

Extraordinary taxation risks undermining Europe's security of supply and energy autonomy

European energy industries across the value chain recognise the exceptional circumstances created by the current energy and geopolitical crises and the pressure high prices place on vulnerable households and businesses.

Rushed tax policy responses, particularly when introduced without consultation, affect current investment decisions and undermine long-term certainty and predictability at a time when sustained investment is critical to maintaining an affordable and secure supply of energy to consumers. We stand ready to engage in dialogue to discuss the effectiveness of different policies.

Key concerns

- The possible imposition of windfall or “double” taxation on extraordinary profits would send a worrisome message to both domestic and foreign energy companies about the lack of a predictable and stable regulatory and fiscal framework in the EU.
- Recurrent extraordinary fiscal measures, on top of other regulations that place significant burdens on the economic sustainability of energy assets and infrastructure, would undermine investment signals precisely when Europe needs to safeguard security of supply and deliver the EU's strategic energy autonomy.
- Recent calls in several Member States for new EU-wide or national windfall taxes and other extraordinary interventions are impacting the ongoing policy debate. We caution against recurring or extraordinary measures: they add regulatory unpredictability, risk discouraging long-term capital allocation to the European energy supply system and its decarbonisation, and weakens the link between market signals and returns, reducing Europe's ability to attract marginal supply.

Role of Europe's energy value chain

- Europe's energy value chain is undergoing a profound transformation of its assets and operations, with a dual objective:
 - contributing to the **EU's decarbonisation** objectives (including through low-carbon and renewable molecules, carbon management and efficiency); and
 - ensuring **the security of an affordable and reliable energy supply** for households, industry and critical services, supported by well-functioning and liquid markets. In the current context of geopolitical and market constraints, imposing additional regulatory or extraordinary fiscal burdens risks further weakening Europe's capacity to secure timely, affordable, and reliable energy supplies by reducing its attractiveness for global energy flows. In a supply-constrained environment, such measures do not reduce prices but risk reducing supply flexibility.
- Short-term margin peaks cannot be used to assess the long-term economic sustainability of oil and gas activities. Recurrent extraordinary taxation applied during periods of high margins, without symmetric treatment during downturns would weaken the sector's resilience, accelerate asset closures and undermine Europe's energy security.
- It is therefore essential to safeguard the industry's capacity to continue providing this critical service, including for critical infrastructures and the defence system.

Concluding asks

Against this background, the undersigned industry associations recommend that Member States and EU institutions refrain from new initiatives on extraordinary fiscal measures (including windfall profit taxes, “double” taxation, and similar measures), whether at EU or national level. Ensuring security of supply requires open, well-functioning and liquid markets, underpinned by regulatory restraint, proportionality, and sufficient flexibility, together with stable, predictable frameworks that enable the investments needed to maintain, upgrade and transform Europe’s energy assets and infrastructure.