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## PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	14 March 2022
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2022) 101 final
Subject:	Proposal for a Council Regulation on the methods and procedure for making available own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism and reallocated profits and on the measures to meet cash requirements

Delegations will find attached document COM(2022) 101 final.

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Encl.: COM(2022) 101 final



EUROPEAN  
COMMISSION

Brussels, 14.3.2022  
COM(2022) 101 final

2022/0071 (NLE)

Proposal for a

## **COUNCIL REGULATION**

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

## **EXPLANATORY MEMORANDUM**

### **CONTEXT OF THE PROPOSAL**

#### **Reasons for and objectives of the proposal**

The proposal for the amendment of the Own Resources Decision 2020/2053<sup>1</sup> adopted on 22 December 2021<sup>2</sup> adds three new own resources to the EU budget. These proposed new own resources will be based on the EU Emissions Trading Scheme for greenhouse gas emission allowances, the Carbon Border Adjustment Mechanism and include a national contribution to the EU budget based on the share of residual profits of multinational enterprises, as reallocated to Member States pursuant to the Council Directive on implementation of the global agreement on re-allocation of taxing rights the Commission will table in the course of 2022 (“reallocated profits”).

This proposal adds the practical arrangements, the proportionate and necessary control, supervision and review measures for the additional new own resources proposed in the amended Own Resources Decision. It is complemented, in accordance with Article 311(4) of the Treaty on the Functioning of the European Union, by regulations determining the control and supervision of the own resources.

The making available provisions for all own resources should be merged once the agreement on this Regulation is reached in order to avoid the parallel existence of several making available regulations and to ensure legal coherence in line with the Union’s Better Regulation agenda.

#### **Consistency with existing policy provisions in the policy area**

This Regulation’s legal basis is Article 322(2) of the Treaty on the Functioning of the European Union. It is furthered referred to in Article 9 of the Own Resources Decision (Decision (EU, Euratom) 2020/2053). It complements the Making Available Regulation (EU, Euratom) No 609/2014 for Traditional Own Resources, the Own Resources based on Value Added Tax and Gross National Income<sup>3</sup> and the Making Available Regulation for plastics, Regulation (EU, Euratom) 2021/770<sup>4</sup>. Finally, it is connected to the Regulation laying down implementing measures for the system of Own Resources, the current Regulation (EU, Euratom) No 768/2021 as amended<sup>5</sup>.

#### **Consistency with other Union policies**

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<sup>1</sup> 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) COM(2021) 570.

<sup>2</sup> 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).

<sup>3</sup> 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).

<sup>4</sup> Council Regulation (EU, Euratom) 2021/768 of 30 April 2021 laying down implementing measures for the system of own resources of the European Union

Given the nature of own resources, their management relies on the correct application of other Union policies:

- (1) Traditional Own Resources are linked to the customs union;
- (2) Own resource based on Value Added Tax are linked to the internal market;
- (3) Own resources based on the European Union Emissions Trading System and Carbon Border Adjustment Mechanism and Plastic packaging waste are linked to policies on the environment and climate action;
- (4) Own Resource based on reallocated profits will be linked to the internal market once transposed into Union law.

## 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 enact 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<sup>6</sup>. 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, the Regulation (EU, Euratom) No 609/2014 for Traditional Own Resources and the Own Resources based on Value Added Tax and Gross National Income<sup>7</sup>; and (ii) the Making Available Regulation for the new Own Resources based on the Plastic packaging waste 770/2021<sup>8</sup> took the form of regulations.

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<sup>6</sup> ‘The Council, acting on a proposal from the Commission and after consulting the European Parliament and the Court of Auditors, shall determine the methods and procedure whereby the budget revenue provided under the arrangements relating to the Union’s own resources shall be made available to the Commission, and determine the measures to be applied, if need be, to meet cash requirements.’

<sup>7</sup> 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).

<sup>8</sup> 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).

## CONTENT OF THE PROPOSAL

The Commission proposal may be summarised as follows:

### *Chapter I ‘General Provision’*

Article 2 of the proposal, ‘conservation of supporting documents’: provisions replicate those under Article 3 of Regulation (EU, Euratom) No 609/2014, differentiating between provisions for the own resource based on the European Union Emissions Trading System, and provisions for the own resources based on the Carbon Border Adjustment Mechanism and the own resource based on reallocated profits.

Article 3 of the proposal, ‘administrative cooperation’ mirrors Article 4 of 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 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, already existing and new, has been added. It also ensures that the gross reductions granted in the Own Resources Decision, as amended, are taken into account for the entry into the accounts and the making available of the own resource based on gross national income.

### *Chapter II ‘Accounts for Own Resources’*

Article 5 of the proposal, ‘entry in the accounts and reporting’ mirrors Article 6 of Regulation (EU, Euratom) No 609/2014, adapting it to the needs of the new own resources.

Article 6 of the proposal, ‘accounting corrections for the own resource based on the European Union Emissions Trading System’, mirrors Article 7 of Regulation (EU, Euratom) No 609/2014, adapting this own resource to what is established there for Traditional Own Resources, since both own resources share a similar nature.

### *Chapter III ‘Calculation of Own Resources’*

Articles 7, 8 and 9 cover the calculation methods of the own resources based on the emissions trading, Carbon Border Adjustment Mechanism and reallocated profits.

### *Chapter IV ‘Making available Own Resources’*

Article 10 of the proposal ‘treasury and accounting arrangements’ refers to Article 9 of Regulation (EU, Euratom) No 609/2014.

Articles 11 and 12 address the making available of the EU Emissions Trading System own resource. Articles 13 and 14 cover the making available of the Carbon Border Adjustments Mechanism own resource. Article 15 and 16 cover the making available of the reallocated profits-based own resource.

Article 17 refers to interest on amounts made available belatedly.

## ***Chapter V ‘Payments under Reservation and Review Procedure’***

Article 18 provides the possibility for Member States to make available under reservation amounts related to corrections and adjustments to the own resources based on the Carbon Border Adjustment Mechanism and the reallocated profits.

Article 19 introduces a review procedure in case of manifest disagreement between a Member State and the Commission concerning corrections and adjustments to the own resources based on the Carbon Border Adjustment Mechanism and on reallocated profits. This new procedure provides for clear deadlines and obligations for both the Member States and the Commission. It ensures a constructive dialogue on the disputed amounts in question and aims to facilitate reaching an agreement between both sides.

## ***Chapter VI ‘Management of cash resources’***

Article 20 ‘requirements on management of cash resources and execution of payment orders’ refers to Articles 14 and 15 of Regulation (EU, Euratom) No [609/2014](#).

## ***Chapter VI ‘Final provisions’***

Article 21 of the proposal, ‘Committee procedure’, provides for implementing powers to be conferred on the Commission in accordance with Regulation (EU) No [182/2011](#).

Article 22 of the proposal, ‘entry into force’, states that the Regulation will enter into force at the same time as the amended Own Resources Decision.

The Regulation will apply retroactively from 1 January 2023 for the own resources based on Article 10 and 3d of the European Union Emissions Trading System (stationary and aviation). As regards the new Emissions Trading System covering building and road transport, it shall apply from the first day following the last day of the period for transposing Directive (EU) [XXX] amending Directive [2003/87/EC](#).

As regards the Carbon Border Adjustment Mechanism, this regulation shall apply as from the day of the entry into application of this sectoral regulation.

As regards the reallocated profits-based own resource, it shall apply from the first day of the date of application of the period starting after the last day of the period for transposing the [Directive on the implementation of the global agreement on re-allocation of taxing rights] or to the day of the entry into force and effect of the Multilateral Convention, whichever is the later.

Proposal for a

## COUNCIL REGULATION

**on the methods and procedure for making available own resources based on the Emissions Trading System, the Carbon Border Adjustment Mechanism and reallocated 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<sup>9</sup>,

Having regard to the opinion of the European Court of Auditors<sup>10</sup>,

Whereas:

- (1) Council Decision (EU, Euratom) 2020/2053<sup>11</sup>, as amended by Council Decision [XXX]<sup>12</sup>, introduces as new own resources the emissions trading system ('Emissions Trading System-based own resource'), established by Directive 2003/87/EC of the European Parliament and of the Council<sup>13</sup>, the Carbon Border Adjustment Mechanism ('Carbon Border Adjustment Mechanism-based own resource'), established by Regulation (EU) [XXX] of the European Parliament and of the Council<sup>14</sup> 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]<sup>15</sup>. The Emissions Trading System-based own

<sup>9</sup> OJ C [...], [...], p. [...].

<sup>10</sup> OJ C [...], [...], p. [...].

<sup>11</sup> 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).

<sup>12</sup> Proposal for a Council Decision amending Decision (EU, Euratom) 2020/2053 on the system of own resources of the European Union (OJ L [...], [...], p. [...]).

<sup>13</sup> 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).

<sup>14</sup> Regulation (EU) [XXX] of the European Parliament and of the Council establishing a carbon border adjustment mechanism (OJ L [...], [...], p. [...]).

<sup>15</sup> [Directive (EU) XXX on implementation of the global agreement on re-allocation of taxing rights].

resource, the Carbon Border Adjustment Mechanism-based own resource and the reallocated profits-based own resource (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<sup>16</sup> 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.
- (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<sup>17</sup>, 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

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<sup>16</sup> 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).

<sup>17</sup> 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).



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.]
- (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.
- (11) In order to allow for the interruption of the period for which interest accrues, in the case of a disagreement between the 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, 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<sup>18</sup>.
- (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.

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<sup>18</sup> 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).

- (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. 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,

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') 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<sup>1</sup>;
- (b) documents containing information on auction results as set out in Article 61 of Commission Regulation No 1031/2010.

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<sup>1</sup> 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).

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.

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<sup>2</sup> 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 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, Carbon Border Adjustment Mechanism-based and the reallocated profits-based own resources 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;
  - (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 are entered, in particular those used for drawing up the accounts provided for in Article 5.

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<sup>2</sup> 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).

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), of Decision (EU, Euratom) 2020/2053 shall be added to the revenue referred to in Article 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.

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.

6. The Commission may adopt implementing acts to establish forms for the own resources' statements referred to in paragraphs 3 to 5. 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) 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 referred to in Article 2(1), point (e)(2), of Decision (EU, Euratom) 2020/2053 by applying the uniform rate referred to in Article 2(1), point (e), 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 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<sup>3</sup>;
- (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.

The amount calculated in accordance with the first subparagraph 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<sup>4</sup>;
- (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.

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<sup>3</sup> 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).

<sup>4</sup> 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).

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 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) [XXX] of the European Parliament and of the Council<sup>5</sup> 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).

#### **CHAPTER IV**

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<sup>5</sup> Regulation (EU) [XXX] of the European Parliament and of the Council on the carbon border adjustment mechanism.

## 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), 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 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.
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 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 resource 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) and, 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 (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 2023.

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
- 1.2. Policy area(s)
- 1.3. Nature of the proposal/initiative
- 1.4. Objective(s)
- 1.5. Grounds for the proposal/initiative
- 1.6. Duration and financial impact
- 1.7. Management mode(s) planned

### **2. MANAGEMENT MEASURES**

- 2.1. Monitoring and reporting rules
- 2.2. Management and control system
- 2.3. Measures to prevent fraud and irregularities

### **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

- 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected
- 3.2. Estimated impact on expenditure
  - 3.2.1. Estimated impact on operational appropriations*
  - 3.2.2. Estimated impact on appropriations of an administrative nature*
  - 3.2.3. Compatibility with the current multiannual financial framework*
- 3.3. Estimated impact on revenue

## **LEGISLATIVE FINANCIAL STATEMENT**

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

#### **1.1. Title of the proposal/initiative**

Council Regulation on the methods and procedure for making available the own resources based on the emissions trading system, the carbon border adjustment and reallocated profits and on the measures to meet cash requirements

Council Regulation amending Regulation (EU, Euratom) No 2021/768 of 30 April 2021 as regards implementing measures for new own resources of the European Union

#### **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<sup>19</sup>**

☐ **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 proposals follows-up on the European Council Conclusions of July 2020 and the interinstitutional agreement of December 2020<sup>20</sup> 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 proposal COM(2021) 570 final amending the Own Resources Decision, adopted on 22 December 2021.

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

##### *1.4.2. Specific objective(s)*

The proposal COM(2021) 570 final seeks to introduce three new own resources:

<sup>19</sup> As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

<sup>20</sup> 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.

(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;

(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 IF Pillar 1').

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 global agreement on the reallocation of taxing rights 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.*

New own resources should ensure that the expenditure from the Union budget related to the repayment of the European Union Recovery Instrument 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.

#### 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 revenues from emissions trading and the carbon border adjustment mechanism. It will also 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.

### 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 interinstitutional agreement included a detailed timeline for the introduction of new own resources. The Commission committed to make proposals on new own resource by 2021 with a view of their introduction in 2023.

#### 1.5.2. *Added value of EU involvement*

At the outset of the unprecedented COVID-19 crisis, the Commission presented an ambitious, innovative and exceptional recovery plan to set the Union on the path to a sustainable and resilient recovery. The European Union Recovery Instrument (NextGenerationEU), which was formally approved by the European Parliament and the Council on 14 December 2020, mobilises up to EUR 750 billion to address the economic and social damage brought about by the pandemic. Together with the EU's long-term budget, the multiannual financial framework, a total of EUR 1.8 trillion are helping rebuild a post-COVID-19 Europe. New own resources will ensure the credibility and sustainability of the European Union Recovery Instrument repayment plan.

#### 1.5.3. *Lessons learned from similar experiences in the past*

These proposals are connected to the amendment of the Own Resources Decision. 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 connected to the revision of the Multiannual Financial Framework Regulation with the aim of increasing the MFF ceilings for the expenditure of the Social Climate Fund and creating an automatic annual adjustment mechanism to allow for new own resources to support repayment of NextGenerationEU under the current Multiannual Financial Framework.

*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**

- Implementation with a start-up period from 1/1/2021 to 31/12/2022,
- followed by full-scale operation from 1/1/2023.

## 1.7. Management mode(s) planned

☒ **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
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## **2. MANAGEMENT MEASURES**

### **2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

The provisions for the monitoring and reporting in relation to making available own resource as based on emissions trading, the carbon border adjustment mechanism and a contribution based on residual profits of the largest and most profitable multinational enterprises, reallocated to EU Member States can be found in the proposal COM(2022) ..... for a Council Regulation amending Regulation (EU, Euratom) No 2021/768 of 30 April 2021 as regards implementing measures for new own resources of the European Union.

### **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 COM(2022) ..... for a Council Regulation amending Regulation (EU, Euratom) No 2021/768 of 30 April 2021 as regards implementing measures for new own resources of the European Union and relevant sectorial legislation for each of the new proposed own resources

### 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. <sup>21</sup>	from EFTA countries <sup>22</sup>	from candidate countries <sup>23</sup>	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

<sup>21</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>22</sup> EFTA: European Free Trade Association.

<sup>23</sup> 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:

<b>Heading of multiannual financial framework</b>	<b>7</b>	‘Administrative expenditure’
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EUR million (to three decimal places)

		Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
DG: BUDG							
• Human resources		0,157	0,471	0,628	0,785	1,57	<b>3,611</b>
• Other administrative expenditure							
<b>TOTAL DG BUDG</b>	Appropriations	0,157	0,471	0,628	0,785	1,57	<b>3,611</b>

		Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
DG: CLIMA							
• Human resources		0,157	0,157	0,157	0,157	0,157	<b>0,785</b>
• Other administrative expenditure							
<b>TOTAL DG CLIMA</b>	Appropriations	0,157	0,157	0,157	0,157	0,157	<b>0,785</b>

		Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
DG: TAXUD							
• Human resources		0	0,043	0,043	0,043	0,043	0,17
• Other administrative expenditure							
TOTAL DG TAXUD	Appropriations	0	0,043	0,043	0,043	0,043	0,17

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	0,314	0,672	0,829	0,986	1,177	4,572
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EUR million (to three decimal places)

		Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
TOTAL appropriations under HEADINGS 1 to 7 of the multiannual financial framework	Commitments	0,314	0,672	0,829	0,986	1,177	4,572
	Payments	0,314	0,672	0,829	0,986	1,177	4,572

### 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 2023	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL
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<b>HEADING 7 of the multiannual financial framework</b>						
Human resources	0,314	0,672	0,829	0,986	1,177	<b>4,572</b>
Other administrative expenditure						
<b>Subtotal HEADING 7 of the multiannual financial framework</b>	<b>0,314</b>	<b>0,672</b>	<b>0,829</b>	<b>0,986</b>	<b>1,177</b>	<b>4,572</b>

<b>Outside HEADING 7<sup>24</sup> of the multiannual financial framework</b>						
Human resources						
Other expenditure of an administrative nature						
<b>Subtotal outside HEADING 7 of the multiannual financial framework</b>						

<b>TOTAL</b>	<b>0,314</b>	<b>0,672</b>	<b>0,829</b>	<b>0,986</b>	<b>1,177</b>	<b>4,572</b>
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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.

<sup>24</sup> 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 2023	Year 2024	Year 2025	Year 2026	Year 2027
<b>• Establishment plan posts (officials and temporary staff)</b>					
20 01 02 01 (Headquarters and Commission's Representation Offices)	2	4	5	6	11
20 01 02 03 (Delegations)					
01 01 01 01 (Indirect research)					
01 01 01 11 (Direct research)					
Other budget lines (specify)					
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>25</sup></b>					
20 02 01 (AC, END, INT from the 'global envelope')		0,5	0,5	0,5	0,5
20 02 03 (AC, AL, END, INT and JPD in the delegations)					
<b>XX 01 xx yy zz</b> <sup>26</sup>	- 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)					
<b>TOTAL</b>	<b>2</b>	<b>4,5</b>	<b>5,5</b>	<b>6,5</b>	<b>11,5</b>

**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, and an additional post for DG CLIMA implementation and preparation.
External staff	For the purpose of control, additional staff is also needed in DG TAXUD.

<sup>25</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

<sup>26</sup> 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	Impact of the proposal/initiative <sup>27</sup>				
		Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
ETS based Own Resource		4.2	3.0	3.6	13.1	14.4
CBAM based Own Resource		-	-	-	-	-
OECD/G20 Pillar One based Own Resource		-	-		2.5-4.0	2.5-4.0

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.

<sup>27</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.