FuelsEurope
FUELLING EUROPE'S FUTURE

To:
Commission President Ursula von der Leyen
Commissioner Wopke Hoekstra
Commissioner Dan Jørgensen
Commissioner Valdis Dombrovskis

Brussels, 15 April 2026

Windfall profit taxation would undermine investment in Europe's security of supply and energy transition

FuelsEurope wishes to contribute constructively to the EU institutions and Member States' ongoing reflections on the energy situation and the policy options under consideration, ahead of the upcoming Commission Communication on energy to be adopted on 22 April.

The European refining and fuels manufacturing industry fully recognises that the current geopolitical and related energy crises are creating exceptional circumstances and pressure on households and businesses with high energy costs. In this context, President von der Leyen has underlined that the EU's fossil fuel import bill has increased by €22 billion since the start of the conflict only weeks ago, illustrating the scale of the economic and security challenge currently facing Europe.

These exceptional circumstances have triggered the letter of 3 April 2026 from the finance ministers of Austria, Germany, Italy, Portugal and Spain calling on the European Commission to swiftly develop a new EU-wide windfall profit tax. However, **the arbitrary imposition of windfall or double taxation on extraordinary profits, repeating the 2022 "solidarity contribution" initiative, would send a very worrisome message to both domestic and foreign investors about the lack of a predictable and stable regulatory framework in the EU.** Renewed proposals for windfall profit taxation, on top of other regulations – including the EU Methane Emissions Regulation – place a significant burden on the economic sustainability of the refining and fuel manufacturing industry **just at the time it is engaged in a low-carbon transition**.

As the Commission is preparing its response to the current energy situation, it is essential that policy signals reinforce, rather than undermine, the economic sustainability and investment appeal of current operations of European refineries, which remain a cornerstone of the EU's security of supply and price stability.

Av. des Nerviens 85
1040, Brussels | Belgium
T +32 (0)2 566 91 00
info@fuelseurope.eu
www.fuelseurope.eu
Transparency Register
26207914726-42

Refining margins are structurally cyclical and subject to significant volatility driven by factors beyond operators' control. Short-term margin peaks cannot be used to assess the long-term economic sustainability of refining 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.

We strongly caution against repeated recourse to extraordinary taxation: it would add regulatory unpredictability, risk discouraging long-term capital allocation to the low-carbon transition of the European refining and fuels manufacturing, and ultimately undermine Europe's ability to provide secure, affordable and reliable energy supplies. By weakening incentives to operate and invest in European refining assets, renewed extraordinary taxation would increase reliance on imports, further **exacerbating the EU's exposure to global price volatility and external supply shocks** - the very dynamics reflected in the recent surge in the fossil fuel import bill.

Renewed proposals for extraordinary taxation overlook the strategic role and ongoing transformation of Europe's refining and fuels manufacturing industry. European refiners are investing in the low-carbon transition of existing assets while ensuring the supply of affordable, reliable energy to households, industry and critical sectors; an effort that depends on long-term investment under stable regulatory conditions. **At a time of geopolitical uncertainty and global supply constraints, domestic refining capacity is essential to energy security, reducing import dependence, limiting exposure to price volatility, and supporting the resilience of defence and other critical sectors**. Regulatory unpredictability from recurring extraordinary taxation risks undermining the necessary investor confidence, delaying decarbonisation investments, accelerating asset closures and increasing import reliance, thereby exacerbating rather than addressing Europe's energy vulnerabilities.

Concluding asks

Against this background, **FuelsEurope recommends that Member States and EU Institutions refrain from any new initiatives on extraordinary taxation** (including windfall profit or "double" taxation), whether at EU or national level. **Ensuring security of supply requires an open and well-functioning market, underpinned by regulatory restraint, proportionality, and sufficient flexibility**, together with stable, predictable frameworks that enable the investments needed to maintain, upgrade and decarbonise Europe's refining and fuels manufacturing assets.

Yours Sincerely,

Liana Gouta
Director General

Av. des Nerviens 85
1040, Brussels | Belgium
T +32 (0)2 566 91 00

info@fuelseurope.eu
www.fuelseurope.eu

Transparency Register
26207914726-42