**SPECIAL LEGISLATIVE procedure – First reading**

**Follow up to the European Parliament legislative resolution on the proposal for a Council decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union**

**1. Rapporteur:** José Manuel FERNANDES (EPP / PT), Valérie HAYER (Renew / FR)

**2. Reference numbers:** 2021/0430 (CNS) / A9-0266/2022 / P9\_TA(2022)0404

**3. Date of adoption of the resolution:** 23 November 2022

**4. Legal basis:** Article 311 of the Treaty on the Functioning of the European Union

**5. Competent Parliamentary Committee:** Committee on Budgets (BUDG)

**6. Commission's position:** accepts some amendments.

The European Parliament considers the Commission proposal as an accurate operationalisation of the first step spelled out in the roadmap of the Interinstitutional Agreement towards the introduction of new own resources and calls for swift endorsement of the Commission proposal with only a few amendments. Overall, the Commission welcomes the opinion of the European Parliament as it strongly supports the Commission proposals. However, it would suggest not to accept the following changes:

* ***Amendments that include references to the Interinstitutional Agreement of 16 December 2020***

The Commission takes note of the proposed amendments 1 to 3 clarifying elements of the Interinstitutional Agreement. In a Communication on the ‘next generation of own resources for the EU Budget’[[1]](#footnote-1), the Commission committed in December 2021 to advance the proposals for a second basket of new own resources by one year to 2023, compared to the timeline set out in the Interinstitutional Agreement (IIA). Furthermore, recital 2 of the Commission proposal already quotes the most important elements of the IIA.

* ***Amendment committing the Commission to propose a digital levy or similar measure in case of a lack of progress as regards the implementation of the OECD/G20 IF Pillar 1 agreement***

According to amendments 6 and 10, the Commission would be legally bound to propose a new own resource in connection with the single market, such as a digital levy or a similar measure, in order to generate revenues by 2026 if by the end of 2023 the process of ratification of the Multilateral Convention implementing Pillar 1 of the OECD/ G20 IF (Organisation for Economic Co-operation and Development and the G20 Inclusive Framework) Agreement has not started in a critical mass of countries. The Commission will carefully monitor the process of ratification of the Multilateral Convention implementing Pillar 1 of the OECD/G20 IF Agreement and will take appropriate measures in relation to own resources in case Pillar 1 will not succeed. However, an automatic obligation to propose a new own resource, such as digital levy or a similar measure, if the ratification has not started in a critical mass of countries by the end of 2023, would interfere with the Commission’s right of initiative.

* ***Amendment to increase the call rate for CBAM (Carbon Border Adjustment Mechanism) revenues***

According to amendment 9, 100% of the revenues from the sale of CBAM certificates would be allocated to the EU Budget against 75% in the Commission proposal. As the issues of collection of CBAM revenues and financing of CBAM operations are not settled yet, it seems premature to agree with the approach proposed by the Parliament resulting in Member States not retaining any share of the revenue, but the issue may need to be discussed during the negotiations on the Own Resource Decision after the conclusion of the negotiations on CBAM.

* ***Amendment to mention OECD Pillar One revenue estimates***

The Parliament would like to explicitly mention the amount expected to be generated by the residual profit based own resource in a new recital (amendment 7)[[2]](#footnote-2). The Commission considers that the inclusion of revenue estimates in a recital seems not to be appropriate as there is no link to the content of the corresponding articles. Moreover, the estimate for the residual profit based own resource is particularly volatile given that the underlying Multilateral Convention is still being negotiated at OECD/G20 Inclusive Framework level.

1. [COM(2021) 566 final](http://www.cc.cec/sg/vista/home?documentDetails&DocRef=COM/2021/566&ComCat=SPINE) [↑](#footnote-ref-1)
2. Between EUR 2.5 and 4 billion/year [↑](#footnote-ref-2)