

COMMISSION REGULATION (EC) No 2646/98

of 9 December 1998

laying down detailed rules for the implementation of Council Regulation (EC) No 2494/95 as regards minimum standards for the treatment of tariffs in the Harmonized Index of Consumer Prices

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

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

After consulting the European Central Bank⁽²⁾,

Whereas, by virtue of Article 5(1)(b) of Regulation (EC) No 2494/95, each Member State is required to produce a Harmonized Index of Consumer Prices (HICP) starting with the index for January 1997;

Whereas Article 9 of Regulation (EC) No 2494/95 requires to ensure that the Laspeyres-type index formula is applied consistently to all sub-indices or categories of expenditure concerned; whereas their weights should reflect appropriately the pattern of expenditure by the index population;

Whereas HICP sub-indices involving tariff prices are, in practice, either obtained directly from suppliers or computed by the Member States based on data on tariff prices and their underlying consumption patterns provided by suppliers; whereas there is considerable scope for procedural differences in the construction of sub-indices where changes in the structure of tariffs are made at the same time as changes are made to the tariff price of a particular element to the extent that consumers are obliged to make new choices in their consumption; whereas it is therefore important to ensure that the relevant basic information can be obtained as to ensure that the resulting HICPs do not fail to meet the comparability requirement of Article 4 of Regulation (EC) No 2494/95;

Whereas, by virtue of Article 6 of Regulation (EC) No 2494/95, the basic information for the production of HICPs which should be obtained from the statistical units, consists of those prices and weights which it is necessary to take into account in order to achieve comparability;

Whereas, by virtue of Article 7 of Regulation (EC) No 2494/95, the statistical units called upon by the Member States to cooperate in the collection or provision of price

data should be obliged to allow observation of the prices actually charged and to give honest and complete information at the time it is requested;

Whereas by virtue of Article 4 of Commission Regulation (EC) No 1749/96⁽³⁾, as last amended by Council Regulation (EC) No 1688/98⁽⁴⁾, the HICP should be compiled to include the price changes of a newly significant good or service;

Whereas this Regulation should not require Member States to carry out new statistical surveys;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Statistical Programme Committee (SPC),

HAS ADOPTED THIS REGULATION:

*Article 1***Aim**

The aim of this Regulation is to set down minimum standards for the treatment of 'tariff prices' in the Harmonized Index of Consumer Prices (HICP).

*Article 2***Definitions**

For the purpose of this Regulation:

1. a *tariff* is a list of pre-established prices and conditions for the purchase and consumption of one and the same good or service or of similar goods and services that has been centrally fixed by the supplier, by the government, or by agreement to exert influence on the consumption patterns by means of appropriately differentiated prices and conditions according to characteristics of consumers, the level, the structure or the timing of the consumption. Tariffs are not negotiable for households;
2. a *tariff price* is a price within a tariff that applies to a component element or unit of consumption of the good or service in question.

⁽¹⁾ OJ L 257, 27. 10. 1995, p. 1.

⁽²⁾ Opinion delivered on 8 July 1998.

⁽³⁾ OJ L 229, 10. 9. 1996, p. 3.

⁽⁴⁾ OJ L 214, 31. 7. 1998, p. 23.

*Article 3***Basic information**

The basic information shall be all tariff prices and weights which reflect the structure of the consumption of the good or services according to the characteristics of the consumers, the level, the structure or the timing of the consumption.

*Article 4***Data sources**

1. HICP sub-indices involving tariff prices shall be computed by the Member States from basic information as defined in Article 3 provided by the supplier.
2. The statistical units called upon by the Member States to cooperate in the collection or provision of basic information are obliged to give honest and complete information at the time it is requested and allow the organisations and institutions responsible for compiling official statistics at their request to obtain information at the level of detail necessary to evaluate compliance with the comparability requirements and the quality of the HICP sub-indices.

*Article 5***Procedure**

HICP sub-indices involving tariff prices shall be calculated using a formula which is consistent with the Laspeyres-type formula used for other sub-indices. They should reflect the price change on the basis of the changed expenditure of maintaining that consumption pattern chosen by households prior to the given change in the tariff. Where there is a change in the tariff and where, after that change:

1. a component element or a unit of consumption remains unchanged with respect to its specification, then the price for that element or unit according to the old and the new tariff shall be directly compared and the price difference taken into the HICP;
2. a component element or a unit of consumption changes with respect to its specification, or a new component element is added which does not constitute a new good or service for the consumer, then the price change shall be computed with weights corresponding to the expenditure of preserving the pattern of consumption applying during a period, up to one year, preceding the change. The adjustments for speci-

fication changes shall be consistent with quality adjustments made for other sub-indices;

3. a component element or a unit of consumption with a new and distinct specification constituting a new good or service for the consumer is added to the tariff, it shall be treated as 'newly significant goods and services' as defined in Regulation (EC) No 1749/96. If the expenditure on the new good or service is significant it shall be taken into the index by linking from the month when the new tariff comes into force using an estimate of expected immediate consumption or within a period of 12 months otherwise.

*Article 6***Comparability**

HICPs constructed following the procedures described in Article 5 of this Regulation or following other procedures which do not result in an index which differs systematically by more than one-tenth of one percentage point on average over one year against the previous year from an index compiled following those procedures, shall be deemed comparable.

Any amendments of procedures and practices to secure comparability as defined in this paragraph shall be implemented at the earliest for the sub-indices following the entry into force of this Regulation, and at the latest by December 1998 and take effect with the index for January 1999.

*Article 7***Quality control**

Member States shall provide the Commission (Eurostat) with information on the procedures developed for the treatment of tariff prices where these procedures differ from those specified in Article 5 of this Regulation, before such procedures are used.

Member States shall also provide the Commission (Eurostat), on its request, with information on the procedures used for meeting the requirement of minimum standards established in this Regulation.

*Article 8***Entry into force**

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

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

Done at Brussels, 9 December 1998.

For the Commission
Yves-Thibault DE SILGUY
Member of the Commission
