

Making available the own resources based on the common consolidated corporate tax base, on the European Union emissions trading system and on plastic packaging waste that is not recycled, and measures to meet cash requirements

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The financing system for the EU budget has not been significantly reformed since 1988. The Commission has proposed changing this financing system for the future budget under the 2021-2027 Multi-annual Financial Framework (MFF) by:

- reforming existing own resources, which will make up 87 % of EU revenue: keeping TOR but with lower rate of collection costs, maintaining the GNI-based own resource and simplifying the own resource based on VAT;
- introducing a 'basket' of three new own resources, which together will make up 12 % of EU revenue: one based on the Common Consolidated Corporate Tax Base (CCCTB), one based on the European Union (EU) Emissions Trading System (ETS) and one based on plastic packaging waste that is not recycled;
- phasing out the corrections that exist in the current system;
- increasing the ceilings for own resources to overcome the impact of Brexit and the integration of European Development Fund (EDF) into the EU budget, as well as to cover financial liabilities linked to loans or financial facilities guaranteed from the EU budget.

Assessment

The proposed new EU financing system took on board a number of the key principles of the reform, but not all and the financing system remains complex. It is of the opinion that a single regulation with a comprehensive set of own resources provisions would simplify the system and make it more transparent.

After having assessed the Commission's proposals, the Court of Auditors considers that the proposed own resource based on the EU ETS does not create an additional incentive for Member States to reduce greenhouse gas emissions. In addition, it is not a stable resource since the auction prices of the emission allowances are highly volatile. In addition, the quality of the data used to calculate the own resource based on plastic packaging waste should be improved.

Lastly, as regards the proposed new own resources, the audit powers in respect of those based on the CCCTB and plastic packaging waste may be restricted.

Recommendations

The Court of Auditors recommends that the Commission re-examine its proposals for new own resources and take the following measures:

- ***CCCTB-based own resource***: the Commission should carefully assess the likelihood of this resource coming into existence during the next MFF and the implications of any delay;
- ***EU ETS-based own resource***: the Commission should clarify in its proposal that this resource does not create an additional incentive for Member States to reduce greenhouse gas emissions. It should also analyse the impact of the volatility associated with this source of revenue;
- ***plastic packaging waste-based own resource***: the Commission should analyse how the amounts expected to be collected from this resource may decrease due to changes in the behaviour of households and economic operators.