Council of the European Union

Brussels, 23 June 2023
(OR. en)

10855/1/23
REV 1

Interinstitutional File:
2022/0071(NLE)

RESPR 19
FIN 663
CADREFIN 90
POLGEN 70

PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	21 June 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2023) 333 final/2
Subject:	Amended proposal for a Council Regulation on the methods and procedure for making available the own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism, reallocated profits and the statistical own resource based on company profits and on the measures to meet cash requirements

Delegations will find attached document COM(2023) 333 final/2.

Encl.: COM(2023) 333 final/2

EUROPEAN
COMMISSION

Brussels, 23.6.2023
COM(2023) 333 final/2

2022/0071 (NLE)

This document corrects COM(2023) 333 final
Concerns the EN version only
Adjustment of the interinstitutional acronym

Amended proposal for a

COUNCIL REGULATION

on the methods and procedure for making available the own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism, reallocated profits and the statistical own resource based on company profits and on the measures to meet cash requirements

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

Reasons for and objectives of the proposal

In December 2021, the Commission proposed three new sources of revenues for the EU budget[1], namely a contribution from the emission trading system ("ETS"), from the carbon border adjustment mechanism ("CBAM") and an own resource based on a share of residual profits from multinationals that will be re-allocated to EU Member States under the recent OECD/G20 agreement ("Pillar One").

More than one year later, the Commission amends its proposal COM(2021) 570 final. First, the Commission proposes to adjust the ETS own resource and the CBAM own resource in light of the agreement reached by the co-legislator on the revised ETS Directive. Secondly, the Commission proposes a new statistical own resource based on company profits.

Accordingly, the methods and procedure for making available the proposed own resources need to be adjusted.

Consistency with existing policy provisions in the policy area

The legal basis of the proposed Regulation is Article 322(2) of the Treaty on the Functioning of the European Union (TFEU) as indicated in Article 9 of the Own Resources Decision (Decision (EU, Euratom) 2020/2053). It complements the "Making Available Regulation" for traditional own resources, the own resources based on value added tax and gross national income[2] and the "Making Available Regulation" for the plastic-based on resource[3].

Finally, it is connected to the Regulation laying down implementing measures for the system of own resources[4], which also needs to be amended.

CONTENT OF THE PROPOSAL

The Commission amended proposal may be summarised as follows:

Emission Trading System (ETS) own resource

Article 7 is adjusted to reflect an additional cirumstance which is added to the valuation mechanism for allowances not auctioned due to discretionary choices exercised by individual Member States.

---

1 Proposal for a Council Decision amending Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union (COM(2021) 570 final).

2 Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements, (OJ L 168, 7.6.2014, p. 39-52).

3 Council Regulation (EU, Euratom) 2021/770 of 30 April 2021 on the calculation of the own resource based on plastic packaging waste that is not recycled, on the methods and procedure for making available that own resource, on the measures to meet cash requirements, and on certain aspects of the own resource based on gross national income (OJ L 165, 11.5.2021, p 15-24).

4 Council Regulation (EU, Euratom) 2021/768 of 30 April 2021 laying down implementing measures for the system of own resources of the European Union and repealing Regulation (EU, Euratom) No 608/2014 (OJ L 165, 11.5.2021, p. 1–8).

Carbon Border Adjustment Mechanism (CBAM)-based own resource

As a result of the central governance model of CBAM, the Commission does not need additional on the spot inspection powers in the own resource legislation, as such powers are already provided in the sectorial legislation. Article 14 is modified to reflect these changes.

New statistical own resource based on company profits

Article 2 of the proposal, 'conservation of supporting documents': provisions replicate those under Article 3 of Council Regulation (EU, Euratom) No 609/2014. It imposes on Member States the obligation to keep those documents for a period of four years following the financial year in relation to which the own resources are made available.

Article 3 of the proposal, 'administrative cooperation' mirrors Article 4 of Council Regulation (EU, Euratom) No 609/2014.

Article 4 of the proposal, 'effects on the Own Resource based on Gross National Income', ensures the residual character of the own resource based on gross national income. It complements Article 5 of Council Regulation (EU, Euratom) No 609/2014 by stating that the amount of own resource based on gross national income will be calculated after the revenue stemming from all the other own resources, including the proposed statistical own resource based on company profits.

Article 5 of the proposal provides for the obligations in terms of 'entry in the accounts and reporting' for inter alia the proposed statistical own resource based on company profits.

Article 9a covers the calculation methods of the proposed statistical own resource based on company profits.

Article 16a covers the making available of the statistical own resource based on company profits.

Article 16b provides for the modalities of the balancing exercise for the statistical own resource based on company profits.

Article 17 proposes to apply to the statistical own resources based on company profits the same rules concerning interest on amounts made available belatedly as to the other new own resources.

Article 22 reflects the fact that the own resource will enter into force on 1 January 2024, with the exception of the own resource on the new ETS covering building, road transport and additional fuels, which will enter into force on 1 January 2028.

LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

Legal basis

The legal basis for this proposal is Article 322(2) TFEU.

• Subsidiarity (for non-exclusive competence)

Not applicable.

• Proportionality

The scope of the proposal is to enhance predictability for Member States in the making available of own resources to the EU budget and to lay down procedures for dispute resolution. The proposal is consistent with the principle of proportionality because it does not go beyond what is necessary and is proportionate to achieve this objective satisfactorily.

• Choice of the instrument

Article 322(2) TFEU does not specify the instrument to be used. However, Article 9(3) of Council Decision (EU, Euratom) 2020/2053 requires Member States to make the resources available to the Commission 'in accordance with regulations' adopted under Article 322(2) TFEU. Additionally, provisions to make available existing own resources have been enshrined in several regulations (Council Regulation (EU, Euratom) No 609/2014 for traditional own resources, and the own resources based on value added tax and gross national income and Council Regulation (EU, Euratom) 2021/770[5] for the plastic-based own resource).

2022/0071 (NLE)

Amended proposal for a

COUNCIL REGULATION

on the methods and procedure for making available the own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism, reallocated profits and the statistical own resource based on company profits and on the measures to meet cash requirements

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 322(2) thereof,

Having regard to the Treaty establishing the European Energy Community, and in particular Article 106a thereof,

Having regard to the proposal from the European Commission,

Having regard to the opinion of the European Parliament[6],

Having regard to the opinion of the European Court of Auditors[7],

Whereas:

(1) Council Decision (EU, Euratom) 2020/2053[8], as amended by Council Decision [XXX][9], introduces as new own resources the emissions trading system ('Emissions

[5] Council Regulation (EU, Euratom) 2021/770 of 30 April 2021 on the calculation of the own resource based on plastic packaging waste that is not recycled, on the methods and procedure for making available that own resource, on the measures to meet cash requirements, and on certain aspects of the own resource based on gross national income (OJ L. 165, 11.5.2021, p. 15-24).

[6] OJ C […], […], p. […].

[7] OJ C […], […], p. […].

[8] Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p.1).

Trading System-based own resource'), established by Directive 2003/87/EC of the European Parliament and of the Council[10], the Carbon Border Adjustment Mechanism ('Carbon Border Adjustment Mechanism-based own resource'), established by Regulation (EU) 2023/956 of the European Parliament and of the Council[11]**,** ~~and~~ a share of residual profits of the largest and most profitable multinational enterprises reallocated to Member States ('reallocated profits-based own resource'), established by [Directive on implementation of the global agreement on re-allocation of taxing rights][12] **and gross operating surplus as defined by the European System of Accounts 2010 set up by Regulation (EU) 549/2013[13], consistent with the GNI data provided in accordance with Article 2 of the Regulation (EU) 2019/516[14], and provided in accordance with the control framework provided by the GNI implementing act[15], for the sectors of non-financial and financial corporations ('statistical own resource based on company profits')**. The Emissions Trading System-based own resource, the Carbon Border Adjustment Mechanism-based own resource**,** ~~and~~ the reallocated profits-based own resource **and the statistical own resource based on company profits** (all hereinafter referred to as 'new own resources') should also be made available to the Union on the best possible conditions and, accordingly, rules should be laid down for the Member States to make available those own resources to the Commission.

(2) Council Regulation (EU, Euratom) No 609/2014[16] contains provisions on making own resources available to the Commission and on administrative arrangements that are common to other own resources. Similar provisions should be laid down, where appropriate, to new own resources.

(3) Member States should keep at the disposal of the Commission and, where necessary, forward to it the documents and information needed to allow it to exercise the power conferred on it as regards the own resources of the Union. In particular, Member States should ensure the transmission to the Commission of periodical statements of own resources.

---

9 Proposal for a Council Decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union (OJ L […], […], p. […]).

10 Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

11 Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52).

12 [Directive (EU) XXX on implementation of the global agreement on re-allocation of taxing rights].

13 **Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2014, p. 1).**

14 **Regulation (EU) No 516/2019 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) (OJ L 91, 29.3.2019, p. 19).**

15 **Commission Regulation 2020/1546 of 23 October 2020 establishing the structure and detailed arrangements of the inventory of the sources and methods used to produce gross national income aggregates and their components in accordance with the European System of Accounts (ESA 2010) (OJ L 354, 26.10.2020, p. 1).**

16 Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (OJ L 168, 7.6.2014, p. 39).

(4) The calculation of the applicable rate of the own resource based on gross national income (GNI) should be done after adding the revenue from all the other own resources referred to in Council (EU, Euratom) Decision 2020/2053 from the financial contributions to supplementary research and technological development programmes and from other revenues.

(5) In order to reduce the administrative burden for Member States and the Commission to make available the Emissions Trading System-based own resource, Member States should ensure that a share of the payment, arising from the auctioning of allowances by auction platforms pursuant to Commission Regulation (EU) No 1031/2010[17], are made available to the Commission through transfers from the clearing systems or settlement systems connected to those platforms.

(6) It needs to be ensured that a share of the revenues from allowances that have not been auctioned are made available to the Commission. Where Member States decide not to auction allowances, the Commission should calculate the corresponding amounts. Those amounts should be called by the Commission and made available by Member States on a monthly basis in the current financial year.

(7) The impact of the solidarity adjustment mechanism needs to be taken into account. For the Emissions Trading System-based own resource, a maximum contribution or a minimum contribution may apply to Member States. The relevant positive or negative impact should be included in the amounts called by the Commission and made available by Member States on a monthly basis.

(8) In order to take into account the implementation cycle of the Carbon Border Adjustment Mechanism, the Carbon Border Adjustment Mechanism-based own resource should be made available annually by entering in February of the second year following the current year the amounts due in the account opened for this purpose pursuant to Regulation (EU, Euratom) No 609/2014.

(9) The reallocated profits-based own resource should be made available monthly in the year following the year in which each Member State sent its annual statement of the amounts of residual profits reallocated to them, as declared by the multinational enterprises in scope of the [Directive on implementation of the global agreement on re-allocation of taxing rights.]

(9a) The statistical own resource based on company profits should be made available monthly in the financial year concerned by entering the amounts due in the account opened for this purpose pursuant to Council Regulation (EU, Euratom) No 609/2014.

(10) The procedure for calculating interest should ensure in particular that own resources are made available in a timely manner and in full. Member States should pay interest in the event of delays in entering the own resources into the accounts. In accordance with the principle of sound financial management, care should be taken that the cost of recovery of interest due on own resources made available belatedly does not exceed the amount of the interest payable.

---

[17] Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community Text with EEA relevance (OJ L 302, 18.11.2010, p. 1).

(11) In order to allow for the interruption of the period for which interest accrues, in the case of a disagreement between the Members States and the Commission as regards corrections and adjustments for the Carbon Border Adjustment Mechanism-based own resource and reallocated profits-based own resource, provisions should also be introduced to reflect the current practice of payments under reservation concerning amounts of own resources due to the budget of the Union, which opens the possibility for the Member States to initiate an action for unjust enrichment against the Commission in accordance with Article 268 and Article 340(2) TFEU. A payment made under reservation should however remain exceptional. The case-law of the Court of Justice of the European Union on Articles 258 to 260 TFEU remains fully applicable.

(12) In the case of a disagreement between Member States and the Commission as regards corrections and adjustments for the Carbon Border Adjustment Mechanism-based own resource and reallocated profits-based own resource, a review procedure should be introduced to improve transparency and ensure an efficient dispute settlement.

(13) In order to facilitate proper application of the financial rules relating to own resources it is necessary to include provisions ensuring close collaboration between Member States and the Commission through the relevant committee.

(14) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards establishing forms for own resources' statements. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[18].

(15) The advisory procedure should be used for the adoption of implementing acts establishing forms for the own resources' statements given the technical nature of those acts.

(16) For reasons of consistency, this Regulation should enter into force on the same day as Council Decision 20xx/xxxx/EU, Euratom and should apply from 1 January 2023~~3~~**4.** Article 2(3), Article 5(5) and Articles 9, 15 and 16 should apply from the date of application of the [Directive on implementation of the global agreement on re-allocation of taxing rights] or the day of the entry into force and effect of the Multilateral Convention, whichever is the later,

[18] Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

HAS ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation lays down rules on calculating and making available to the Commission the own resources of the Union referred to in Article 2(1), point (e), ('Emissions Trading System-based own resource'), in Article 2(1), point (f), ('Carbon Border Adjustment Mechanism-based own resource')**,** ~~and~~ in Article 2(1), point (g), ('reallocated profits-based own resource') **and point (h), ('statistical own resource based on company profits')** of Decision (EU, Euratom) 2020/2053, on the measures to meet cash requirements and sets the calculation of the applicable rate of the own resource referred to in Article 2(1), point (d), ('GNI-based own resource') of that Decision.

Article 2

Conservation of supporting documents

1. Member States shall take all appropriate measures to ensure that supporting documents concerning the establishment, calculation and making available of the Emissions Trading System-based own resource are kept for at least three calendar years following the end of the financial year in relation to which the own resources are made available, or three years following the termination of the relationship with an auction platform, whichever is longer. These documents shall include the following:

(a) reports referred to in Article 10(4), last subparagraph, of Directive 2003/87/EC of the European Parliament and of the Council[1];

(b) documents containing information on auction results as set out in Article 61 of Commission Regulation No 1031/2010.

Member States shall keep supporting documents concerning the calculation and making available of the Carbon Border Adjustment Mechanism-based own resource and the reallocated profits-based own resource until 31 July of the fifth year following the financial year in relation to which the own resources are made available.

Member States shall keep supporting documents concerning the statistical procedures and bases and the making available of the statistical own resource based on company profits until 30 November of the fourth year following the financial year in relation to which the own resources are made available.

2. The time limits provided for in paragraph 1 shall be interrupted if the control and supervision measures referred to in Article 2 of Council Regulation (EU, Euratom) 2021/768[2]

[1] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, p. 32).

of the supporting documents referred to in paragraph 1 shows that a correction or adjustment is required.

3. Where a dispute between a Member State and the Commission concerning the obligation to make available a certain amount of the Emissions Trading System-based, Carbon Border Adjustment Mechanism-based ~~and~~ reallocated profits-based own resources **and the statistical own resource based on company profits** is settled by mutual agreement or by a decision of the Court of Justice of the European Union, the Member State shall transmit the supporting documents necessary for the financial follow-up to the Commission within two months after that settlement.

Article 3

Administrative cooperation

1. Each Member State shall inform the Commission of the following:

   (a) the names of the departments or agencies responsible for establishing, calculating, collecting, making available and controlling the Emissions Trading System-based, **the** Carbon Border Adjustment Mechanism-based**,** ~~and~~ the reallocated profits-based own resources **and the statistical own resource based on company profits** and the basic provisions relating to the role and operation of those departments and agencies;

   (b) the general provisions laid down by law, regulation or administrative action and those relating to the accounting procedure concerning the establishment, the calculation or collection, making available and control by the Commission of the Emissions Trading System-based, Carbon Border Adjustment Mechanism-based**,** ~~and~~ reallocated profits-based own resources **and statistical own resource based on company profits;**

   (c) the precise title of all administrative and accounting records in which the Emissions Trading System-based, Carbon Border Adjustment Mechanism-based**,** ~~and~~ reallocated profits-based own resources **and statistical own resource based on company profits** are entered, in particular those used for drawing up the accounts provided for in Article 5.

Member States shall inform the Commission immediately of any change in the names or provisions referred to in the first subparagraph.

2. The Commission shall, at the request of the Member State having provided the information, transmit to all Member States the information referred to in paragraph 1.

Article 4

Effects on the GNI-based own resource

For the purposes of setting the uniform rate referred to in Article 5 of Regulation (EU, Euratom) No 609/2014, the revenue referred to in Article 2(1), points (e), (f)**,** ~~and~~ (g) **and (h)** of Decision (EU, Euratom) 2020/2053 shall be added to the revenue referred to in Article

[2] Council Regulation (EU, Euratom) 2021/768 of 30 April 2021 laying down implementing measures for the system of own resources of the European Union and repealing Regulation (EU, Euratom) No 608/2014 (OJ L 165, 11.5.2021, p. 1).

2(1), points (a), (b) and (c), of that Decision in order to calculate the part of the budget to be covered by the GNI-based own resource.

CHAPTER II

ACCOUNTS FOR OWN RESOURCES

Article 5

Entry in the accounts and reporting

1. The accounts for own resources referred to in Article 6 of Regulation (EU, Euratom) No 609/2014 shall be used for the purposes of Emissions Trading System-based, Carbon Border Adjustment Mechanism-based**,** ~~and~~ reallocated profits based own resources **and statistical own resource based on company profits**.

2. For own resources accounting purposes, the month shall end no earlier than 1 p.m. on the last working day of the month during which the calculation or the establishment took place.

3. The amounts from the Emissions Trading System-based own resource calculated in accordance with Article 7(1) for a given month shall be entered in the accounts at the latest on the first working day of the second month following the month in which the entitlement was established.

Member States shall make sure that the Commission receives a monthly statement from the platform on these amounts at the latest at the same date as the entering in the accounts.

The twelfths of the Emissions Trading System-based own resource referred to in Article 11(2) shall be entered in the accounts on the first working day of each month. The result of the calculation referred to in Article 12 shall be entered in the accounts annually on the first working day of March of the year following that in which the Commission informed the Member States of the amounts resulting from the calculation.

4. By 31 July of each year, each Member State shall send to the Commission an annual statement with the total amounts of the Carbon Border Adjustment Mechanism-based own resources calculated in accordance with Article 8, including corrections and adjustments calculated in accordance with Article 14.

The amounts from the Carbon Border Adjustment Mechanism-based own resources shall be entered in the accounts annually on the first working day of February of the year following the year in which each Member State sent its annual statement.

5. Each Member State shall send to the Commission by 31 July of the second year following the reporting year an annual statement with the amounts of residual profits reallocated to them as declared by the multinational enterprises in scope of the [Directive on implementation of the global agreement on re-allocation of taxing rights], calculated in accordance with Article 15, including corrections and adjustments calculated in accordance with Article 16.

The twelfths of the reallocated profits-based own resource for a given month, referred to in Article 15, shall be entered in the accounts on the first working day of each month, in the year following the year in which each Member State sent its annual statement.

5a. Each Member State shall send to the Commission by 1 October of the year following the reporting year the figures for gross operating surplus used in the calculations

referred to in Article 9a and an annual report on quality of the gross operating surplus data.

The twelfths of the statistical own resource based on company profits, for a given month, referred to in Article 16a, shall be entered in the accounts on the first working day of each month.

The result of the calculation referred to in Article 16b (1) and (2) shall be entered in the accounts annually on the first working day of March of the year following that in which the Commission informed the Member States of the amounts resulting from the calculation.

6. The Commission may adopt implementing acts to establish forms for the own resources' statements and reports on quality referred to in paragraphs 3 to 5**a**. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 21(2).

Article 6

Accounting corrections for the Emissions Trading System own resource based on auction revenues

For the Emissions Trading System-based own resource referred to in Article 2(1), point (e)(1) of Decision (EU, Euratom) 2020/2053, any correction to the monthly statements referred to in Article 5(3), second subparagraph, may only be made for a given year until 31 December of the third year following the year in question, except on points notified before that date either by the Commission or by the Member State concerned.

CHAPTER III

CALCULATION OF OWN RESOURCES

Article 7

Calculation of the Emissions Trading System own resource

1. Member States shall make sure that the Emissions Trading System-based own resource referred to in Article 2(1), point (e)(1), of Decision (EU, Euratom) 2020/2053 is calculated by the auction platform by applying the uniform rate determined in Article 2(1), point (e)**(1)** of that Decision to the number of allowances auctioned multiplied by the auction clearing price referred to in Article 7 of Regulation (EU) No 1031/2010.

For the purposes of this Regulation, the Union's entitlement to the Emissions Trading System-based own resource referred to in Article 2(1), point (e)(1), of Decision (EU, Euratom) 2020/2053 shall be established on the day the allowances were auctioned on the basis of the auction clearing price of that day established pursuant to Article 7 of Regulation (EU) No 1031/2010.

2. The Commission shall calculate the amount**s** referred to in Article 2(1), point (e)(2) of Decision (EU, Euratom) 2020/2053 by applying the rate referred to in Article 2(1), point (e)**(1)**, of that Decision to the annual amount of the following allowances, multiplied by the annual average price of allowances referred to in Article 7 of Regulation (EU) No 1031/2010 **auctioned by Member States pursuant to Articles 3d and 10 of Directive 2003/87/EC** on the platform selected in accordance to Article 26 of that Regulation:

(a) allowances freely allocated pursuant Article 10c of Directive 2003/87/EC;

(b) allowances cancelled pursuant to Article 6(1) of Regulation (EU) 2018/842 of the European Parliament and of the Council[19];

(c) allowances referred to in Article 10d(4) of Directive 2003/87/EC used for auctioning for the Modernisation Fund referred to in Article 10d(3) of that Directive.

2a. The Commission shall calculate the amounts referred to in Article 2(1), point (e)(3) of Decision (EU, Euratom) 2020/2053 by applying the rate referred to in Article 2(1), point (e)(1), of that Decision to the annual amount of allowances cancelled in accordance with Article 30e(3) of Directive 2003/87/EC, multiplied by the annual average weighted price of allowances auctioned by Member States pursuant to Article 30d of that Directive on the platform selected in accordance with Article 26 of that Regulation.

The amounts calculated in accordance with the ~~first sub~~paragraph**s 2 and 2a** shall be weighted by the volume of each auction.

3. The Commission shall calculate the amount referred to in Article 2(2a) of Decision (EU, Euratom) 2020/2053. The calculations shall be made until the financial year 2030 on the basis of the figures relating to the following:

(a) aggregate GNI at market prices of the second year preceding the relevant financial year (n-2) as transmitted by the Member States to the Commission in the current financial year pursuant to Article 2 of Regulation (EU) 2019/516 of the European Parliament and of the Council[4];

(b) Emissions Trading System amounts corresponding to the revenues established in accordance with paragraphs 1 and 2.

4. For each of the relevant Member States, the sum of the amount calculated by applying the uniform rate of Article 2(1), point (e), of Decision (EU, Euratom) 2020/2053 to the amounts as referred to in Article 2(1), point (e)(2), of that Decision and the application of the mechanism in Article 2(2a) of Decision (EU, Euratom) 2020/2053 shall constitute the 'total adjustment amount' to the Emissions Trading System-based own resource.

5. By 31 May of each year, the Commission shall transmit an estimate of the total adjustment amount referred to in paragraph 4 for the following financial year to the Member States.

6. The Commission shall, before the end of May of the following financial year, make an updated estimate of the total adjustment amounts referred to in paragraph 4, based on the data at its disposal at that time. Any appreciable differences in relation to original estimates may

---

19 Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26)

4 Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) (OJ L 91, 29.3.2019, p. 19).

be entered in a draft amending budget and give rise to readjustments of the twelfths referred to in Article 11(2) that have been credited since the beginning of the financial year.

Article 8

Calculation of the Carbon Border Adjustment Mechanism-based own resource

The Carbon Border Adjustment Mechanism-based own resource shall be calculated through the application of the call rate referred to in Article 2(1), point (f), of Decision (EU, Euratom) 2020/2053 on the following:

(a) the price paid by the authorised declarant for the CBAM certificates corresponding to the total embedded emissions declared in accordance with Article 6(2), ~~point (c),~~ of Regulation (EU) 2023/956 of the European Parliament and of the Council[5] for one year, and

(b) the price paid by the authorised declarant for any cancelled certificates by 30 June of the year of the Carbon Border Adjustment Mechanism declaration in accordance with Article 24 of that Regulation.

Article 9

Calculation of the reallocated profits-based own resource

1. The reallocated profits-based own resource to be made available shall be calculated by applying the uniform call rate referred to in Article 2(1), point (g), of Decision (EU, Euratom) 2020/2053 to the annual share of residual profit of multinational enterprises reallocated to each Member State.

2. The Commission shall calculate the amounts of the reallocated profits-based own resource for the following year, on the basis of the annual statements referred to in Article 5(5).

Article 9a

Calculation of the statistical own resource based on company profits

1. The statistical own resource based on company profits to be made available shall be calculated by applying the uniform call rate referred to in Article 2(1), point (h), of Decision (EU, Euratom) 2020/2053 to the sum of gross operating surplus of the sectors of non-financial corporations (S.11) and financial corporations (S.12) as defined in Article 2(1), point (h), of Decision (EU, Euratom) 2020/2053.

2. The Commission shall calculate the statistical own resource based on company profits taking into account the report on quality referred to in Article 2 (6d) of Council Regulation as regards implementing measures for new own resources of the European Union transmitted by the Member States.

CHAPTER IV

[5] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.05.2023, p. 52).

MAKING AVAILABLE OWN RESOURCES

Article 10

Treasury and accounting arrangements

Article 9 of Regulation (EU, Euratom) No 609/2014 shall apply to the own resources referred to in Article 2(1), points (e), (f)**,** ~~and~~ (g) **and (h),** of Decision (EU, Euratom) 2020/2053.

Article 11

Making available the Emissions Trading System-based own resource

1. The Member States shall ensure that the amounts calculated pursuant to Article 7(1) are credited by the clearing systems or settlement systems connected to the auction platforms, appointed pursuant to Articles 26 and 30 of Regulation (EU) No 1031/2010, to the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014 or to another account indicated by the Commission, in accordance with Article 44 of Regulation (EU) No 1031/2010 in a timely manner and not later than the first working day of the second month following the month during which the entitlement was established.

2. The total adjustment amounts referred to in Article 7(4) shall be credited on the first working day of each month, the amounts being one twelfth of the relevant totals in the budget, converted in national currencies at the rates of exchange of the last day of quotation of the calendar year preceding the budget year, as published in the *Official Journal of the European Union*, C series. Article 10a(2), (4) and (5) of Regulation (EU, Euratom) No 609/2014 shall apply to these monthly twelfths.

Article 12

Emissions Trading System-based own resource – balancing exercise

1. For each Member State, the Commission shall calculate:

(a) the difference between the estimate for the total adjustment amount as referred to in Article 7(4), and the result of the calculation of the total adjustment amount on the basis of the most recent GNI and emissions trading system data;

(b) the product of multiplying the total amount resulting from the calculation referred to in point (a) by the percentage that the GNI of each Member State represents in the GNI of all Member States, as applicable on 15 January to the budget in force for the year following that in which the most recent GNI and emissions trading system data was supplied.

2. The difference between the amounts resulting from the calculations in accordance with paragraph 1 for each Member State is the ‘net amount’. The calculation of the net amount shall be definitive and not subject to any further adjustment.

For the purposes of the calculation of the net amount, amounts shall be converted between the national currency and the euro at the rates of exchange of the last day of quotation of the year in which the most recent GNI and Emissions Trading System data was supplied, the rates being those published in the *Official Journal of the European Union*, C series.

The Commission shall inform the Member States of the amounts resulting from the calculation of the net amount before 1 February of the year following the financial year in which the most recent GNI and Emissions Trading System data was supplied. Each Member State shall enter the net amount in the account referred to in Article 9(1) of Regulation (EU,

Euratom) 609/2014 on the first working day of March of the year following that in which the Commission informed the Member States of the amounts resulting from the calculation.

Article 13

Making available the Carbon Border Adjustment Mechanism-based own resources

The amounts calculated pursuant to Article 8 for each calendar year shall be credited annually on the first working day of February of the year following the year in which each Member State sent its annual statement, converted into national currencies at the rates of exchange of the last day of quotation of the calendar year preceding the budget year when the amounts are called.

Article 14

Corrections or adjustments to the Carbon Border Adjustment Mechanism-based own Resources

1. Any corrections or adjustments applied, following **the control and supervision measures** ~~inspections~~ referred to in Article 2(6b) of Regulation (EU, Euratom) 2021/768 for previous financial years, or for any other reason, shall give rise to a particular adjustment of the entries in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014. Member States shall include those corrections, after application of the call rate referred to in Article 2(1), point (f), of Decision (EU, Euratom) 2020/2053, in their next annual statement referred to in Article 5(4). The Commission shall inform the Member State about the amount of the particular adjustment to be included in its next annual statement following its ~~on-the-spot inspections~~ **control and supervision measures**.

2. Corrections and adjustments referred to in paragraph 1 shall be made available on the first working day of February of the year following the year in which each Member State sent its annual statement.

3. No further corrections shall be made to the statements referred to in Article 5(4) after 31 July of the fifth year following the financial year concerned, except on points notified within this time limit either by the Commission or by the Member State.

4. The operations referred to in this Article constitute revenue operations in respect of the financial year in which they are to be entered in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014.

Article 15

Making available of the reallocated profits-based own resource

The amounts calculated pursuant to Article 9 for each calendar year shall be credited on the first working day of each month, in the year following the year in which each Member State sent its annual statement, the amounts being one twelfth of the relevant totals in the budget, converted in national currencies at the rates of exchange of the last day of quotation of the calendar year preceding the budget year, as published in the *Official Journal of the European Union*, C series. Article 10a(2), (4) and (5) of Regulation (EU, Euratom) No 609/2014 shall apply to these monthly twelfths.

Article 16

Adjustments to the reallocated profits-based own resource

1. Any corrections or adjustments following inspections referred to in article 2(6c) of Regulation (EU, Euratom) 2021/768 for previous financial years, or for any other reason, shall give rise to a particular adjustment of the entries in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014. The Commission shall inform the Member State about the amount of the particular adjustment to be included in its next annual statement referred to in Article 5(5) following its on-the-spot inspections. Member States shall include other corrections, after application of the call rate referred to in Article 2(1), point (g), of Decision (EU, Euratom) 2020/2053/EU, in their next annual statement referred to in Article 5(5).

2. That particular adjustment shall be made available by twelfths, on the first working day of each month, in the year following the year in which each Member State sent its annual statement.

3. No further corrections shall be made to the statements referred to in Article 5(5) after 31 July of the fifth year following the financial year concerned, except on points notified within this time limit either by the Commission or by the Member State.

4. The operations referred to in this Article constitute revenue operations in respect of the financial year in which they are to be entered in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014.

Article 16a

Making available of the statistical own resource based on company profits

The amounts calculated pursuant to Article 9a for each calendar year shall be credited on the first working day of each month, the amounts being one twelfth of the relevant totals in the budget, converted into national currencies at the rates of exchange of the last day of quotation of the calendar year preceding the budget year, as published in the *Official Journal of the European Union*, C series. Article 10a(2), (4) and (5) of Regulation (EU, Euratom) No 609/2014 shall apply to these monthly twelfths.

Article 16b

Statistical own resource based on company profits–balancing exercise and adjustments

1. On the basis of the data for the sectoral accounts that concern the statistical own resource based on company profits for the preceding year pursuant to Regulation (EU) No 549/2013, each Member State shall, in the second year following that in which the figures were supplied, be debited with an amount calculated by applying to the annual sum of its gross operating surplus for the sectors of non-financial and financial corporations of that Member State, the rate adopted for the year preceding the year of supply of the data and be credited with the payments made during that year.

2. Any changes to the data for the sectoral accounts that concern the statistical own resource based on company profits of the previous financial years pursuant to Regulation (EU) 549/2013 shall give rise for each Member States concerned to an adjustment to the balance established pursuant to paragraph 1 of this Article. After 30 November of the fourth year following a given financial year, any changes to the sectoral

accounts that concern this own resource shall no longer be taken into account, except on points notified within this time limit either by the Commission or by the Member State.

3. For each Member State, the Commission shall calculate the difference between the amounts resulting from the adjustments referred to in paragraphs 1–2 and the product of multiplying the total amounts of adjustments of all Member States by the percentage that the GNI of that Member State represents of the GNI of all Member States, as applicable on 15 January to the budget in force for the year following that in which the data for the adjustments was supplied (the 'net amount').

For the purposes of the calculation of the net amount, amounts shall be converted between the national currency and the euro at the rates of exchange of the last day of quotation of the calendar year in which the data for the adjustments was supplied, as published in the Official Journal of the European Union, C series.

The Commission shall inform the Member States of the amounts resulting from the calculation of the net amount before 1 February of the year following that in which the data for the adjustments was supplied. Each Member State shall enter the net amount in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014 on the first working day of March of the year following that in which the Commission informed the Member States of the amounts resulting from the calculation.

4. The operations referred to in this Article constitute revenue operations in respect of the financial year in which they are to be entered in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014.

Article 17

Interest on amounts made available belatedly

1. Any delay in making the entry of the Emissions Trading System-based, the Carbon Border Adjustment Mechanism-based**,** ~~and~~ the reallocated profits-based own resources **and the statistical own resource based on company profits** in the account referred to in Article 9(1) of Regulation (EU, Euratom) No 609/2014 shall give rise to the payment of interest by the Member State concerned.

2. The recovery of amounts of interest below EUR 1000 shall be waived.

3. Interest shall be levied at the rates and conditions provided for in Article 12(4) and (5) of Regulation (EU, Euratom) No 609/2014.

4. For the payment of interest referred to in paragraphs 1 and 2, Article 9(2) and (3) of Regulation (EU, Euratom) No 609/2014 shall apply.

CHAPTER V

PAYMENT UNDER RESERVATION AND REVIEW PROCEDURE

Article 18

Payment under reservation

1. In the case of a disagreement between a Member State and the Commission concerning corrections and adjustments referred to in Articles 14 and 16, the Member State may, when making a payment of the contested amount, express reservations as to the position of the Commission.

Member States shall provide information about these reservations, for the amounts related to the Carbon Border Adjustment Mechanism-based own resources, together with their annual statement referred to in Article 5(4), for the amounts related to the reallocated profits-based own resource, together with their statement referred to in Article 5(5). Member States shall notify the lifting of reservations to the Commission as soon as possible.

If the disagreement referred to in the first paragraph is resolved in favour of the Member State, that Member State shall be authorised by the Commission to deduct the amount paid from its next own resources payment or payments.

2. Entry in the account under Article 9(1) of Regulation (EU, Euratom) No 609/2014 of the payment under reservation shall interrupt the period for which interest accrues, as referred to in Article 17.

3. By the end of September of each year, the Commission shall provide an annual information note showing the overview of the total amount paid under reservation and the total amount of reservations lifted during the preceding year.

Article 19

Review procedure

1. In the case of a disagreement between a Member State and the Commission concerning corrections and adjustments referred to in Articles 14 and 16, the Member State may request the Commission to review its assessment within six months from its receipt. Such request shall provide reasons for the review requested, and include the evidence and supporting documents on which it is based. The request and the ensuing procedure shall not change the obligation of the Member States to make available own resources when they are due to the budget of the Union.

2. Within three months from the receipt of the request provided for in paragraph 1, the Commission shall notify to the Member State its comments on the reasons provided in the request. In duly justified cases, the Commission may extend this time limit once by another three months and inform the Member State concerned accordingly. Where the Commission finds it necessary to request additional information, the time limit referred to in paragraph 2 shall run from the date of receipt of the requested additional information. The Member State concerned shall provide the additional information within three months. At the request of the Member State concerned, the three month time limit shall be extended once by another three months.

3. Where the Member State cannot provide any further relevant information for the review procedure, it may notify the Commission thereof. The Commission shall then act

notify its comments on the basis of the information available. The time limit referred to in paragraph 2 shall in that case run from the date of receipt of that notification.

4. The review procedure shall end at the latest 2 years after the Member State sent its request for the review referred to in paragraph 1.

CHAPTER VI

MANAGEMENT OF CASH RESOURCES

Article 20

Requirements on management of cash resources and execution of payment orders

Articles 14 and 15 of Regulation (EU, Euratom) No 609/2014 shall apply to the own resources referred to in Article 2(1), points (e) to (**h**~~g~~), of Decision (EU, Euratom) 2020/2053.

CHAPTER VII

FINAL PROVISIONS

Article 21

Committee procedure

1. The Commission shall be assisted by a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 22

Entry into force and application

This Regulation shall enter into force on the day of entry into force of Decision 20xx/xxxx/EU, Euratom amending Decision 2020/2053/EU, Euratom. It shall apply from 1 January 202~~3~~**4**.

However, Article 2(3), Article 5(5) and Articles 9, 15 and 16 shall apply from the date of application of the [Directive on implementation of the global agreement on re-allocation of taxing rights] or the day of the entry into force and effect of the Multilateral Convention, whichever is the later.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Amended Proposal for a Council Regulation on the methods and procedure for making available the own resources based on the Emissions trading system, the Carbon Border Adjustment Mechanism, OECD/G20 Pillar One and the statistical own resource based on company profits and on the measures to meet cash requirements.

1.2. Policy area(s) concerned

EU budget revenue

1.3. Nature of the proposal/initiative

☐ **a new action**

☐ **a new action following a pilot project/preparatory action**[20]

☑ **the extension of an existing action**

☐ **a merger or redirection of one or more actions towards another/a new action**

1.4. Objective(s)

1.4.1. General objective(s)

These proposal amend the Proposed Regulation (COM(2022) 101 final) and follows-up on the European Council Conclusions of July 2020 and the interinstitutional agreement of December 2020[21] on a roadmap to introduce sufficient new own resources with a view to covering an amount corresponding to the expected expenditure related to the repayment of the European Union Recovery Instrument. The proposal is linked to the amendement of 20 June 2023 of the proposal of 22 December 2021 (COM(2021) 570 final) amending the Own Resources Decision[22] .

The proposal will also further embed EU policy priorities in the revenue side of the EU budget.

1.4.2. Specific objective(s)

The amended Own Resources Decision, as amended in 2023, seeks to introduce four new own resources:

(1) A new own resource based on the Emissions Trading System covering its extension maritime and an increased auctioning of allowances in aviation and on the new Emissions Trading System covering road transport and building;

(2) A new own resource based on a carbon border adjustment mechanism;

20 As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

21 Interinstitutional agreement of 16 December 2020 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap for the introduction of new own resources, OJ L 433I, 22.12.2020, p. 28.

22 Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1–10)

(3) A new own resource based on a share of profits of multinational enterprises that are reallocated to EU Member States in the context of the global agreement on international taxation ('OECD/G20 Pillar One/G20').

(4) A statistical own resource based on company profits. This own resource will be defined by multiplying a uniform call rate equal to 0,5% to the sum of gross operating surplus (B.2g) of the sectors of non-financial corporations (S.11) and financial corporations (S.12) of each Member State, as provided by the Commission, in accordance with the definitions of the European System of Accounts 2010 (ESA 2010).

New own resources will further align the revenue side of the EU budget with the Union's policy priorities. Firstly, emissions know no borders, hence warranting Union action, and therefore an appropriate base for EU own resources. Emissions trading and a carbon border adjustment mechanism are EU-wide instruments serving the common objective to reduce greenhouse gas emissions at the least cost, by capping emissions and providing a carbon price signal. Secondly, the 'OECD/G20 Pillar One' agreement will be implemented in the EU respecting the specificities of the Single Market. As a result, this too will constitute a European base for an own resource.

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Although the EU will repay Next Generation EU under any circumstances, new own resources should ensure that the expenditure from the Union budget related to this repayment will not lead to an undue reduction in programme expenditure or investment instruments under the next multiannual financial framework starting in 2028. At the same time, they will also mitigate the increases in the gross national income-based own resource for the Member States.

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

This proposal should provide the framework for a timely and correct making available to the EU budget of revevenues from emissions trading and the carbon border adjustment mechanism own resources and from the statistical own resource based company profit. It will need to be amended to include the making available of the own resource based on the share of residual profits of the largest and most profitable multinational enterprises, reallocated to EU Member States ('OECD/G20 Pillar One'), once the Commission proposes a Directive on this specific instrument.

1.5. Grounds for the proposal/initiative

1.5.1. 1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The rules for making available to the EU budget should be agreed upon in time in order to ensure the timely implementation of the new Own Resources basket.

The interinsitutional agreement included a detailed timeline for the introduction of new own resources. The Commission committed to make two proposals on new own resources by mid 2024 with a view of their introduction in 2026.

1.5.2. Added value of EU involvement

According to the Own Resource Decision, repayment of Next Generation EU will start in 2028. The inter-institutional agreement of December 2020 provides with a roadmap on new own resources. New own resources will provide additional revenues streams to ensure that this repayment will not lead to an undue reduction in programme expenditure or investment instruments under the multiannual financial framework. At the same time, they will also mitigate the increases in the gross national income-based own resource for the Member States. Overall, new own resources will protect the EU budget.

1.5.3. Lessons learned from similar experiences in the past

These proposals are connected to the amendment of the Own Resources Decision and the proposal of June 2023 finalising the basket of own resource referred to in the interinstitutional agreement. Together they clarify the interaction between the Own Resources provisions and the legislative acts on emissions trading and the carbon border adjustment mechanism and the future legislative act on implementation of the global agreement on re-allocation of taxing rights.

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

These proposals are compatible with the current Multiannual Financial Framework Regulation.

1.5.5. Assessment of the different available financing options, including scope for redeployment

Not applicable.

1.6. Duration and financial impact

☐ Proposal/initiative of **limited duration**

– ☐ Proposal/initiative in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ Financial impact from YYYY to YYYY

☑ Proposal/initiative of **unlimited duration**

– Full-scale operation from 1/1/2024.

1.7. Management mode(s) planned[23]

☑ **Direct management** by the Commission

– ☑ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated;

– ☐ international organisations and their agencies (to be specified);

– ☐the EIB and the European Investment Fund;

– ☐ bodies referred to in Articles 208 and 209 of the Financial Regulation;

– ☐ public law bodies;

– ☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

– ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

– *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

Not applicable

[23] Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

The provisions for the monitoring and reporting in relation to the methods and procedure for making available the own resources based on the Emissions trading system, the Carbon Border Adjustment Mechanism, OECD/G20 Pillar One and the statistical own resource based on company profits and on the measures to meet cash requirements.can be found in the the amended proposal amending the Council Regulation laying down implementing measures for the system of Own Resources of the European Union ("IMSOR").

2.2. Management and control system

2.2.1. Risk(s) identified

The main potential risks include: the incorrect establishment of the new own resources, the incorrect entry in the accounts, the late making available of the resource, and accounting errors.

2.2.2. Information concerning the internal control system set up

Control methods are envisaged in the proposal which also includes specific provisions concerning control and supervision and relevant reporting requirements.

2.2.3. Estimate of the costs and benefits of the controls and assessment of the expected level of risk of error

The financial interests of the Union should be protected through proportionate measures, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties implemented by the national authorities and by the European Commission Services.

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

Provisions on control and supervision for the calculation on the new own resources are included in the accompanying Council Regulations and relevant sectorial legislation for each of the new proposed own resources

1. 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[24]	from EFTA countries [25]	from candidate countries[26]	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
7	20 01 02 01	Non-diff.	NO	NO	NO	NO

[24] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
[25] EFTA: European Free Trade Association.
[26] Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1 Summary of estimated impact on operational appropriations

– ☑ The proposal/initiative does not require the use of operational appropriations

– ☐ The proposal/initiative requires the use of operational appropriations, as explained below:

Heading of multiannual financial framework	**7**	'Administrative expenditure'

EUR million (to three decimal places)

		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL**
○ Human resources		1.107	1.278	1.449	2.304	**6.138**
○ Other administrative expenditure						
TOTAL	Appropriations	1.107	1.278	1.449	2.304	**6.138**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	1.107	1.278	1.449	2.304	**6.138**

EUR million (to three decimal places)

		Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL**
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments	1.107	1.278	1.449	2.304	**6.138**
	Payments	1.107	1.278	1.449	2.304	**6.138**

3.2.2 Summary of estimated impact on administrative appropriations

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☑ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL**
HEADING 7 of the multiannual financial framework					
Human resources	1.107	1.278	1.449	2.304	**6.138**
Other administrative expenditure					
Subtotal HEADING 7 of the multiannual financial framework	1.107	1.278	1.449	2.304	**6.138**

Outside HEADING 7[27] of the multiannual financial framework					
Human resources					
Other expenditure of an administrative nature					
Subtotal outside HEADING 7 of the multiannual financial framework					

TOTAL	1.107	1.278	1.449	2.304	**6.138**

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

[27] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.2.1 Estimated requirements of human resources

– ☐ The proposal/initiative does not require the use of human resources.

– ☑ The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

		Year **2024**	Year **2025**	Year **2026**	Year **2027**
20 01 02 01 (Headquarters and Commission's Representation Offices)		3	4	5	10
20 01 02 03 (Delegations)					
01 01 01 01 (Indirect research)					
01 01 01 11 (Direct research)					
Other budget lines (specify)					
20 02 01 (AC, END, INT from the 'global envelope')		6	6	6	6
20 02 03 (AC, AL, END, INT and JPD in the delegations)					
XX 01 xx **yy zz** [28]	- at Headquarters				
	- in Delegations				
01 01 01 02 (AC, END, INT - Indirect research)					
01 01 01 12 (AC, END, INT - Direct research)					
Other budget lines (specify)					
TOTAL		**9**	**10**	**11**	**16**

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	The new own resources require additional staff for the purpose of forecast, inspection and budgeting in DG BUDG (up to 10 posts).
External staff	For the purpose of control, additional staff is also needed in DG CLIMA (1 external staff) and DG ESTAT (5 external staff).

[28] Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

3.2.3. Compatibility with the current multiannual financial framework

The proposal/initiative:

– ☑ can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

– ☐ requires a revision of the MFF. Third-party contributions

–

3.3. Estimated impact on revenue

– ☐ The proposal/initiative has no financial impact on revenue.

– ☑ The proposal/initiative has the following financial impact:

☑ on own resources

☐ on other revenue

please indicate, if the revenue is assigned to expenditure lines ☐

EUR billion (2018 prices)

Budget revenue line:	Appropriations available for the current financial year	Year **2024**	Year **2025**	Year **2026**	Year **2027**
ETS based Own Resource		8.2	7.1	7.1	5.8
CBAM based Own Resource		-	-	0	0
OECD/G20 Pillar One based Own Resource		-		2.5-4.0	2.5-4.0
Statistical own resource based on company profits		16	16	16	16

For assigned revenue, specify the budget expenditure line(s) affected.

Not applicable.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

No own resources might have an impact on the GNI contribution. Calculations are consistent with the sectoral impact assessments, when applicable.