System of own resources of the European Union

2025/0574(CNS) - 16/07/2025 - Legislative proposal

PURPOSE: to establish the rules for the allocation of the Union's own resources in order to ensure the financing of the Union's annual budget.

PROPOSED ACT: Decision of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: the European Union is facing growing demands in key areas such as competitiveness, defence, security, the green and digital transition, and resilience to external shocks. The current own resources system has ensured stable and predictable financing of the EU budget, but it is heavily and increasingly dependent on GNI contributions, and will therefore reach its limits as financing needs increase.

The introduction of new own resources will reduce the burden on Member States and ensure the sustainable financing of common EU policies as well as the repayment of NextGenerationEU.

In accordance with the 2020 Interinstitutional Agreement between the European Parliament, the Council and the Commission, the latter presented proposals in 2021 and 2023 to introduce new own resources, which were not adopted. This proposal builds on previous proposals and discussions. It is in line with the EU's political priorities in the context of the next MFF and would generate significant revenue.

CONTENT: there are currently **four types of own resources**:

- traditional own resources (TOR, mainly customs duties);

- an own resource based on value added tax (VAT);

- a clean resource based on the quantity of non-recycled plastic packaging waste (established in 2021);

- the own resource based on gross national income (GNI), which plays a balancing role to ensure that overall revenues correspond to payments.

The Commission is proposing a **strengthened own resources package** to finance the EU budget. This package includes **five new own resources:**

- **an own resource based on the current emissions trading system (ETS 1)**. This resource is closely linked to the Union's climate objectives and constitutes a significant potential source of revenue. With 30% of the revenue going to the EU budget, the majority of revenue from auctioning emission allowances would continue to flow into national budgets;

- **an own resource based on the carbon border adjustment mechanism (CBAM)**. The CBAM ensures that imports to the EU are subject to the carbon price equivalent to producing these same goods in the EU;

- **an own resource based on non-collected electrical and electronic equipment**. This own resource would be based on existing data reported by Member States to Eurostat and calculated by applying a rate of EUR 2 per kg to non-collected electronic waste. In order to maintain the real value of the call rate, it would then be adjusted annually to take account of inflation;

- **an own resource relating to excise duties on tobacco** . A call rate of 15% would be applied in the case of all Member States to the quantities of manufactured tobacco and to the quantities of related tobacco products released for consumption, multiplied by the minimum rate applicable to each Member State;

- **a corporate resource for Europe**, established in the form of an annual flat-rate contribution from large companies operating and selling in the EU, whose annual net turnover is above EUR 100 million.

Targeted adjustments to existing own resources are proposed to preserve the revenue base of the EU budget. The call rate for the own resource based on non-recycled plastic packaging waste would increase from EUR 0.8/kg to EUR 1/kg in 2028 and would then be indexed to inflation. In addition, the share of customs duties that Member States retain to cover their collection costs would be reduced from 25% to 10%. Lastly, revenue from e-commerce would be classified as traditional own resources.

According to the Commission's proposal, the five new own resources should be introduced as of 1 January 2028.