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**EIN-A4**

(01-07-2015)

**EIN and Budget and Structural Policy standing Working Group  
Seminar on Own resources: Reframing the system of income to the EU Budget**

**Paulo RANGEL MEP, EPP Group Vice-Chairman responsible for EIN**

- The own resources debate is a key issue to the EU but unfortunately there is not enough discussion about it. That is why the EIN decided to put it in the agenda.
- If a solution had been found before the crisis we are living would not be as serious as it is now.

**Alain LAMASSOURE MEP, Chairman of the Special Committee on Tax Rulings, Member of the HLG on own resources**

- HLG launched in February 2014 under the initiative of the EPP Group in the EP
- Periodic negotiations on national contributions to EU budget create bad feeling between Member States with 28 Mrs Thatcher 'wanting their money back'.
- Returning to own resources would correspond to the letter and spirit of the founding treaties.
- High level Group (HGL) on own resources is now considering where would the money come from and whether the EU should develop its own 'EU Tax'.

**Mario MONTI, President of the High Level Group on Own Resources**

- HLG launched in February 2014 is an inter-institutional group which mandate is to review of the own resources system aiming to: 1) simplicity; 2) transparency; 3) equity; and 4) democratic accountability.
- In 2016, the HLG will present the results of its analysis, which national parliaments are expected to assess as part of an inter-institutional conference. The same year, in parallel with the planned review of the 2014-20 MFF, the European Commission will examine whether the outcome of the work justifies reform of the financing of the EU budget for the period covered by the next MF.

**Gabriele CIPRIANI, European Court of Auditors**

- Two categories of resources could be envisaged: 1) GNI-based resource, as is the case today, 2) revenue raised from an explicit and visible fiscal source (for example Financial Transaction Tax).
- The requirement of transparency and democratic accountability would be best met by establishing a visible link between citizens and a fiscal source.
- A VAT-based resource could operate in 'symbiosis' with the national VAT system. The management of the tax and its collection could remain the responsibility of national bodies. This resource would be based on an EU VAT rate as part of the national rate, thus ensuring visibility whilst keeping the fiscal burden unchanged for the final consumer.

**Nico GROENENDIJK, Professor of European Economic Governance at the University of Twente**

- The real problem is the composition of the EU Budget and its focus on grants, not the Own resources as such
- We must reduce the role of national interest in budget transfers to/from Brussels, by detaching decision-making on expenditure and on funding.
- 'Best' taxes are already used by MSs. EU should join them (GNI-system and or VAT-tax sharing ).

**Stefan LEHNER, Director "Own Resources at DG Budget of the European Commission**

- For any proposal on a new own resource to succeed in Council (unanimity and national ratification required), the impact on national contributions and rebates will have to be explicitly addressed in the context of an overall 'financial package'.

**Marian MARINESCU MEP, Vice-Chairman of the EPP Group responsible for WG on Budget and Structural Policy**

- Urgent to reform EU funding system.

*The 'EIN-A4' represents a summary of EIN seminar initiatives. The views expressed do not necessarily reflect the EPP Group political line.*