

**OPINION OF THE EUROPEAN CENTRAL BANK****of 24 November 2000**

**at the request of the Commission of the European Communities on two draft Commission Regulations (EC) laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of price reductions and as regards the timing of entering purchaser prices into the harmonised index of consumer prices**

(CON/00/27)

(2000/C 362/11)

1. On 19 October 2000 the European Central Bank (ECB) received a request from the European Commission for an ECB opinion on two draft Commission Regulations (EC) concerning minimum standards for the treatment of price reductions and the timing of entering purchaser prices into the harmonised index of consumer prices (HICP).
2. The ECB's competence to deliver an opinion is based on Article 105(4) of the Treaty establishing the European Community and Article 5(3) of Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, this ECB opinion has been adopted by the Governing Council of the ECB.

**I. Draft Regulation concerning minimum standards for the treatment of price reduction**

3. The objective of the draft Regulation is to establish minimum standards for the treatment of price reductions in the HICP. Temporary price reductions, such as summer and winter sales, may have a significant impact on the index result in the period concerned and differences in their treatment may affect the comparability of the HICP.
4. The draft Regulation defines the conditions under which price reductions are to be reflected in the HICP (related to the purchase of individual products, non-discriminatory, known and available at the time of purchase; Article 2). It also defines the conditions under which the implementation of the Regulation leads to a revision of previous data (change in annual rate of more than one-tenth of one percentage point; Article 6(1)). The ECB agrees with these proposals.
5. The draft Regulation leaves open whether or not the price reductions must hold a minimum time interval in order to be taken into account in the HICP computation. The ECB urges Eurostat to ensure a fully comparable implementation of the provision on price reductions.
6. The ECB welcomes the requirement in Article 6(2) that general provisions concerning revisions of the HICP shall be adopted in future.

**II. Draft Regulation concerning the timing of entering purchaser prices into the HICP**

7. The objective of the draft Regulation is to harmonise the timing of entering prices into the HICP. This is important in particular where there is a difference between the time of purchase and the time of payment, delivery or consumption.

8. For goods, the draft Regulation requires that prices shall be recorded in the HICP for the month in which they are observed and the goods may be purchased by the consumer, regardless of the time of payment, delivery or consumption. The ECB agrees with this proposal.
  9. For services, the draft Regulation requires that prices shall be entered into the HICP for the month in which the consumption of the service can commence. This may be later than when the price (price change) is announced by the supplier or agreed between supplier and consumer in a transaction, and is conceptually not fully consistent with the proposed treatment for goods. However, it may lead in practice to a more transparent and comprehensible outcome than alternative options. Moreover, the proposed rule follows the practice in most Member States. The ECB can therefore accept the proposal.
  10. This ECB opinion shall be published in the *Official Journal of the European Communities*.
- Done at Frankfurt am Main, 24 November 2000.

*The President of the ECB*

Willem F. DUISENBERG

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## OPINION OF THE EUROPEAN CENTRAL BANK

of 5 December 2000

**at the request of the Presidency of the Council of the European Union on a proposal to amend Article 10.2 of the Statute of the European System of Central Banks and of the European Central Bank**

(CON/00/30)

(2000/C 362/12)

1. On 4 December 2000 the European Central Bank (ECB) received a request from the Presidency of the Council of the European Union for an opinion on a proposal to amend Article 10.2 of the Statute of the European System of Central Banks and of the European Central Bank (hereinafter referred to as the 'Statute').
2. The ECB's competence to deliver an opinion is based on Article 48 of the Treaty on European Union, since the proposal is submitted to an Intergovernmental Conference for the purpose of determining the amendments to be made to the Treaties on which the European Union is founded and intends to introduce institutional changes in the monetary area. In accordance with the first sentence of Article 17.5 of the Rules of Procedure of the European Central Bank, this opinion has been adopted by the Governing Council of the ECB.
3. The proposal intends to enable the Council of the European Union, meeting in the composition of the Heads of States or Government and acting unanimously, to amend in the future by a simplified procedure, rather than convening a full-scale Intergovernmental Conference, the provisions of the Statute concerning the general voting rules of the Governing Council of the ECB.
4. The ECB takes note that the proposal foresees that both the ECB and the Commission have the right of initiative for commencing a simplified procedure in order to amend the abovementioned Article of the Statute, although such amendments would change the core institutional provisions of the ECB.