Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) (Text with EEA relevance)

REGULATION (EU) 2019/516 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 19 March 2019

on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation)

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 338(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure[(1)],

Whereas:

(1) Gross national income at market prices (GNI) constitutes the basis for calculating the largest share of own resources in the general budget of the Union. Therefore, it is necessary to further reinforce the comparability, reliability and exhaustiveness of that aggregate.

(2) Statistical integrity through respect for the principles of the European Statistics Code of Practice, as reviewed and updated by the European Statistical System Committee (ESSC) on 16 November 2017, and of Regulation (EC) No 223/2009 of the European Parliament and of the Council[(2)] is of particular importance where statistics are being used directly for administrative purposes and for policy-making at Union and national levels.

(3) Those statistical data are also an important analytical tool for the coordination of national economic policies and for various Union policies, as well as for research activities.

(4) In accordance with Article 2(7) of Council Decision 2014/335/EU, Euratom[(3)], for own resources purposes, GNI means an annual GNI at market prices under the methodology set out in Annex A to Regulation (EU) No 549/2013 of the European Parliament and of the Council[(4)] which established the revised European System of Accounts (ESA 2010).

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In accordance with Article 10(1) of Decision 2014/335/EU, Euratom, and subject to Article 10(2) thereof, Council Decision 2007/436/EC, Euratom[(5)] was repealed.

(5) It is essential that GNI data be comparable across Member States and that there be compliance with the relevant definitions and accounting rules of ESA 2010. For that purpose, the assessment procedures and the basic data actually used should permit the correct application of the definitions and accounting rules of ESA 2010.

(6) It is essential that the sources and methods used to compile GNI data be reliable. This means that sound techniques should be applied to robust, suitable and up-to-date basic statistics as much as possible.

(7) It is essential that GNI data be exhaustive. Therefore, those data should also take into account informal, unregistered and other activities and transactions that are not reported in statistical surveys or to fiscal, social and other administrative authorities. Improved GNI coverage presupposes developing suitable statistical bases and assessment procedures in order to produce reliable statistics and, where applicable, to make necessary adjustments, avoiding gaps and double counting.

(8) Council Regulation (EU, Euratom) No 608/2014[(6)] provides for inspections in Member States for the purpose of verifying own resources. For GNI verification purposes, the Commission (Eurostat) should be entitled to carry out GNI information visits in order to verify the quality of GNI aggregates and their components and to verify compliance with ESA 2010, as well as to ensure that GNI data are comparable, reliable and exhaustive. The Commission (Eurostat) should respect rules on statistical confidentiality. The participation of representatives of national statistical authorities in GNI information visits to other Member States is essential in order to increase the transparency and quality of the process of GNI verification.

(9) In order to ensure the reliability, exhaustiveness and highest possible degree of comparability of GNI data, in line with ESA 2010, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of the list of issues to be addressed in every verification cycle. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making[(7)]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(10) In order to ensure uniform conditions for the implementation of this Regulation by providing GNI aggregates for own resources purposes, implementing powers should be conferred on the Commission to establish the structure and detailed arrangements of the inventory of the sources and methods used to produce GNI data and their components, in accordance with Annex A to Regulation (EU) No 549/2013, as well as the timetable for its updating and transmission, and the specific measures aimed at improving the comparability, reliability and exhaustiveness of Member States' GNI data based on

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the list of issues defined by the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[8].

(11) The ESSC, established by Regulation (EC) No 223/2009, has been, in accordance with Article 7 of that Regulation, asked to provide its professional guidance.

(12) The GNI Committee referred to in Article 4 of Council Regulation (EC, Euratom) No 1287/2003[9] has issued opinions for, provided advice to, and assisted the Commission in the exercise of its implementing powers. Under the strategy for a new European Statistical System structure to improve coordination and partnership in a clear pyramid structure within the System, the ESSC should have an advisory role and assist the Commission in exercising its implementing powers. To that effect, the GNI Committee should be replaced by the ESSC for the purpose of assisting the Commission in the exercise of its implementing powers under this Regulation. Nevertheless, for the purposes of other functions previously undertaken by the GNI Committee under Regulation (EC, Euratom) No 1287/2003, and not relating to assistance in the exercise of the implementing powers of the Commission, the Commission should establish a formal expert group to assist it for such purposes.

(13) Council Directive 89/130/EEC, Euratom[10] and Regulation (EC, Euratom) No 1287/2003 set up a procedure to verify and assess the comparability, reliability and exhaustiveness of Gross National Product (GNP) data and GNI data within the GNP Committee and GNI Committee in which Member States and the Commission cooperate closely. That procedure should be adjusted to take account of the use of GNI data according to ESA 2010 for the purposes of own resources, the revised timetable for making available own resources, and recent developments within the European Statistical System. Directive 89/130/EEC, Euratom and Regulation (EC, Euratom) No 1287/2003 should therefore be repealed,

HAVE ADOPTED THIS REGULATION:

CHAPTER I

DEFINITION AND CALCULATION OF GROSS NATIONAL INCOME AT MARKET PRICES

Article 1

1 Gross national income at market prices (GNI) and gross domestic product at market prices (GDP) shall be defined in accordance with the European System of Accounts 2010 (ESA 2010) established by Regulation (EU) No 549/2013.

2 In accordance with point 8.89 of Annex A to Regulation (EU) No 549/2013, GDP means the final result of the production activity of resident producer units. It can be defined in three ways:

a production approach: GDP is the sum of gross value added of the various institutional sectors or the various industries plus taxes and less subsidies on products (which are not allocated to sectors and industries). It is also the balancing item in the total economy production account;

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b expenditure approach: GDP is the sum of final uses of goods and services by resident institutional units (final consumption and gross capital formation) plus exports and minus imports of goods and services;

c income approach: GDP is the sum of uses in the total economy generation of income account (compensation of employees, taxes on production and imports less subsidies, gross operating surplus and mixed income of the total economy).

3 In accordance with point 8.94 of Annex A to Regulation (EU) No 549/2013, GNI means the total primary income receivable by resident institutional units: compensation of employees, taxes on production and imports less subsidies, property income (receivable less payable), gross operating surplus and gross mixed income. GNI equals GDP minus primary income payable by resident institutional units to non-resident institutional units plus primary income receivable by resident institutional units from the rest of the world.

CHAPTER II

TRANSMISSION OF GNI DATA AND ADDITIONAL INFORMATION

Article 2

1 Member States shall calculate GNI as defined in Article 1 in the context of national accounts compilation.

2 Before 1 October each year, Member States shall provide the Commission (Eurostat), in the context of national accounting procedures, with figures for GNI aggregates and their components, in accordance with the definitions referred to in Article 1. Totals for GDP and its components shall be presented in accordance with the three approaches referred to in Article 1(2). Data shall be transmitted for the preceding year and any changes made to the data for previous years shall be communicated at the same time.

3 The transmission of data referred to in paragraph 2 shall be accompanied by a report on the quality of GNI data. That report shall detail the methodology used to produce the data, and in particular describe any significant changes in the sources and methods used and explain the revisions made to GNI aggregates and their components compared to the previous periods.

Article 3

1 Member States shall provide the Commission (Eurostat) with an inventory of the sources and methods used to produce GNI aggregates and their components in accordance with ESA 2010.

2 The Commission shall establish, by means of implementing acts, the structure and detailed arrangements of the inventory referred to in paragraph 1 of this Article, in accordance with Annex A to Regulation (EU) No 549/2013, as well as the timetable for its updating and transmission. In exercising its power, the Commission shall ensure that such implementing acts do not impose significant additional costs which result in a disproportionate and unjustified burden on the Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 8(2) of this Regulation. The inventory shall be consistent with ESA 2010 and duplication and overloading shall be avoided.

3 To facilitate comparable analyses of compliance, the Commission shall draw up an inventory guide in close cooperation with the expert group referred to in Article 4.

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CHAPTER III

PROCEDURES AND CHECKS ON THE CALCULATION OF GNI

Article 4

The Commission shall establish a formal expert group, composed of representatives of all the Member States and chaired by a representative of the Commission, to advise the Commission on, and to express its views regarding, the comparability, reliability and exhaustiveness of GNI calculations, to examine issues of implementation of this Regulation and to issue annual opinions on the appropriateness of the GNI data submitted by the Member States for own resources purposes.

Article 5

1 The Commission shall verify the sources, their uses and the methods in the inventory referred to in Article 3(1). A verification model, drawn up by the Commission in close cooperation with the expert group referred to in Article 4, shall be used to that effect. The model shall be based on the principles of peer review and cost-effectiveness and shall take into account the delegated acts referred to in the second subparagraph of paragraph 2 of this Article.

2 GNI data shall be reliable, exhaustive and comparable.

The Commission shall adopt delegated acts in accordance with Article 7 to supplement the provision laid down in the first subparagraph of this paragraph by defining the list of issues to be addressed in every verification cycle to ensure the reliability, exhaustiveness and highest possible degree of comparability of GNI data, in line with ESA 2010.

3 The Commission shall establish, by means of implementing acts, specific measures to make GNI data more comparable, reliable and exhaustive, based on the list of issues defined by the Commission in the delegated acts referred to in the second subparagraph of paragraph 2 of this Article. Such implementing acts shall be duly justified and in accordance with ESA 2010. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 8(2).

Article 6

1 Without prejudice to the inspections provided for in Article 2 of Regulation (EU, Euratom) No 608/2014, GNI information visits may, where deemed appropriate, be carried out in Member States by the Commission (Eurostat).

2 The purposes of the information visits referred to in paragraph 1 of this Article shall be the verification of the quality of GNI aggregates and their components and the verification of compliance with ESA 2010. In exercising its right to carry out such information visits, the Commission (Eurostat) shall respect the rules on statistical confidentiality laid down in Chapter V of Regulation (EC) No 223/2009.

3 When carrying out information visits in Member States, the Commission (Eurostat) may and is encouraged to request the assistance of national accounts experts representing national statistical authorities of other Member States.

The national accounts experts shall be registered on a list constituted on the basis of voluntary proposals sent to the Commission (Eurostat) by the national authorities responsible for the reporting of national accounts.The participation of national accounts experts of other Member States in those information visits is voluntary.