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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	2 September 2024
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2024) 6068 final
Subject:	COMMISSION DELEGATED REGULATION (EU)/ of 2.9.2024 amending Regulation (EU) 2016/792 of the European Parliament and of the Council on harmonised indices of consumer prices and the house price index as regards the classification of consumption and the inclusion of games of chance

Delegations will find attached document C(2024) 6068 final.

Encl.: C(2024) 6068 final



Brussels, 2.9.2024 C(2024) 6068 final

COMMISSION DELEGATED REGULATION (EU) .../...

of 2.9.2024

amending Regulation (EU) 2016/792 of the European Parliament and of the Council on harmonised indices of consumer prices and the house price index as regards the classification of consumption and the inclusion of games of chance

(Text with EEA relevance)

EN EN

EXPLANATORY MEMORANDUM

CONTEXT OF THE DELEGATED ACT 1.

The harmonised index of consumer prices (HICP) is the key consumer inflation measure for the euro area and the EU. It provides comparable inflation data across countries and is used for economic and monetary policy-making and many other purposes.

Regulation (EU) 2016/792¹ lays down a common framework for the production of the HICP and the derived harmonised index of consumer prices at constant tax rates (HICP-CT).

The HICP and HICP-CT use a detailed classification of consumption expenditure categories for which price indices are compiled. The classification that is currently used, and which is included in Annex I to the above Regulation, is derived from the international Classification of Individual Consumption according to Purpose (COICOP) as maintained by the United Nations Statistics Division and is referred to as the European COICOP (ECOICOP).

In 2018, the United Nations Statistical Commission adopted a new version of COICOP as the international standard. Article 4(3) of Regulation (EU) 2016/792 requires that ECOICOP remains aligned with the international standard and empowers the Commission to adopt delegated acts to amend Annex I.

Furthermore, Article 5(8) of Regulation (EU) 2016/792 lists the categories of ECOICOP that are not required to be produced by Member States, either because they are not included in household final monetary consumption expenditure or because the degree of methodological harmonisation is not yet sufficient. The list includes games of chance. The same article empowers the Commission to adopt delegated acts to modify this list in order to include games of chance in the HICP and HICP-CT.

Methodological guidelines have been produced by the Commission (Eurostat) that will ensure a sufficient degree of harmonisation for the compilation of a sub-index for games of chance. Therefore, games of chance can now be included in the HICP and HICP-CT and Article 5(8) should be amended.

Article 5(8) includes a table of the excluded categories defined by reference to the ECOICOP codes and labels used in the current Annex I. The delegated regulation includes an interpretative recital stating that the table should be understood as referring to the amended classification as regards the products listed.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

The Commission undertook the following consultations of national experts invited to expert meetings to discuss the provisions of the delegated act:

- members of the Price Statistics working group were consulted in November 2023;
- the directors of macroeconomic statistics were consulted in their meeting of December 2023; and
- the expert group 'National Statistical Institutes of the European Statistical System' was also consulted.

Both the European Parliament and the Council have been duly informed.



3. LEGAL ELEMENTS OF THE DELEGATED ACT

The aim of the delegated regulation is to amend Article 5(8) of Regulation (EU) 2016/792 to include games of chance in the coverage of the HICP and to amend Annex I to that Regulation to align ECOICOP with the new international standard.

The delegated act has no implications for the EU budget.

The delegated act concerns a matter relating to the European Economic Area (EEA) and its application should therefore extend to the EEA.

COMMISSION DELEGATED REGULATION (EU) .../...

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(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2016/792 of the European Parliament and of the Council of 11 May 2016 on harmonised indices of consumer prices and the house price index, and repealing Council Regulation (EC) No 2494/95², and in particular Articles 4(3) and 5(8) thereof,

Whereas:

- (1) Article 4(3) of Regulation (EU) 2016/792 empowers the Commission to adopt delegated acts in accordance with Article 10 for the amendment of Annex I, in order to ensure comparability of the harmonised indices at international level in accordance with changes to the United Nations Classification of Individual Consumption according to purpose (UN COICOP).
- (2) The 49th session of the United Nations Statistical Commission considered and endorsed a revised version of the UN COICOP as the internationally accepted standard. In order to align the European classification of individual consumption according to purpose (ECOICOP) with the revised UN COICOP, Annex I of Regulation (EU) 2016/792 should be amended. The revised classification reflects the significant changes in the nature of consumption patterns of households that have occurred since the original UN COICOP from 1999.
- (3) Methodological guidelines have been produced by the Commission (Eurostat) that should ensure a sufficient degree of harmonisation for the compilation of a sub-index for games of chance. Therefore, games of chance should be included in the harmonised indices of consumer prices (HICP) and the harmonised indices of consumer prices at constant tax rates (HICP-CT).
- (4) Due to the amendment to the classification in Annex I to Regulation (EU) 2016/792 and to ensure consistency between that classification and the table in Article 5(8) of that Regulation, the table should be understood as referring to the amended classification as regards the products listed in the table.
- (5) Regulation (EU) 2016/792 should be amended accordingly.
- (6) To allow time to implement the new classification in Member States' systems, the regulation should apply to the transmission of HICP and HICP-CT data to the Commission (Eurostat) from reference month January 2026 onward,

...

OJ L 135, 24.5.2016, p. 11.

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) 2016/792 of the European Parliament and of the Council is amended as follows:

- (1) In Article 5, paragraph 8 is replaced by the following:
- '8. Member States shall not be required to produce the following sub-indices or parts of sub-indices of ECOICOP, either because they are not included in the household final monetary consumption expenditure or because the degree of methodological harmonisation is not yet sufficient:
- 02.3 Narcotics;
- 12.2 Prostitution;
- 12.5.1 Life insurance:
- 12.6.1 FISIM.

The Commission shall be empowered to adopt delegated acts in accordance with Article 10 to modify the list set out in this paragraph in order to include games of chance in the HICP and the HICP-CT.

(2) Annex I is replaced by the text in the Annex to this Regulation.

Article 2

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 apply to the transmission of harmonised indices of consumer prices (HICP) and harmonised indices of consumer prices at constant tax rates (HICP-CT) data to the Commission (Eurostat) from reference month January 2026.

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

Done at Brussels, 2.9.2024

For the Commission
The President
Ursula VON DER LEYEN