Harmonised indices of consumer prices and house price index

2014/0346(COD) - 11/05/2016 - Final act

PURPOSE: to lay down a common framework for the development of harmonised indices of consumer prices and of the house price index (HPI).

LEGISLATIVE ACT: Regulation (EU) 2016/792 of the European Parliament and of the Council on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95

CONTENT: the Regulation establishes a **common framework for the development, production and dissemination of harmonised indices of consumer prices** (HICP, HICP-CT, OOH price index) and **of the house price index** (HPI) at Union and national level.

The harmonised index of consumer prices (HICP) is designed to measure inflation in a harmonised manner across Member States. Price statistics of high quality and comparability are essential for those responsible for public policy in the Union, researchers and all European citizens.

The new Regulation adapts the legal framework laid down in Council Regulation (EC) No 2494/95 to current requirements and technical progress, thereby further improving the relevance and comparability of harmonised indices of consumer prices and the HPI. It establishes rules regarding:

- the compilation of the harmonised indices;
- the comparability of the harmonised indices
- the frequency and the time limits for providing harmonized indices to the Commission.

Requirements on data: basic information collected by Member States for the harmonised indices and their sub-indices shall be representative at Member State level.

Member States **shall not be required to produce the following sub-indices**, either because they are not included in the household final monetary consumption expenditure or because the degree of methodological harmonisation is not yet sufficient: (i) narcotics; (ii) games of chance; (iii) prostitution; (iv) life insurance; (v) Financial Intermediation Services Indirectly Measured (FISIM).

Pilot studies: whenever improved basic information is required for the compilation of the harmonised indices, or when the need for improved comparability of the harmonised indices is identified, the Commission (Eurostat) may launch pilot studies, to be carried out on a voluntary basis by Member States. The general budget of the Union shall, where appropriate, contribute to the financing of such pilot studies.

By 31 December 2020 and every five years thereafter, the Commission shall submit a report to the European Parliament and the Council evaluating, if applicable, the main findings of the pilot studies.

Delegated acts and implementing measures: the Regulation also takes account of the new provisions introduced in the Treaty of Lisbon on the decision-making process of the Union, which give the Commission (as Eurostat) the power to adopt implementing measures or legislative measures for the purpose of amending non-essential elements of a regulation (delegated acts).

In adopting implementing measures and delegated acts, the Commission should consider, where appropriate, cost-effectiveness and ensure that those measures and acts do not impose a significant additional burden on Member States or respondents.

ENTRY INTO FORCE: 13.6.2016.

APPLICATION: the Regulation shall apply for the first time to data relating to January 2017.

DELEGATED ACTS: the Commission may adopt delegated acts in order to: (i) amend Annex I, in order to ensure comparability of the harmonised indices at international level; (ii) take account of technical developments in the statistical methods in the production of harmonized indices; (iii) include games of chance in the HICP and the HICP-CT. The power to adopt such acts is conferred on the Commission for a period of **five years from 13 June 2016** (which may be tacitly extended for the same period). The European Parliament or Council may raise objections to a delegated act within **three months** of the date of notification (which may be extended by three months). If Parliament or Council raise objections, the delegated act may not enter into force.