



EUROPEAN COMMISSION

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*Dear President,*

*The Commission would like to thank the Narodno Sabranie for its Opinion on the proposals for the next Multiannual Financial Framework {COM(2011) 398\_500\_510\_511 final} and apologizes for the delay in replying.*

*These proposals aim at designing an EU budget that matches our ambition and helps Europe achieving its goals while also reflecting the current economic situation.*

*The Commission particularly values the Narodno Sabranie's agreement on the fact that these proposals are meant to allow the EU budget to better address new challenges, in particular by supporting the implementation of the Europe 2020 strategy.*

*Regarding the Narodno Sabranie's concerns on the policy areas of agriculture and cohesion and the Connecting Europe facility, I hope that the subsequently adopted sectoral proposals in these areas can already answer some of the questions raised in your Opinion.*

*Let me add a few words on new own resources, since the Bulgarian National Assembly and the Forum Civic Participation have expressed particular sensitivities with regard to this issue. The introduction of new own resources does not represent a transfer of new competencies to the Union. The Treaty on the Functioning of the European Union (Article 311) provides that the Council adopts the decision laying down the provisions relating to the system of own resources.*

*In that context, the Council can decide, with unanimity, to establish new categories of own resources or abolish an existing category. Any such decision requires, in addition, the approval by each Member State in accordance with its respective constitutional requirements.*

*Own resources can play a role in achieving common policy objectives defined at Union level. This is clearly the case for the so-called traditional own resources – that is, customs duties – related to the Customs Union. But it would also be the case with the new Financial Transaction Tax (FTT) proposed by the Commission.*

*Mrs. Tsetska TSATCHEVA  
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*This tax would ensure that the financial sector contributes in a fair and substantial way to recoup the costs of the crisis. As a complement to regulatory efforts, it could discourage overly risky activities by financial institutions. Great care has been taken in the conception of the principles and the detailed design of the proposed FTT directive – definition of tax base and tax rates, residence principle - so as to avoid some of the potential negative effects that your opinion mentions such as a loss of competitiveness of the European Financial Sector, increased costs for consumers or additional administrative burdens. Finally, I would like to stress that the FTT-based own resource would partially replace national contributions, not increase them. According to revenue estimates, the FTT-based Own Resource would allow all Member States to diminish their GNI-based contribution by 50% in 2020, which would help Member States' budgetary consolidation efforts and provide them with a supplementary margin of manoeuvre at the national level.*

*Let me emphasize that a decrease in the residual GNI-based contribution by means of replacing them with genuine own resources is neither to the detriment of the net positions of Member States with a lower GNI nor to their tax payers.*

*Similarly, the new VAT-based Own Resource would not constitute a "new European tax" and would not burden the tax payer. Rather, it would constitute a considerably simplified method for calculating the tax base, only 1% of which the Commission proposes to be made available for the EU budget.*

*I hope these clarifications address the issues raised in your Opinion and I look forward to continuing our political dialogue, particularly on the future financing of the European Union budget.*

*Yours faithfully,*

*Maroš Šefčovič  
Vice-President*