

System of own resources of the EU

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The Council discussed the **EU's multiannual financial framework (MFF)** for the 2014-2020 period and took note of the presentation by the Commission of its proposal for a **new value added tax (VAT)-based own resource** (*please refer to summary dated 09/11/2011*).

As regards, **own resources**, several ministers stressed the importance of rules being simple, transparent and fair. Some deplored the fact that the negotiating box had not been revised on the revenue side. Others opposed any change on own resources.

- Some delegations supported the abolition of the current VAT-based own resource, as proposed by the Commission. Some were ready to examine this proposal, while others opposed it.
- The proposal for a new own resource based on a financial transaction tax was supported by some Member States and opposed by others. Some Member States insisted on keeping the system for collection of traditional own resources unchanged. This would mean that Member States would continue to retain, by way of collection costs, 25% of the amounts collected by them, rather than 10% as proposed by the Commission.
- Some ministers were in favour of abandoning all correction mechanisms under the system of own resources; others insisted on maintaining existing correction mechanisms or at least keeping a guarantee of the current amount of correction under a new mechanism.

The Cypriot Presidency held an exchange of views with representatives of the European Parliament before the Council meeting and debriefed them afterwards

Ministers welcomed the work undertaken by the Presidency and made known their wish to **reach agreement on the MFF package at the special European Council on 22-23 November**.

The General Affairs Council will meet twice before the November European Council, on 16 October in Luxembourg and 20 November in Brussels. After the European Council of 18-19 October, the Presidency intends to issue a newly revised negotiating box with some ranges of figures. The President of the European Council, Herman Van Rompuy, will hold bilateral consultations starting from 5 November.