Commission Implementing Regulation (EU) 2020/1148 of 31 July 2020 laying down the methodological and technical specifications in accordance with Regulation (EU) 2016/792 of the European Parliament and of the Council as regards harmonised indices of consumer prices and the house price index (Text with EEA relevance)

COMMISSION IMPLEMENTING REGULATION (EU) 2020/1148

of 31 July 2020

laying down the methodological and technical specifications in accordance with Regulation (EU) 2016/792 of the European Parliament and of the Council as regards harmonised indices of consumer prices and the house price index

(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 2494/95[(1)], and in particular Articles 3(6), 3(8), 3(9), 3(10), 4(4), 7(6) and 9(4) thereof,

Whereas:

(1) Regulation (EU) 2016/792 lays down a common framework for the production of the harmonised index of consumer prices (HICP), the harmonised index of consumer prices at constant tax rates (HICP-CT), the owner-occupied housing (OOH) price index and the house price index (HPI).

(2) Pursuant to Article 12(3) of Regulation (EU) 2016/792, the Commission should integrate, to the extent compatible with that Regulation, the relevant provisions of Commission Regulations (EC) No 1749/96[(2)] and (EC) No 2214/96[(3)], Council Regulation (EC) No 1687/98[(4)], Commission Regulations (EC) No 2646/98[(5)] and (EC) No 1617/1999[(6)], Council Regulation (EC) No 2166/1999[(7)], Commission Regulations (EC) No 2601/2000[(8)], (EC) No 2602/2000[(9)],(EC) No 1920/2001[(10)], (EC) No 1921/2001[(11)] and (EC) No 1708/2005[(12)], Council Regulation (EC) No 701/2006[(13)], Commission Regulations (EC) No 330/2009[(14)], (EU) No 1114/2010[(15)] and (EU) No 93/2013[(16)], adopted on the basis of Council Regulation (EC) No 2494/95[(17)], while reducing, as far as appropriate, the overall number of implementing acts.

(3) Member States should update the sub-index weights for the harmonised indices annually. Therefore, it is necessary to specify rules for deriving weights.

(4) As it is not possible to observe all transactions of the target universe of the HICP, rules for sampling should be established.

Changes to legislation: *There are outstanding changes not yet made to Commission Implementing Regulation (EU) 2020/1148. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(5) The HICP measures the changes in consumer prices. In order to ensure that the concept of 'price' is applied in a harmonised way by the Member States, it is necessary to establish rules on the treatment of prices.

(6) The HICP should provide a measure of pure change in prices that is unaffected by quality change. Therefore, it is necessary to establish rules for replacements and quality adjustments.

(7) The harmonised indices should be annually chain-linked Laspeyres-type indices. Therefore, it is necessary to define elementary aggregates and to specify methods for combining observed prices to form elementary price indices.

(8) In order to ensure the high quality of flash estimates of the HICP and to enable the Commission (Eurostat) to derive the necessary aggregates, Member States whose currency is the euro should transmit flash estimates according to the same breakdown as the HICP.

(9) Harmonised indices and their sub-indices that have already been published may be revised. It is therefore necessary to specify the conditions under which revisions should be carried out.

(10) In order to obtain reliable and comparable results from all Member States, a common methodological framework for the compilation of the HICP-CT should be established and maintained.

(11) Member States should transmit the OOH price index and the HPI according to a specified breakdown.

(12) Member States should transmit data and metadata to the Commission (Eurostat) in accordance with specified exchange standards and procedures.

(13) In the European statistical system, practical guidance and recommendations should be developed on relevant HICP measurement and compilation issues, in particular on quality adjustment, index compilation and treatment of prices.

(14) Regulations (EC) No 1749/96, (EC) No 2214/96, (EC) No 1687/98, (EC) No 2646/98, (EC) No 1617/1999, (EC) No 2166/1999, (EC) No 2601/2000, (EC) No 2602/2000, (EC) No 1920/2001, (EC) No 1921/2001, (EC) No 1708/2005, (EC) No 701/2006, (EC) No 330/2009, (EU) No 1114/2010 and (EU) No 93/2013 should be repealed.

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

HAS ADOPTED THIS REGULATION:

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CHAPTER 1

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes uniform conditions for producing:

(a) the harmonised index of consumer prices (HICP) and the harmonised index of consumer prices at constant tax rates (HICP-CT); and

(b) the owner-occupied housing (OOH) price index and the house price index (HPI).

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

(1) ‘expenditure share’ means a percentage of total household final monetary consumption expenditure, as specified in the Annex;

(2) ‘sub-index weight’ means the weight for any category of the European classification of individual consumption according to purpose (ECOICOP), as set out in Annex I to Regulation (EU) 2016/792, included in the HICP;

(3) ‘target universe’ of the HICP means all transactions included in household final monetary consumption expenditure;

(4) ‘product-offer’ means a product specified by its characteristics, the timing and place of purchase and the terms of supply, and for which a price is observed;

(5) ‘homogeneous product’ means a set of product-offers among which there are no significant quality differences and for which an average price is calculated;

(6) ‘individual product’ means a product-offer or a homogeneous product;

(7) ‘target sample’ means a set of individual products that pertain to transactions from the target universe and for which price data are to be used for HICP compilation;

(8) ‘quality difference’ means a difference between the characteristics, timing, place of purchase or terms of supply of two individual products, where this is relevant from the consumer’s perspective;

(9) ‘replacement product’ means an individual product that replaces another individual product in the target sample;

(10) ‘quality adjustment’ means a procedure of increasing or decreasing the observed price of a replacement product or the replaced product by the value of the quality difference between them;

(11) ‘observed price’ means the consumer price of an individual product, as used by the Member State for the HICP compilation;

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(12) 'estimated price' means a price based on an appropriate estimation procedure;

(13) 'elementary aggregate' means the smallest aggregate used in a Laspeyres-type index;

(14) 'elementary price index' means an index for an elementary aggregate or an index for a stratum within an elementary aggregate;

(15) 'transitivity' means the property whereby an index that compares periods (a) and (b) indirectly through period (c) is identical to one that compares periods (a) and (b) directly;

(16) 'time reversibility' means the property whereby the index between periods (a) and (b) is equal to the inverse of the same index between periods (b) and (a);

(17) 'reimbursement' means a partial or complete payment by government or non-profit institutions serving households of approved purchases by households of specified products, as defined in paragraphs 4.108-4.110 of Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council[(18)] (ESA 2010);

(18) 'inducement' means a change, often temporary, in the characteristics of an individual product by increasing the quantity of the product, attaching another individual product free of charge or offering other benefits to the consumer;

(19) 'actual premiums' means the amounts paid for a specific insurance policy to obtain insurance cover over a stated time period;

(20) 'implicit service charge' means the output of insurance companies, as defined in paragraph 16.51 of Annex A to ESA 2010;

(21) 'non-life insurance claims' means claims as defined in paragraph 4.114 of Annex A to ESA 2010;

(22) 'seasonal product' means an individual product that is available for purchase or purchased in significant amounts only part of a year in a recurring pattern. In any given month, the product is considered to be either in-season or out-of-season. The in-season period may vary from one year to another;

(23) 'typical price' means an estimated price for a seasonal product that is not exceptional such as an end-of-season sales price;

(24) 'seasonal imputation method' means a treatment whereby prices of out-of-season seasonal products are estimated using counter-seasonal or all-seasonal estimation;

(25) 'counter-seasonal estimation' means a procedure to obtain an estimated price for a seasonal product so that:

(a) in the first out-of-season month, a typical price from the previous in-season period is used;

(b) in the following out-of-season months, the estimated price is equal to the previous month's price adjusted by the average change in observed prices over all in-season seasonal products in the same ECOICOP group, class, subclass or the same aggregate at any level below the subclass;

(26) 'all-seasonal estimation' means a procedure to obtain an estimated price for a seasonal product so that:

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(a) in the first out-of-season month, a typical price from the previous in-season period is used;

(b) in the following out-of-season months, the estimated price is equal to the previous month's price adjusted by the average change in observed prices over all individual products in the same ECOICOP group, class, subclass or same aggregate at any level below the subclass;

(27) 'seasonal weights method' means a treatment of seasonal products in which weights for out-of-season seasonal products are zero or set to zero;

(28) 'tariff' means a list of prices and conditions for a product that is differentiated according to the quantities purchased, the timing of consumption or the characteristics of purchasers;

(29) 'revision' means a change in the indices or weights published by the Commission (Eurostat). A change between the flash estimate and the HICP for the same reference month shall not be considered a revision;

(30) 'provisional data' means indices or weights that a Member State is expected to finalise in a later month;

(31) 'general government sector' means central government, state government, local government and social security funds, as defined in paragraphs 2.113-2.117 of Annex A to ESA 2010;

(32) 'taxes on products' means taxes that are payable per unit of a given good or service produced or transacted, as defined in paragraphs 4.16-4.20 of Annex A to ESA 2010;

(33) 'individual taxes in scope for the HICP-CT' means individual taxes on products that relate to household consumption and are included in the following categories, defined in Table 9 ('Detailed tax and social contribution receipts by type of tax or social contribution and receiving sub-sector including the list of taxes and social contributions according to national classification') in Annex B to ESA 2010:

(a) D.211 Value added type taxes (VAT);

(b) D.2122e Taxes on specific services;

(c) D.214a Excise duties and consumption taxes (other than those included in taxes and duties on imports);

(d) D.214d Car registration taxes;

(e) D.214e Taxes on entertainment;

(f) D.214g Taxes on insurance premiums;

(g) D.214h Other taxes on specific services;

(h) D.214l Other taxes on products not elsewhere classified.