

2013/0045(CNS)

16.5.2013

OPINION of the Committee on Budgets

for the Committee on Economic and Monetary Affairs

on the proposal for a Council directive implementing enhanced cooperation in
the area of financial transaction tax
(COM(2013)0071 – C7-0049/2013 – 2013/0045(CNS))

Rapporteur: Anne E. Jensen

PA_Legam

SHORT JUSTIFICATION

In June 2011, the Commission presented a package of proposals for a reform of the Union system of own resources. One of the underlying ideas was the harmonization of legislation concerning the taxation of financial transactions in EU Member States through the introduction of a financial transactions tax (FTT). The Commission proposed to have 2/3 of the revenues collected through this tax flow into the EU budget in the form of an own resource.

The European Parliament delivered its favourable opinion on the Commission proposal for a directive establishing an FTT on 23 May 2012. At the Council meetings of 22 June and 10 July 2012, however, it was ascertained that essential differences in opinion persist as regards the need to establish a common system of FTT at EU level and that the principle of harmonised tax on financial transactions will not receive unanimous support within the Council in the foreseeable future.

11 Member States agreed to proceed with the introduction of a harmonized FTT and the Commission launched an enhanced cooperation procedure for the implementation of such a tax in these Member States only. The present proposal for a Directive concerns the implementation of the enhanced cooperation in the area of FTT, in accordance with the authorisation of the Council of 22 January 2013, issued following the European Parliament's consent given on 12 December 2012. In essence, it closely resembles the initial proposal of the Commission for the introduction of an FTT with the necessary adaptations to take into account the fact the reduced number of participating Member States.

Own resources aspects

The Parliament has, on several occasions, reiterated its view that a reform of the existing system of own resources is pertinent. Contrary to the spirit and the letter of the Treaty¹, approximately 85% of the Union's revenue today stems from national contributions and not from genuine own resources. This has put the "fair return" logic at the centre of any EU budgetary decision-making, giving birth to a long list of rebates and unjustified exceptions.

In its latest resolution (March 2013), the Parliament once again recalled the importance to return to the letter of the Treaty and called for the application of an own resources system financed by a minimum of 60% from own resources. Parliament also insists on negotiating a binding roadmap on the reform of own resources, defining the next steps of the process. The introduction of genuine own resources will ensure sufficient finances for the EU to fulfil its commitments and meet its objectives without necessarily increasing the EU budget.

Although at this stage the FTT will not be applicable in all Member States, the proceeds from its collection in the participating countries (estimated at about EUR 31 billion annually) could be used wholly or partially to finance the Union budget, which would reduce their respective GNI contributions and would contribute to achieving the goal of having the Union budget financed

¹ Article 311.1 of the TFEU: "without prejudice to other revenue, the budget shall be financed wholly from own resources".

through own resources. The Commission's FTT proposal meets most of the criteria for a genuine own resource mentioned in the Parliament's Resolution on the Future of the European Union's Own Resources¹, and more precisely: sufficiency, stability, visibility and simplicity, low operating costs, efficient allocation of resources, vertical and horizontal equity and fair contributions.

AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 **Proposal for a directive**

Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) In order to endow the Union with its own, independent sources of financing to better align Union policy objectives and the EU budget, as provided for in Article 311 of the Treaty on the Functioning of the European Union, funds collected from the FTT should be allocated fully or at least partially to the Union budget as a genuine own resource.

Amendment 2 **Proposal for a directive**

Recital 24 b (new)

Text proposed by the Commission

Amendment

(24b) This Directive does not address the management of revenue from FTT. However, having regard to the 2011 Commission legislative proposals on the reform of the EU own resources system, as well as the European Parliament's resolution of 13 March 2013¹ on European Council conclusions of 7/8 February concerning the MFF, at least part of the revenue from the FTT should

¹ P7_TA-(2012)0217

be accrued to the EU budget, as a genuine own resource. The use of the revenue from the FTT, fully or partially, as a genuine own resource, would reduce proportionally the GNI-based contributions to the Union budget of all participating Member States - irrespective of their individual FTT contributions to the EU budget - therefore reducing the burden on national treasuries.

¹ *Texts adopted, P7_TA-PROV(2013)0078.*

Amendment 3

Proposal for a directive Article 10 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The participating Member States shall ensure that the share of the FTT to be used as an EU own resource is transferred to the EU budget according to Council Regulation [.../...] on the methods and procedure for making available the own resource based on the financial transaction tax¹.

¹ *COM (2011)0738.*

Amendment 4

Proposal for a directive Article 19 – subparagraph 1

Text proposed by the Commission

Amendment

1. Every five years and for the first time by 31 December 2016, the Commission shall submit to the Council a report on the application of this Directive, and, where appropriate, a proposal.

1. Every five years and for the first time by 31 December 2016, the Commission shall submit to the ***European Parliament and the*** Council a report on the application of this Directive, and, where appropriate, a

proposal.

PROCEDURE

Title	Implementing enhanced cooperation in the area of financial transaction tax						
References	COM(2013)0071 – C7-0049/2013 – 2013/0045(CNS)						
Committee responsible Date announced in plenary	ECON 12.3.2013						
Opinion by Date announced in plenary	BUDG 12.3.2013						
Rapporteur Date appointed	Anne E. Jensen 28.2.2013						
Date adopted	7.5.2013						
Result of final vote	<table> <tr> <td>+: </td><td>26</td></tr> <tr> <td>–: </td><td>2</td></tr> <tr> <td>0: </td><td>0</td></tr> </table>	+:	26	–:	2	0:	0
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Members present for the final vote	Marta Andreasen, Richard Ashworth, Zuzana Brzobohatá, Jean-Luc Dehaene, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ingeborg Gräßle, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, Vojtěch Mynář, Juan Andrés Naranjo Escobar, Dominique Riquet, Alda Sousa, László Surján, Derek Vaughan, Angelika Werthmann						
Substitute(s) present for the final vote	Edit Herczog, Georgios Stavrakakis						