

EP Endorses Introduction of New Own Resources

Thomas Wahl

News

On 23 November 2022, the European Parliament adopted by 440 to 117 votes, with 77 abstentions, a [legislative resolution](#) approving the proposal for a Council decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union. If the Council adopts the decision (unanimity required) and all EU Member States ratified it, the EU will have [three new income sources](#): revenues from emissions trading ([ETS](#)); the resources generated by the proposed EU carbon border adjustment mechanism ([CBAM](#)); and a share of the reallocated profits of very large multinational companies (based on Pillar 1 of the [OECD/G20 agreement](#)).

MEPs also stressed that the “Commission needs to take further timely actions if the proposed new own resources are not adopted or do not generate the anticipated level of revenue”. In addition, the Commission should present a proposal for a second set of new own resources by the end of 2023, which could include a financial transaction tax and a digital levy.

The new own resources will be needed, among other things, to repay debts from borrowing under the Next-GenerationEU framework. This is to prevent inappropriate cuts in EU programmes and an excessive increase in Member States’ contributions to the EU budget.

UPDATE: On 6 December 2022, the Czech Council Presidency [informed about the state of play of the negotiations](#) on the new own resources legal framework in the ECOFIN Council. It clarified that the proposal for a revision of the Own Resources Decision will be tackled after the adoption of the sectoral proposals for instruments, i.e. the ETS and CBAM.

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