

[Box 2: Inflation Report December 2016](#)

Keep in mind

Los análisis y pronósticos incluidos en este informe son producidos por el equipo técnico del Banco. Es la base principal sobre la cual se realiza la [recomendación de política monetaria](#) a la Junta Directiva del Banco de la República (JDBR) y por estas razones no refleja necesariamente la opinión de sus [miembros](#).

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The new tax reform (Law 1819 passed on December 29, 2016) and the liquor law (Law 1816 of December 19, 2016) introduce changes that will affect future developments in the consumer price index (CPI). Among other measures, the new regulations include a change in the value added tax (VAT) on a number of goods and services, the creation of a national carbon tax, and changes in the levies on fuel and tobacco. In addition, the new liquor law will have an upward impact on consumer prices. The main changes implied by these reforms are outlined in this section, specifically those that might have some impact on the momentum in the CPI. The adopted methodology and quantification of the possible inflationary impact of these laws are presented as well.