later month.

*Article 3***Revisability**

1. The officially published HICP series may be revised.

⁽¹⁾ OJ L 257, 27.10.1995, p. 1.

⁽²⁾ OJ L 192, 24.7.1999, p. 9.

⁽³⁾ OJ C 244, 1.9.2001, p. 5.

⁽⁴⁾ OJ L 300, 29.11.2000, p. 16.

⁽⁵⁾ OJ L 181, 28.6.1989, p. 47.

2. Revisions to any HICP series, other than on the grounds of Articles 4, 5 or 9 of this Regulation, shall be subject to prior approval by the Commission (Eurostat). Their extent and the timing shall be coordinated with the Commission (Eurostat).

Article 4

Mistakes

1. Mistakes shall be corrected and resulting revisions shall be implemented without unnecessary delay.

2. Member States concerned shall, at their own initiative, provide the Commission (Eurostat) with information at the level of detail necessary to assess the impact on the HICP series concerned before the release of revisions on the grounds of mistakes. The Member States shall also notify the Commission (Eurostat) of the action taken to prevent similar future occurrences.

Article 5

New or improved information

Revisions resulting from new or improved basic information which are considered by Member States necessary in order to improve the accuracy of an HICP shall be implemented provided the Commission (Eurostat) does not oppose the timing of the revisions to be made.

Article 6

Changes in the system of harmonised rules

Unless otherwise stated:

1. changes in the system of harmonised rules shall not require revisions;
2. changes in definitions, methods, or practices resulting from the HICP regulatory framework shall take effect with the index for January each year in all Member States concerned;
3. the impact of any such changes shall be assessed for the 12 months starting with the index for January in which the changes take effect;
4. if the changes are likely to affect the average annual rate of change of the all-items index over the 12-month period following the change by at least one tenth of a percentage point then the impact on the all-items index shall be estimated for each of the 12 months;
5. where in addition any COICOP/HICP division, group or class index is likely to be affected respectively by at least three, four or five tenths of a percentage point calculated as in Article 6(4), the impact on the index series concerned shall be estimated for each of the 12 months.

Article 7

Estimates of the impact

1. The estimates referred to in Article 6(4) and (5) of this Regulation shall use the best available methodology in a cost-effective way. They shall be transmitted to the Commission

(Eurostat) at the latest with the HICPs to which they relate. A description of the method of estimation and appropriate comments on the accuracy of the estimates shall be included.

2. The estimates shall compare the annual rates of change of the HICP, and the sub-indices concerned, with an index which does not take account of the changes in definitions, methods, or practices.

3. The estimates referred to in Article 6(4) and (5) shall be publicly available, with appropriate notes on their quality. These estimates shall not replace the official HICP.

Article 8

Release of revisions

1. In the official HICP series released by the Commission (Eurostat), revisions shall be marked. A revision mark shall be assigned to those primary or derived series the results of which, following a revision, have changed at the level of detail released. Revision marks shall be shown on the occasion of the release of the revised series and removed the following month.

2. Revisions to the all-items HICP, other than to provisional results, shall be publicly announced together with an explanation, in close coordination between the Member State concerned and the Commission (Eurostat).

Article 9

Provisional result

When an index is published as provisional, it shall be finalised in the following month's publication.

Article 10

Quality control

In the event of a revision, other than on the grounds of Article 4 or 9, the Member State concerned shall provide the Commission (Eurostat), at its request, with information at the level of detail necessary to assess the impact on the HICP series concerned and demonstrate that the revisions are consistent with the HICP standards.

Article 11

Amendment

Article 6 of Regulation (EC) No 2602/2000 as regards minimum standards for the treatment of price reductions in the HICP is replaced by the following text:

'Where the implementation of the provisions of this Regulation affects the annual rate of change $(m/(m-12))$ of the all-items index by more than one tenth of one percentage point compared with an index which does not take account of price reductions, the index series concerned shall be revised appropriately.'

*Article 12***Implementation**

This Regulation shall be implemented by Member States in December 2001 and shall take effect with the index for January 2002.

*Article 13***Entry into force**

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Community*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 September 2001.

For the Commission
Pedro SOLBES MIRA
Member of the Commission
