THE FEDERAL MINISTRY OF FINANCE

WHO WE ARE AND WHAT WE DO
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Welcome to the Federal Ministry of Finance!

It is my pleasure to open the door – figuratively of course – to this brief presentation of the Finance Ministry and the important work we do. You probably know that we are in charge of the federal budget as well as tax and fiscal policy. But we do much more than that. This brochure may hold some surprises for you.

Our staff of over 2,000 work in Berlin, Bonn and all over the globe, giving their best every day to achieve the Finance Ministry’s objectives. The photos in this brochure shine a light on some of the dedicated people who work here.

I wish you a pleasant read!
Olaf Scholz
We are committed to fair taxation. We invest in the future. We provide financing for climate action. We work to enhance cohesion in Europe. All to ensure that Germany gets through hard times in good shape.

What does the Federal Ministry of Finance do? Our work is more multifaceted than you might expect. We are responsible for the federal budget, tax policy, fiscal policy, international financial market issues, and more.
We invest in Germany’s future

To manage the economy effectively, it is essential to look ahead. Only in this way is it possible to build the reserves that are necessary to respond adequately to crises and to invest in the future. We are making record levels of investment to modernise our country, advance the process of digitalisation, and expand the use of renewable energy. In this way, we are building the foundations for prosperity in a dynamically growing global economy and securing jobs that will last.

We work to build a fair tax system

Productive communities and a robust social welfare state play a crucial role in ensuring that government can perform its functions effectively. This has been especially evident during the coronavirus crisis. This is why fair taxation is so important. Everyone must pay their fair share to help finance government functions. This includes ensuring that taxpayers who earn a lot of money contribute more than low and middle income earners do. It also includes vigilant, consistent efforts to fight tax fraud, money laundering and undeclared work. We want to build a transparent and up-to-date tax system for the 21st century. Multinational corporations too must pay their fair share to help finance public goods.

We finance climate action

Germany’s Climate Action Programme 2030 is taking targeted, decisive measures to support green transformation and to fight climate change. We are making investments that lay the groundwork for a carbon-neutral economy and society. To reach our climate targets, we are pressing forward with determination and fairness to achieve the climate-friendly transformation of our economy. This also means providing structural assistance and taking social equity measures to ensure that no one has to fend for themselves during this period of change.

We help strengthen European cohesion

Strengthening the economic and monetary union will play a key role in enhancing European sovereignty. The pandemic has shown how important it is to ensure European solidarity and cohesion. This is crucial not just for Europe but also for Germany. In order to have a successful and stable economy, the EU needs a strong banking union, capital markets union and digital financial markets union – every single day, we work to achieve these goals.
OUR OBJECTIVES

CLIMATE ACTION

A STRONGER EUROPE
FAIR TAXATION

INVESTING IN THE FUTURE
An efficient social welfare state is not simply a given. It can function properly only if everyone makes an appropriate contribution to help finance public goods. For this reason, one of our top objectives is to ensure an equitable tax system.

This requires, among other things, taking even more forceful action against money laundering and tax fraud. Money laundering and tax fraud cause tax revenue losses that hurt everyone and undermine our sense of justice. This is why we have tightened anti-money laundering legislation and enhanced the powers of the customs administration – especially the financial intelligence unit, which is housed at the customs administration and is responsible for countering money laundering activity.

We also want to ensure fair competition and fair working conditions, with no tolerance for undeclared work and money laundering.

We need new tax policies at the international level as well. Our objective is to achieve a global tax system that is adapted to the realities of the 21st century. Multinational corporations should also pay their fair share of taxes. To this end, we advocate new international rules to tax the digital economy. We also favour the introduction of a global minimum tax, which would provide an effective tool to counteract the unfair tax tricks used by major corporations.

**OUR POLICIES**

- Make the tax system more equitable
- Fight tax evasion and tax fraud more effectively
- Put fair international rules in place
Solidarity among EU member states is crucial, especially during periods of crisis. This was evident in the EU’s quick response to the pandemic: the Next Generation EU recovery instrument – which aims to help the member states overcome the economic effects of the coronavirus crisis – sends a strong message of solidarity throughout Europe. Germany’s national Recovery and Resilience Plan also contains key elements of European solidarity while simultaneously focusing on the two other major challenges of our time: climate and digital technology.

Our objective is to make the European economic and monetary union even stronger. To this end, the fiscal and economic policies of all member states must be coordinated more closely. The Finance Ministry plays a decisive role in this respect. It formulates Germany’s positions on EU budgetary and financial issues. In addition, EU finance ministers meet together within the framework of the ECOFIN Council to coordinate European economic policy.

To ensure stability and a successful economy in the EU, we also need a strong European banking union. The banking union protects European taxpayers and provides the basis for a robust financial sector. We are also committed to building a capital markets union and a single market for financial services, which will help spur more cross-border investment in the future.

**OUR POLICIES**

- Ensure joint financing for Next Generation EU
- Implement the German Recovery and Resilience Plan
- Strengthen the banking union and capital markets union
INVESTING IN THE FUTURE

Making our country fit for the future requires smart fiscal policy. Forward-looking policy helps to create the jobs of tomorrow and to make growth more sustainable. We are continuing our innovation campaign throughout the pandemic in order to boost private investment and to ensure that Germany emerges from the crisis stronger.

This includes promoting digital technology as a means to facilitate the sustainable transformation of the German economy. By investing in artificial intelligence, we want to make Germany a more attractive hub for research. At the same time, we want to expand and ensure access to high-quality education. The Digital Pact for Schools provides financing to equip schools with state-of-the-art digital technology. In addition, expansion of the 5G network will guarantee faster internet service and nationwide coverage.

We are also paving the way for climate-friendlier growth. With our pro-environment fiscal policy – which promotes energy storage, heating networks, energy-efficient building retrofits, and clean energy in industry – we are helping to reshape the country. To press forward with the transition to clean mobility, we are supporting the shift to electric vehicles and the expansion of charging infrastructure.

OUR POLICIES

- Maintain a high level of public investment and boost private investment
- Digitalise and modernise the economy
- Place a consistent focus on climate action
The top challenge for the next 30 years is climate change. We are pressing forward with efforts to restructure our economy and make it carbon-neutral by 2050. The Climate Action Programme 2030 is the largest climate action investment programme in Germany’s history. In just the years up to 2023, Germany is investing a total of roughly €54 billion in climate-friendly infrastructure, technology and social equity measures.

But our fight against climate change goes beyond this massive investment in the technologies of tomorrow. We are working to foster climate-friendly behaviour by encouraging businesses and private citizens to make the switch to clean energy. This includes targeted relief to ensure that the transformation is affordable for all – no one will be left to fend for themselves. For example, we have reduced the VAT rate on rail tickets to make rail travel more attractive. We have set up a bonus programme to promote purchases of electric cars. And we are also providing tax incentives for energy-efficient renovations of owner-occupied housing.

At the same time, carbon pricing will serve to reduce carbon emissions from heating and driving. To ensure that the costs are fairly distributed, the proceeds from the carbon-pricing scheme will flow back to citizens: for example, in the form of lower electricity prices, more money for long-distance commuters, and a mobility benefit for low-income earners. In this way, we are designing climate action policies with social responsibility in mind.

OUR POLICIES

› Advance the energy transition
› Promote electric mobility
› Pursue socially equitable climate policy
What we do matters: We design Germany’s fiscal and tax policies, take action to promote a strong EU, and work to enhance our country’s competitiveness around the world. To achieve all this, we hire dedicated staff with a wide variety of skills and expertise. We place a priority on continuous professional development. To this end, we offer our staff a working environment that lets them grow professionally and realise their potential in one or more of our multifaceted policy areas.
To help our staff give their best, we offer flexible and family-friendly working conditions that make it possible to combine both family and career.
FEDERAL MINISTER OF FINANCE

Olaf Scholz

PARLIAMENTARY STATE SECRETARIES
ensure the smooth flow of information between the Ministry and parliament

Bettina Hagedorn  Sarah Ryglewski

PERMANENT STATE SECRETARIES
coordinate the work of the directorates-general

Dr Rolf Bösinger
› Customs
› Direct taxes
› Federal financial relations

Werner Gatzer
› Central services
› Federal budget
› Information technology
› Privatisation

Dr Jörg Kukies
› Financial market policy
› European policy

Wolfgang Schmidt
› Senior staff, planning and strategy
› International economy and finance
› Economic and fiscal policy strategy
LARGEST EXECUTIVE AGENCY:
Customs (approx. 39,000 employees)

REPRESENTATIVE OFFICES:
Nationwide and around the world

EMPLOYEES:
over 2,000

OFFICES:
Berlin (main office) and Bonn (secondary office)

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BMF_Bund
@bundesfinanzministerium
Bundesministerium der Finanzen
WHAT’S THE TAKEAWAY?

THE FINANCE MINISTRY ON A POSTER
Taxes are the most important source of revenue for the state. The German government is committed to making sure that everyone pays their fair share.

INTERNATIONAL TAX LAW
The Finance Ministry is a worldwide advocate for a fair tax system. We work within international networks to take action against tax havens.
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Kind thanks to our Finance Ministry colleagues who posed for the photographs used in this brochure.