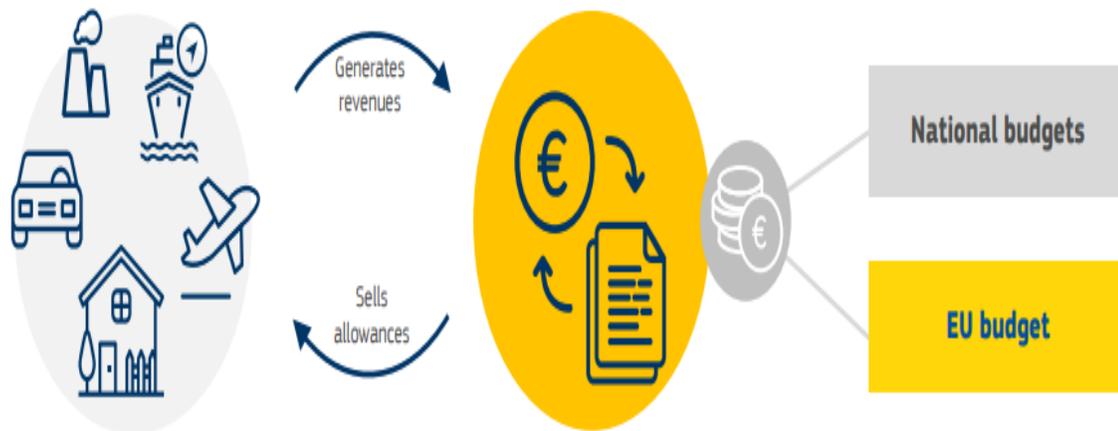


The new EU Own Resources Package

Background

- With New Own Resources package, the Commission introduces three new sources of revenue:
 1. Emissions trading (ETS)-based Revenues
 2. Resources generated by the proposed EU Carbon Border Adjustment Mechanism
 3. Share of residual profits from multinational companies (distribution among EU Member States)
- They are expected to generate up to €17 billion (on average) every year from 2026-2030
- It will assist in the repayment of the funds raised by the EU to finance the grant component of NextGenerationEU
- Also, it should also finance the Social Climate Fund to ensure that the net-zero transition will leave no one behind

EU Emissions Trading System (ETS)



Several sectors **need to buy allowances** to compensate for **greenhouse gas emissions**, including:

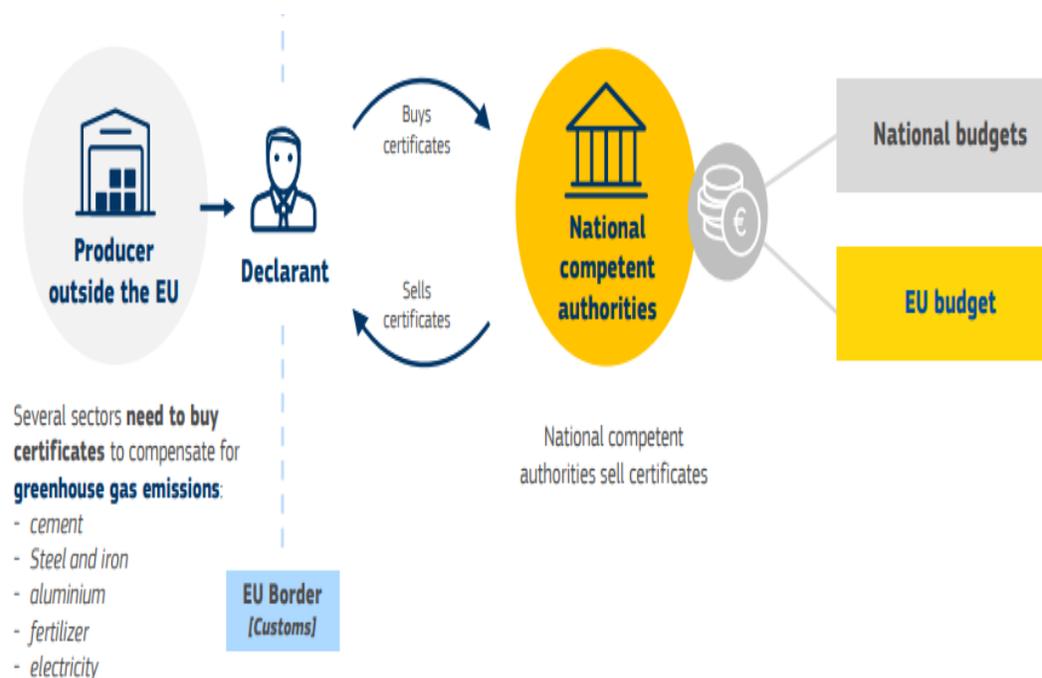
- Power plants and industries
- Aviation Source: [European Commission](#)
- Maritime transport (new)
- Buildings (new)
- Road transport (new)

Part of the allowances are **auctioned** through a platform or otherwise **used** by Member States

- The EU Emissions Trading System (ETS) is the EU carbon market through which companies buy or receive emission allowances;
- With the Fit-for-55 package (July 2021) the Commission has proposed to strengthen the existing Emissions Trading System, extending it to maritime transport, as well as gradually to full auctioning of aviation allowances;
- A proposal to introduce a new emissions trading system for buildings and road transport is also under consideration;
- Under the current EU Emissions Trading System, most revenues from the auctioning of emission allowances are transferred to **national budgets**;
- With the “Own Resources” proposal, 25% of the revenues from emissions trading in the EU should go to the **EU budget**;
- This is estimated to generate about €12 billion on average in 2026-30 for the EU budget, or €9 billion on average between 2023-2030.
- In addition to the repayment of NextGenerationEU funds, these new revenues would finance the Social Climate Fund;
- This Fund will ensure:
 - A socially fair transition and support to vulnerable households
 - Micro-enterprises to finance investments in energy efficiency
 - New heating and cooling systems
 - Cleaner mobility
 - Temporary direct income support (when appropriate)

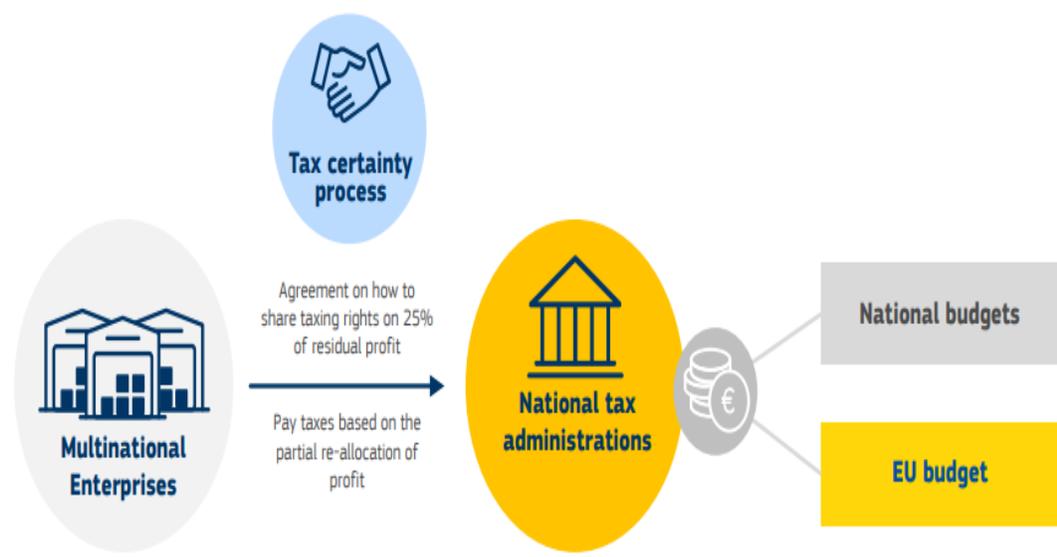
Carbon Border Adjustment Mechanism

- An innovative tool to reduce the risk of carbon leakage by encouraging producers in non-EU countries to green their production processes;
- It will put a carbon price on imports, corresponding to what would have been paid, had the goods been produced in the EU;
- This mechanism will apply to a targeted selection of sectors and is fully consistent with World Trade Organization (WTO) rules;
- With the “Own Resources” proposal, 75% of the revenues collected by Member States under CBAM will go to the EU budget;
- This is estimated to generate about €1 billion on average in 2026-30 for the EU budget;



Source: [European Commission](#)

Own Resource based on the reallocated profits of very large multinational companies



Multinational enterprises in scope:
Global turnover > EUR 20 bn
Profitability > 10%

Source: [European Commission](#)

- In October 2021, a reform of the international tax framework was agreed by more than 130 members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting;
- A two-pillar solution to tackle tax avoidance was shaped to ensure that profits are taxed where economic activity and value creation occur;
- Pillar One of this agreement will reallocate the right to tax a share of profits from the world's largest multinational enterprises to participating countries;
- With the "Own Resources" proposal, an own resource equivalent to 15% of the share of the taxable profits of multinational enterprises that are reallocated to EU Member States, is proposed;
- Revenues for the EU budget are estimated to amount to between €2.5 and €4 billion per year;

Next steps

- The Commission will now work with the European Parliament and with the Member States in the Council towards a swift approval of the new sources of revenue for the EU budget in view of their swift introduction.
- The Commission will propose additional new own resources by the end of 2023.