



COMMISSION OF THE EUROPEAN COMMUNITIES

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2008/0026 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EC) No 638/2004 on Community statistics relating to the trading  
of goods between Member States**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### 1.1. Grounds for and objectives of the proposal

The purpose of this proposal to amend Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91<sup>1</sup> is:

- to reduce the number of enterprises obliged by Community legislation to report to the system of intra-Community trade statistics (Intrastat), thus reducing the statistical reporting burden;
- to tighten the quality requirements for the compilation of intra-Community trade statistics in order to compensate for the loss in data accuracy for trade that is not declared by enterprises but estimated by national authorities;
- to respond to user needs by compiling intra-Community trade statistics broken down by business characteristics;
- to adjust — in accordance with the joint statement of the European Parliament, the Council and the Commission<sup>2</sup> on Decision 2006/512/EC — Regulation (EC) No 638/2004 to Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>3</sup> as amended by Decision 2006/512/EC, which introduced a regulatory procedure with scrutiny for measures of general scope designed to amend non-essential elements of a basic instrument adopted in accordance with the procedure referred to in Article 251 of the Treaty, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements.

#### 1.2. General context

The Commission has made a commitment to cut unnecessary red tape and over-regulation. As outlined in the Commission Communication on ‘Better Regulation for Growth and Jobs in the European Union’<sup>4</sup>, simplification of existing EU legislation (hence reducing the burden on business) is one of the core issues of this policy initiative. At the beginning of 2005, the Commission launched an extensive consultation of the Member States and the business community together with a public internet consultation. Following this consultation, on 25 October 2005 the

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<sup>1</sup> OJ L 102, 7.4.2004, p. 1.

<sup>2</sup> OJ C 255, 21.10.2006, p. 1.

<sup>3</sup> OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

<sup>4</sup> COM(2005) 97 final of 16 March 2005.

Commission adopted a Communication<sup>5</sup> setting out a new simplification strategy at EU level. The Communication identified an initial batch of legislation to be simplified on the basis of a broad consultation, and launched an ongoing process fuelled by input from new, more systematic review procedures to identify future simplification priorities based on a broad analysis of the impact of legislation.

Annex 2 to the Communication sets out a rolling programme for the new simplification strategy. The programme specifies those pieces of legislation to be reviewed and assessed with a view to simplifying them over the next three years. It addresses many of the specific concerns that emerged from the wide-ranging consultation in key areas for business competitiveness such as company law, financial services, transport, consumer protection, waste, and foreign trade statistics.

Simplification in the field of statistics was addressed in the Commission Communication on the ‘Reduction of the response burden, simplification and priority-setting in the field of Community statistics’<sup>6</sup>. This identified statistics relating to trade in goods between Member States (Intrastat) as an area where simplification is possible and desirable.

Intra-Community trade statistics record physical flows of movable goods between Member States. Data are collected monthly from companies by the national statistical authorities. The statistics compiled on the basis of these data contain monthly records on incoming flows (arrivals) and outgoing flows (dispatches), expressed in value and quantity broken down by reporting and partner Member State as well as by commodity according to the Combined Nomenclature.

The ECOFIN Council of 28 November 2006 welcomed the Commission’s initiative to reduce the statistical burden and invited the Commission “to analyse the feasibility of a single-flow method (in Intrastat) and alternative methods which would deliver broadly the same results, as well as transition issues and, taking this analysis into account, to present a precise roadmap for further progress to the Council in October 2007”. The Council also stressed that the transition to a single-flow system, or the implementation of any other method to bring about a significant reduction in the statistical response burden, must not affect the availability, timeliness and quality of those national statistics that are crucial for European economic policy purposes, such as national accounts statistics and data on aggregate flows between the euro area and other EU Member States.

With the aim of further investigating ways of modernising the system of intra-Community trade statistics and reducing the reporting burden, Eurostat set up a Working Group specifically dedicated to the simplification of Intrastat. It is composed of Member State and Commission specialists and serves as a clearing house for study work and analyses carried out by its different subgroups.

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<sup>5</sup> Communication of the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions implementing the Community Lisbon programme: A strategy for the simplification of the regulatory environment, COM(2005) 535 final of 25.10.2005.

<sup>6</sup> COM (2006) 693 final of 14 November 2006.

The analyses carried out by the Working Group and its subgroups have focused on two main simplification options: switching to a single-flow reporting system and raising the exemption thresholds for Intrastat reporting, which would decrease trade coverage. All other options were found to have no significant impact on the reporting burden of enterprises.

The two main options have been assessed according to three evaluation criteria: burden on enterprises, timeliness of data and data accuracy. The results show that the threshold option is the most feasible solution in the short run. It was also the preferred option of the Member State experts in the Working Group. The single flow option, on the other hand, has major drawbacks that cannot be overcome in the short run.

Currently, Member States set their thresholds at a level guaranteeing coverage of at least 97 per cent of their trade in terms of value. At the end of 2006, this meant that about 78 per cent of businesses trading with other Member States were exempted from the reporting obligation. Reducing the minimum coverage rate will further increase the number of companies exempted from reporting to Intrastat.

Lowering the minimum Intrastat coverage rate could be implemented in a relatively short time. This is mainly because an increase in the threshold does not change the logic of the system. The principles and procedures of the current system remain the same. The change in trade coverage can thus be implemented quite easily: the legislative changes and accompanying measures to guarantee the quality of statistical data are less extensive and less complicated compared to those needed to implement the single-flow option.

However, a decrease in Intrastat coverage will at the same time reduce the accuracy of the data. More estimates of non-collected data will have to be made. It will also increase the asymmetries in mirror trade flows, especially at the most detailed level of the commodity classification. Due to differences in the estimation methods used by the different Member States, asymmetries might also increase at aggregate level. The decrease in coverage therefore requires accompanying measures to ensure the satisfactory quality of the statistical data.

Beyond the short-term solution, it is useful to further analyse the feasibility of switching to single-flow reporting in the long run, in order to make this possible change in the statistical system acceptable to users. Among the priority issues to be analysed in this respect are a significant reduction of the asymmetries in mirror trade flows, a solution for the timeliness problem by developing reliable estimation methods for missing or delayed data, and the development of quality checking procedures that would satisfy national needs. In addition, a number of other simplification options such as the integration of Intrastat and VIES (VAT information exchange system) declarations and the further development of IT tools for automated reporting<sup>7</sup> should be followed up.

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<sup>7</sup> Merging the Intrastat and VIES systems may have further simplification effects going beyond the scope of statistics. Contacts between Eurostat and DG TAXUD have shown that closer cooperation between statistical and tax (VAT) authorities may have benefits for both. Statistical authorities could improve

In the following years, these activities will be addressed by the MEETS programme (Modernisation of European Enterprise and Trade Statistics)<sup>8</sup>. MEETS should become operational as of 2008 for a period of 5 years (until 2013). One of its four objectives is to perform study work on the simplification of Intrastat. A budget of EUR 8.965 million will be devoted to this end.

### 1.3. The proposed solution

The short-term solution has to be consistent with any long-term simplification option, e.g. single-flow reporting. It should at the same time lead to a significant reduction in the statistical reporting burden on enterprises while ensuring the satisfactory quality of statistical data.

Accordingly, it is proposed to reduce the trade coverage for arrivals to 95% and to keep the current 97% trade coverage for dispatches. Such a solution is consistent with a possible single-flow option in future based on the collection of dispatch data. The potential for reducing the reporting burden on small and medium-sized enterprises (SMEs) in particular is significant because of the structure of reporting companies on the arrival side: it is dominated by SMEs. The analysis has also shown that lowering the trade coverage to 95% has only a minor impact on the quality of statistical data and would thus be acceptable for users. Nevertheless, measures to improve the quality and comparability of statistics compiled by Member States are desirable and will be proposed in the legislation.

Besides the initiative to reduce the statistical burden on enterprises, the proposal accommodates additional user requests as regards trade by business characteristics. Member States should provide annual trade data broken down by business characteristics to show, for instance, how European companies operate in the context of globalisation. The link between business and trade statistics can be established by matching information available in the intra-Community trade register with information from the Member States' business registers. At present, most of the Member States compile these statistics voluntarily. The proposal aims to provide a legal basis for mandatory compilation. In parallel, the same information for trade with non-member countries is requested in the proposal for revision of the Extrastat legislation<sup>9</sup>.

Finally, Council Decision 2006/512/EC amended Council Decision 1999/468/EC of 28 June 1999 on comitology. It introduced the "regulatory procedure with scrutiny" for measures of general scope designed to amend non-essential elements of basic acts. The existing Regulation (EC) No 638/2004 has to be adjusted accordingly.

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data quality, whereas tax authorities would benefit from earlier availability and greater detail in the data they use to identify and combat VAT fraud.

<sup>8</sup> COM (2007) 433 of 19.07.2007.

<sup>9</sup> Proposal for a Regulation of the European Parliament and of the Council on Community statistics relating to external trade with non-member countries and repealing Council Regulation (EC) No 1172/95, COM(2007) 653 of 30.10.2007.

#### **1.4. Existing provisions in the area of the proposal**

Regulation (EC) No 638/2004 of the European Parliament and of the Council of 31 March 2004 on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91<sup>10</sup>. The Regulation is to be amended by the present proposal.

Commission Regulation (EC) No 1982/2004 of 18 November 2004 implementing Regulation (EC) No 638/2004 of the European Parliament and of the Council on Community statistics relating to the trading of goods between Member States and repealing Commission Regulations (EC) No 1901/2000 and (EEC) No 3590/92<sup>11</sup>. The proposal aims to amend the implementing provisions.

#### **1.5. Consistency with other EU policies and objectives**

The proposal is consistent with the ‘Better Regulation Initiative’ of the European Union.

### **2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

#### **2.1. Consultation of interested parties**

At the end of 2006, Eurostat set up a Working Group specifically dedicated to the simplification of Intrastat, with the intention of further investigating ways of modernising the system of intra-Community trade statistics and reducing the reporting burden.

The ECOFIN Council of 13 November 2007 again discussed measures to reduce the statistical burden and agreed to a proposal to reduce the coverage ratio in the short run while preparing an alternative method in the long term, such as the single-flow method, which requires further study.

#### **2.2. Collection and use of expertise**

There has been no need for external expertise.

#### **2.3. Analysis of effects and consequences**

Three options have been identified:

Option A: Maintain the status quo and leave the existing legislation unchanged.

The collection of data on intra-Community trade is regulated by Community legislation. Consequently, the commitment of the Commission to further reducing the statistical burden on business in the area of Intrastat can only be achieved by modifying the existing legal framework.

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<sup>10</sup> OJ L 102, 7.4, 2004, p. 1.

<sup>11</sup> OJ L 343, 19.11, 2004, p. 3.

- Option B Determine the reduced minimum Intrastat coverage rate and the quality requirements directly in the European Parliament and Council Regulation.

At present, the Intrastat coverage rate is defined in Article 10(3) of Regulation (EC) No 638/2004 of the European Parliament and of the Council. Option B would require the amendment of this article as well as the introduction of requirements for the quality of statistical data.

However, trade coverage is a rather technical parameter and as such is more appropriately specified in the implementing provisions. Defining the trade coverage rate in the European Parliament and Council Regulation rather than in the implementing provisions would also reduce the flexibility needed to allow for possible future changes to this parameter in the course of further simplification of the system of intra-Community trade statistics. It would also be difficult to define in advance all the quality requirements in the European Parliament and Council Regulation, and this approach would again not leave enough flexibility for possible amendments.

- Option C: Remove the trade coverage rate expressed in % from Regulation (EC) 638/2004 and confer upon the Commission the power to determine the minimum Intrastat coverage rate and the quality requirements.

This approach will ensure flexibility for future possible changes to the Intrastat coverage rate. These changes would be based on a regular assessment of the thresholds carried out in accordance with the comitology procedure in close collaboration with the national authorities (the Intrastat Committee meets three times a year) so as to find an optimal trade-off between the statistical burden and the accuracy of the data.

The implementing provisions should then as a first step allow Member States by the beginning of 2009 to lower the coverage rate for arrival flows so as to collect at least 95 per cent of the arrival value, while keeping the threshold for dispatches at 97 per cent.

The clauses on quality requirements will be amended similarly. Article 13(3) of Regulation (EC) No 638/2004 should confer on the Commission the power to implement any measures necessary for improving data quality. It would be useful to be more specific regarding the estimation of missing information. Under the existing legislation, the estimation of missing data is the responsibility of each Member State (Article 12(2)). The legislation should thus be amended in order to allow standardised procedures to be adopted under the comitology procedure.

C is the alternative preferred by the Commission, because it allows targeted simplification for the threshold option. It offers maximum flexibility for adjusting the Intrastat system, since the provisions will be managed by Eurostat and the Intrastat Committee.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

#### **3.1. Summary of the proposed action**

The present proposal provides the legal framework for exempting more companies from providing Intrastat information while at the same time preserving the accuracy of data and satisfying user requirements for statistics on trade by business characteristics.

#### **3.2. Legal basis**

Article 285 of the Treaty provides the legal basis for Community statistics. The Council, acting under the co-decision procedure, adopts measures for the production of statistics needed for the performance of Community activities. The Article sets out requirements for the production of Community statistics, which has to meet standards of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality.

#### **3.3. Subsidiarity principle**

The subsidiarity principle applies insofar as the proposal does not fall within the exclusive competence of the Community.

The objective of the proposed action, namely the definition of coverage rates, quality requirements and the compilation of statistics on trade by business characteristics, cannot be sufficiently achieved by the Member States and can therefore be better achieved at Community level on the basis of a Community legal act, because only the Commission can coordinate the necessary harmonisation of statistical information at Community level. Consequently, the Community may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty.

#### **3.4. Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

- The Regulation confines itself to the minimum required for achieving this objective and does not go beyond what is necessary for that purpose.
- A significant decrease in the burden for companies exempted from reporting to Intrastat through this Regulation is expected. Nevertheless, there may be an increase in the workload for national statistical administrations, because quality requirements will entail a greater validation and control effort.

- In 2008, it is planned to launch the MEETS programme<sup>12</sup>. Part of the budget of this programme is earmarked for Intrastat quality improvements.

### **3.5. Choice of instruments**

Proposed instrument: a Regulation of the European Parliament and of the Council.

Other means would not be appropriate for the following reasons:

- It is generally acknowledged that a Regulation of the European Parliament and of the Council is appropriate for the majority of statistical activities that require detailed and uniform application throughout the Community.
- A Regulation is preferable to a directive as a basic act because, unlike a directive, a Regulation lays down the same law throughout the Community, leaving the Member States with no powers to apply it partially or selectively and no choice in the form and methods to be used to attain its objectives.
- Moreover, a Regulation is directly applicable, which means that it does not need to be transposed into national law, thus avoiding the delays associated with such transpositions. It also leads to better and faster legislation.

The proposal aims to amend existing provisions already laid down in a Regulation of the European Parliament and of the Council.

## **4. BUDGETARY IMPLICATIONS**

Lowering the coverage rate for companies reporting for Intrastat will have no budget implications.

Applying tighter quality requirements may need investment in research and in validation and adjustment tools in national administrations. The budget of the MEETS programme can cover these implementation costs (*2008: 1 400 000; 2009: 1 355 000; 2010: 2 000 000; 2011: 1 500 000; 2012: 1 500 000; 2013: 1 210 000 in EUR are set aside for Intrastat*).

Merging two different existing data sets in order to show trade by business characteristics may involve negligible costs for some national administrations.

## **5. ADDITIONAL INFORMATION**

### **5.1. Simplification**

This initiative forms part of the Commission Simplification Rolling Programme. The main objective is to reduce the statistical response burden for companies reporting to the Intrastat system. Reducing the coverage rate for arrivals to 95 per cent would mean that an additional 190 000 companies would be exempted from reporting arrival flows to the national authorities.

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<sup>12</sup> COM(2007) 433 of 19.07.2007.

**5.2. Repeal of existing legislation**

The adoption of the proposal will complement the existing legislation.

**5.3. European Economic Area**

Not relevant for the EEA.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EC) No 638/2004 on Community statistics relating to the trading of goods between Member States**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285(1) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Economic and Social Committee,

Acting in accordance with the procedure laid down in Article 251 of the Treaty,

Whereas:

- (1) Regulation (EC) No 638/2004 of the European Parliament and of the Council of 31 March 2004 on Community statistics relating to the trading of goods between Member States and repealing Council Regulation (EEC) No 3330/91<sup>13</sup> lays down the basic provisions for Community statistics relating to the trading of goods between Member States.
- (2) In the framework of the Commission Communication on the reduction of the response burden, on simplification and priority setting in the field of Community statistics<sup>14</sup>, Intrastat, the system for collecting Community statistics relating to the trading of goods between Member States, was identified as an area where simplification is possible and desirable.
- (3) Immediate action to reduce the statistical burden can be taken by lowering the coverage rate of data collected through Intrastat. This can be done by raising the thresholds below which parties are exempted from providing Intrastat information. As a consequence, the share of statistics based on estimations made by the national authorities will increase.
- (4) Member States should provide Eurostat with annual aggregated data on trade broken down by business characteristics. Users will thus be provided with new statistical information on relevant economic issues, and a new type of analysis will become possible, for example the analysis of how European companies operate in the context

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<sup>13</sup> OJ L 102, 7.4.2004, p.1.

<sup>14</sup> COM (2006) 693 of 14.11.2006.

of globalisation, without this imposing new statistical requirements on reporting companies. The link between business and trade statistics should be established by merging the information from the register of intra-Community operators with information requested by Council Regulation (EEC) No 2186/93 of 22 July 1993 on Community coordination in drawing up business registers for statistical purposes<sup>15</sup>.

- (5) The implementing powers for lowering the minimum trade coverage should be conferred on the Commission. This will ensure flexibility for possible future changes based on regular assessment of the thresholds in close collaboration with the national authorities so as to find an optimal trade-off between the statistical burden and the accuracy of data.
- (6) Lowering the minimum trade coverage calls for measures to compensate for the less complete collection of data and hence the negative impact on quality, especially the accuracy of data. Power should be conferred on the Commission to tighten the quality arrangements of the Member States and in particular to define the criteria for estimating the trade not collected through Intrastat.
- (7) Regulation (EC) No 638/2004 provides that certain measures are to be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission<sup>16</sup>.
- (8) Decision 1999/468/EC has been amended by Decision 2006/512/EC, which introduced a regulatory procedure with scrutiny for measures of general scope designed to amend non-essential elements of a basic instrument adopted in accordance with the procedure referred to in Article 251 of the Treaty, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements.
- (9) In accordance with the joint statement of the European Parliament, the Council and the Commission<sup>17</sup> on Decision 2006/512/EC, for this new procedure to be applicable to instruments that have been adopted in accordance with the procedure laid down in Article 251 of the Treaty and are already in force, those instruments must be adjusted in accordance with the applicable procedures.
- (10) As regards Regulation (EC) No 638/2004, power should be conferred on the Commission in particular to define the conditions under which the Commission may adopt different or specific rules applying to specific goods or movements, adapt the reference period to take into account the linkage with value added tax and customs obligations, determine the arrangements for the collection of this information, particularly the codes to be employed, define the minimum Intrastat coverage, define the conditions and quality requirements under which Member States may simplify the information to be provided for small individual transactions, define the aggregated data to be transmitted and the criteria the estimates are to comply with, adopt implementing provisions for compiling the statistics by linking data on business characteristics recorded under Regulation (EEC) No 2186/93 with the statistics on

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<sup>15</sup> OJ L 196, 5.8.1993, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

<sup>16</sup> OJ L 184, 17.7.1999, p. 23. Decision as amended by Decision 2006/512/EC (OJ L 200, 22.7.2006, p. 11).

<sup>17</sup> OJ C 255, 21.10.2006, p. 1.

dispatches and arrivals of goods, determine the indicators and standards enabling the quality of the data to be assessed, determine the structure of the quality reports to be presented by the Member States, and take any other steps necessary for assessing or improving the quality of the data. Since these measures are of general scope and are designed to amend non-essential elements of Regulation (EC) No 638/2004 or to supplement it by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

(11) Regulation (EC) No 638/2004 should therefore be amended accordingly.

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EC) No 638/2004 is amended as follows:

(1) In Article 3, paragraph 4 is replaced by the following:

‘4. The Commission may adopt different or specific rules applying to specific goods or movements. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(2) In Article 6, paragraph 2 is replaced by the following:

‘2. The reference period may be adapted by the Commission to take into account the linkage with value added tax (VAT) and customs obligations. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(3) In Article 9 (1), the second subparagraph is replaced by the following:

‘Definitions of the statistical data referred to in points (e) to (h) are given in the Annex. Where necessary, the Commission shall determine the arrangements for the collection of this information, particularly the codes to be employed. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(4) Article 10 is amended as follows:

(a) Paragraph 3 is replaced by the following:

‘3. The definition of the thresholds below which parties are exempted from providing any Intrastat information shall be specified by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in

accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(b) In paragraph 4, the second subparagraph is replaced by the following:

‘The definition of these thresholds shall be specified by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(c) Paragraph 5 is replaced by the following:

‘5. Member States may, under certain conditions that meet quality requirements, simplify the information to be provided for small individual transactions. The conditions shall be defined by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(5) Article 12 is amended as follows:

(a) In paragraph 1, point (a) is replaced by the following:

‘(a) 40 calendar days after the end of the reference month for the aggregated data to be defined by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(b) In paragraph 2, the following sentences are added:

‘The estimates shall comply with criteria that shall be defined by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(c) The following paragraph 4 is added:

‘4. Member States shall transmit to the Commission (Eurostat) annual statistics on trade by business characteristics.

These statistics shall be compiled by linking data on business characteristics recorded according to Council Regulation (EEC) No 2186/93 of 22 July 1993 on Community coordination in drawing up business registers for statistical purposes<sup>18</sup> with the statistics referred to in Article 3 of this Regulation.

Implementing provisions for compiling the statistics shall be determined by the Commission. Those measures designed to amend non-essential elements of this

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<sup>18</sup> OJ L 196, 5.8.1993, p. 1. Regulation as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(6) In Article 13, paragraph 3 is replaced by the following:

‘3. The indicators and standards enabling the quality of the data to be assessed, the structure of the quality reports to be presented by the Member States, and any action necessary for assessing or improving the quality of the data shall be determined by the Commission. Those measures designed to amend non-essential elements of this Regulation, inter alia, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 14(3).’

(7) In Article 14, paragraph 3 is replaced by the following:

‘3. Where reference is made to this paragraph, Article 5a(1) to (4), and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.’

#### *Article 2*

This Regulation shall enter into force on the 20th day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2009.

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*