# COMMISSION REGULATION (EC) No 1889/2002

## of 23 October 2002

## on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA)

**(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 448/98 of 16 February 1998 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of financial intermediation services indirectly measured (FISIM) within the European System of national and regional Accounts (ESA) [1] and in particular Article 5(3) thereof,

Whereas:

(1) Council Regulation (EC) No 2223/96 of 25 June 1996 on the European System of national and regional accounts in the Community [2], as last amended by Regulation (EC) No 359/2002 of the European Parliament and of the Council [3], (hereafter 'the ESA 95') contains the reference framework of common standards, definitions, classifications and accounting rules for drawing up the accounts of the Member States for the statistical requirements of the Community, in order to obtain comparable results between Member States.

(2) Regulation (EC) No 448/98, in its Annex I, amended Annex A to Regulation (EC) No 2223/96 in order to introduce in the ESA 95 methodology the principle for allocating FISIM and set up experimental methods of allocating FISIM which were to be tested by Member States from 1995 to 2001, the trial period being sufficiently long to evaluate whether the allocation yielded more reliable results than the present zero allocation for the correct measurement of the economic activity concerned.

(3) In accordance with Article 5(1) of Regulation (EC) No 448/98, a final report has been presented on 21 June 2002 by the Commission to the European Parliament and the Council, containing a qualitative and quantitative analysis of the implications of the experimental methods for allocating and calculating FISIM. This final report concluded that the results of the trial period were positive, as it is broadly recognised that the allocation of FISIM would lead to major improvements in the methodology of the ESA 95 and to a more accurate comparison of gross domestic product (GDP) levels within the European Union.

(4) Since the findings of the final evaluation report on the reliability of the results obtained during the trial period have been positive, the method to be used for the allocation of FISIM must be adopted before 31 December 2002 in accordance with Article 5(3) of Regulation (EC) No 448/98.

(5) In its final report presented to the European Parliament and the Council, the Commission considered that two additional years could be useful in order to enable Member States to make further improvements in the sources and methods used for the allocation of FISIM.

(6) The Committee on Monetary, Financial and Balance of Payments Statistics (CMFB), set up by Council Decision 91/115/EEC [4], as amended by Decision 96/174/EC [5], has been consulted.

(7) The measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC),

HAS ADOPTED THIS REGULATION:

*Article 1*

1. Member States shall carry out the following calculations and allocations in accordance with the detailed methodology described in Annex III to Council Regulation (EC) No 448/98:

(a) the calculation and allocation of FISIM among user sectors, using the reference rate defined as 'method 1' in point 1(b) of Annex III to Council Regulation (EC) no 448/98;

[1] OJ L 58, 27.2.1998, p. 1.
[2] OJ L 310, 30.11.1996, p. 1.
[3] OJ L 58, 28.2.2002, p. 1.
[4] OJ L 59, 6.3.1991, p. 19.
[5] OJ L 51, 1.3.1996, p. 48.