

(English version)

**Priority question for written answer P-004115/25
to the Commission
Dan-Ștefan Motreanu (PPE)
(19 October 2025)**

Subject: Ending the rebate system: towards a fair and sustainable financing of the EU budget

The persistence of the correction system, the so-called rebates, undermines one of the core principles of the European Union: solidarity.

These mechanisms, which grant flat-rate reductions on gross national income contributions to a handful of net contributors such as the Netherlands, Germany, Austria, Sweden and Denmark, call into question the overall balance and coherence of our common budget.

At a time when the EU faces unprecedented challenges, from the financing of defence and innovation to the repayment of NextGenerationEU loans, maintaining a system of privileged rebates is politically outdated and economically counterproductive.

As highlighted in the Draghi Report, Europe needs a strong, predictable and autonomous budget to act effectively in a competitive global environment. That requires both new own resources and a fair contribution system where every Member State participates on an equal footing.

Rebates weaken the EU's capacity to invest collectively and send the wrong message to citizens who expect responsibility and unity. The logic of 'pay less, benefit more' no longer fits Europe's strategic ambitions.

In this context:

How does the Commission plan to address this imbalance and move towards the elimination of the correction system to secure a fair and sustainable financing of the EU budget?

Submitted: 19.10.2025

**Answer given by Mr Serafin on behalf of the European Commission
(11 November 2025)**

Several Member States have long benefitted from corrections to reduce their net contributions to the EU budget, starting with the United Kingdom rebate in the mid-1980s. In many instances, they have been the result of negotiations to get a unanimous agreement on the Multiannual Financial Framework (MFF) or introducing new own resources.

The EU budget is not a zero-sum game. It provides benefits for the EU as a whole, and not for each Member State individually, with positive collective, cross-border as well as indirect effects from budgetary interventions. Moreover, the Commission believes that lump-sum reductions to the Gross National Income (GNI)-based contributions as well as adjustments to other own resources increase the complexity and opacity of the own resources system.

To make the revenue system more balanced, transparent and fair, the Commission proposes⁽¹⁾ for the next MFF⁽²⁾ to discontinue all corrections to own resources, including the capping of the value added tax (VAT) base and the lump-sum reductions applied to the own resource based on non-recycled plastic packaging waste and the GNI own resource. Furthermore, it does not propose again the Solidarity Adjustment Mechanism to the Emissions Trading System (ETS)-based own resource.

This proposal makes a move towards policies with more European added value while making the revenue system simpler, more transparent and fairer.

⁽¹⁾ COM(2025) 574 final, Proposal for a Council Decision on the system of own resources of the European Union and repealing Decision (EU, Euratom) 2020/2053.

⁽²⁾ COM(2025) 570 final/2, Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, A dynamic EU Budget for the priorities of the future — The Multiannual Financial Framework 2028-2034.