



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 25 October 2012

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COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jens NYMAND-CHRISTENSEN, Director

date of receipt: 11 October 2012

to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No Cion doc.: D022679/02

Subject: COMMISSION REGULATION (EU) No .../.. of XXX amending Regulation
(EC) No 2214/96 concerning harmonised indices of consumer prices (HICP):
transmission and dissemination of sub-indices of the HICP, as regards
establishing harmonised indices of consumer prices at constant tax rates

Delegations will find attached Commission document D022679/02.

Encl.: D022679/02



EUROPEAN COMMISSION

Brussels, **XXX**
D022679/02
[...](2012) **XXX** draft

COMMISSION REGULATION (EU) No .../..

of **XXX**

amending Regulation (EC) No 2214/96 concerning harmonised indices of consumer prices (HICP): transmission and dissemination of sub-indices of the HICP, as regards establishing harmonised indices of consumer prices at constant tax rates

(Text with EEA relevance)

COMMISSION REGULATION (EU) No .../..

of **XXX**

amending Regulation (EC) No 2214/96 concerning harmonised indices of consumer prices (HICP): transmission and dissemination of sub-indices of the HICP, as regards establishing harmonised indices of consumer prices at constant tax rates

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2494/95 of 23 October 1995 concerning harmonised indices of consumer prices ⁽¹⁾, and in particular the third paragraph of Article 4 and Article 5(3) thereof,

Having regard to the opinion of the European Central Bank ⁽²⁾,

Whereas:

- (1) By virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, Member States are required to produce harmonised indices of consumer prices (HICP).
- (2) Commission Regulation (EC) No 2214/96 ⁽³⁾ establishes the sub-indices of the HICP to be produced by the Member States, and provided to and disseminated by the Commission (Eurostat).
- (3) For inflation analysis and for convergence assessment in EU Member States, it is necessary to collect information on the impact of tax changes on inflation. To this end, HICPs should additionally be calculated on the basis of constant tax rate prices instead of observed prices in the form of harmonised indices of consumer prices at constant tax rates (HICP-CT).
- (4) In order to obtain reliable and comparable results from all Member States, a common methodological framework for the compilation of HICP-CT should be established and maintained.
- (5) The principle of cost-effectiveness has been taken into account in accordance with Article 13 of Regulation (EC) No 2494/95.

⁽¹⁾ OJ L 257, 27.10.1995, p. 1. .

⁽²⁾ OJ C XXX, XX.XX.XXX, p. X./Opinion not yet published in the Official Journal.

⁽³⁾ OJ L 296, 21.11.1996, p. 8..

- (6) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 2214/96 is amended as follows:

- (1) In Article 2, the following sub-paragraph is added:

‘Harmonised indices of consumer prices at constant tax rates’ mean indices that measure changes in consumer prices without the impact of changes in rates of taxes on products over the same period of time.’

- (2) Article 3 is replaced by the following:

‘Article 3

Production and provision of sub-indices

1. Member States shall produce and provide to the Commission (Eurostat) each month all sub-indices (Annex I) which have a weight accounting for more than one part in a thousand of the total expenditure covered by the HICP. Together with the index for January each year, Member States shall provide corresponding weighting information to the Commission (Eurostat).
2. In addition, Member States shall produce and provide to the Commission (Eurostat) each month the same sub-indices computed at constant tax rates (HICP-CT). The Commission (Eurostat), in close cooperation with the Member States, shall establish guidelines that provide a methodological framework for the computation of the HICP-CT index and sub-indices. When duly justified, the Commission (Eurostat) shall update the reference methodology, in accordance with procedural arrangements approved by the European Statistical System Committee.
3. Indices shall be provided following the standards and procedures for provision of data and metadata as established by the Commission (Eurostat).’

Article 2

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall take effect with the index for January 2013.

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

Done at Brussels,

*For the Commission
The President*