

Status quo and challenges

By 2045 our lives and economic activities are to become climate-neutral regarding to the Climate Protection Act. The challenges are immense. The targets must be put into practice. The transformation process has already begun and will continue to further develop.

The complexity of this transformation process must be understood from the perspective of companies in all sectors. This involves both tax measures, such as energy and electricity tax or other consumption and transport taxes (e.g. air traffic tax, alcohol tax), and the constant increase in the cost of CO² emissions due to the national emissions trading system introduced in 2021, supplementing the European Emissions Trading System.

The taxation orientations are directly linked to national and international CO² trading, energy and environmental management systems, investment decisions in climate-neutral technologies, CO² benchmark assessment and carbon footprint reporting. Many new topics have been added and continue to develop: e-mobility projects, the use of hydrogen, the expected restructuring of electricity price components and EEG surcharge, compensation regulations to avoid carbon leakage in national certificate trading, and the link with climate protection measures by companies (e.g., recognition of electromobility in the biofuel quota), to name just a few examples.

Our Services

We assist companies with all issues relating to energy, electricity, aviation and also alcohol taxes - e.g. for fuel blends E10 - from compliance to high-end tax and legal consulting.

We perform a regulatory „climate protection due diligence“ in transactions, including GreenTax and (environmental) energy law, with a special focus on future charges with CO² costs.

This also includes advice on national and international CO² certificate trading, the Energy Industry Act, the Renewable Energies Act, the Combined Heat and Power Act, the implementation of energy management systems and the classification of companies, sub-companies or sectors and sub-sectors according to economic sectors (NACE classification and WZ classification).

WTS assists with declarations and certifies letters of representation for the packaging register with approved auditors. The Packaging Act assigns product responsibility for the packaging used to manufacturers and initial distributors of goods. Challenges arise primarily in the licensing of packaging and from the reporting obligations of the packaging register.

The possible introduction of a plastic tax is also at the very top on the political agenda.

The topics revolve around energy supply - self-generation projects (wind farms, photovoltaic plants, conventional power plants, high-efficiency cogeneration plants, waste-to-energy and biomass plants, gas storage facilities), assessment of supply and service chains, including cross-border, taking into account the burden of excise duties and energy law levies in combination with CO² prices, CO² trading and biofuel quotas.

European dimension: We provide comprehensive tax and legal advice also on Union law, in particular on the climate protection legislation of the Green Deal. This includes state aid law, the planned carbon border adjustment mechanism (CABM) and the consequences of the implementation of the Renewable Energy Directive (RED II and RED III) into national law. The changed requirements for the determination of national contributions to the EU budget are currently creating new burdens in the pan-European jurisdiction. Finally, we consult in regard to the impact on cross-border supply chains.

We combine the tax world with comprehensive legal advice on energy issues - regulatory, contractual as well as litigation. We serve our clients according to their wishes, either comprehensively or on a project-by-project basis or on a case-by-case basis. This includes strategic advice.

Our experience

- » Team with approx. **20 employees** in Germany and **WTS Global** partners in approx. **100 countries**
- » **25 years of Experience** in the field of excise and transport taxes, in particular GreenTax as well as energy and climate protection law

- » **Support of DAX companies**, medium-sized businesses, start-ups, energy suppliers at all levels of **the value chain, research institutions and public authorities**
- » **Mixed team** of lawyers, tax advisors, engineers and auditors



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Climate Protection, GreenTax & Energy

Pioneers in Tax – Pioneers in Energy Transition