System of own resources of the EU

2011/0183(CNS) - 16/04/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 383 votes to 101, with 35 abstentions, in the framework of a special legislative procedure (Parliament's consultation), legislative resolution on the draft Council decision on the system of own resources of the European Union.

Parliament approved the draft Council decision subject to a number of amendments in order to reinstate the long-standing political position of the Parliament on own resources.

The resolution stressed that the European Parliament has continuously called for the Union budget to be financed wholly by own resources, as stipulated in the Treaty, and has regularly highlighted the shortcomings and limits of the existing system of own resources, which is non-transparent, unfair, not subject to parliamentary control, highly complex and totally incomprehensible to European citizens.

Parliament considered that the current system of Union financing, whereby some 74% of revenues stem from GNI-based contributions and 11% from the existing, statistical VAT-based contributions:

- has only reinforced the logic of 'fair return' that has prevailed in every debate in the Council, both on the revenue and the expenditure side of the Union budget;
- has led to the introduction of complex and opaque rebates and other correction mechanisms,
- contributes to the recurrent problem of shortage of payments in the annual budgetary procedure.

Members recalled Parliament's recommendation to advocate an **in-depth reform of the own resources system** that should return to a system of genuine, clear, simple and fair own resources. It regretted that the Council was unable to make any progress on the reform of the own resources system on the basis of legislative proposals presented by the Commission in June 2011.

Parliament called for a **High Level Group on own resources** to be established by common accord of the three Union institutions. A first assessment of the own resources system should be available at the **end of 2014**. It expected that this Group should deliver proposals for overcoming the deficiencies of the current system in order to pave the way for a reform -guided by the overall objectives of simplicity, transparency, equity and democratic accountability- to become operational in the next MFF.