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FTT newsletter

A round-up of FTT developments across Europe



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Financial Transaction Tax ("FTT") continues to feature regularly in the press, with comments coming from a political, industry and company level. Next steps include further discussions and negotiations at ECOFIN and EU Committee of Permanent Representatives meetings.

To discuss any aspect of FTT please contact your usual Deloitte contact or **Martin Walker** on +44 20 7303 7644.

EU FTT

Following the UK Government's legal challenge against the use of the enhanced cooperation procedure to introduce FTT, the Prime Minister David Cameron has again publicly criticised the FTT, referring to it as "counterproductive". Mr Cameron reiterated the UK's opposition to a FTT, unless introduced on a global basis. Although Luxembourg has not itself made a legal challenge, the Luxembourg Finance Minister Luc Frieden, publicly expressed support for the UK's legal challenge, citing concerns about the impact the FTT would have outside the FTT zone. These comments follow those of the German Finance Minister, Wolfgang Schauble, who stated he did not expect a swift introduction of the tax in most of the participating Member States, and that the situation was "complicated".



While discussions continue on a political level, the financial services industry continues to lobby against the tax. Recent examples of such lobbying include:

- Italy's Assogestioni (Asset Management Association) has written to Italian Finance Minister, Fabrizio Saccomanni, saying it is "extremely worried" about the impact the FTT would have on the domestic financial services industry. The letter was co-signed by ABI (Italian Banking Association), ANIA (Italian Insurance Association) and other associations.
- The British Bankers' Association has written to Mervyn King, the Governor of the Bank of England, to express concern about the FTT. It argues that the FTT proposals have

"the potential to disrupt significantly the capital markets and the transmission of liquidity which support the real economy".

- Alfi (Luxembourg's fund industry body) also recently criticised the FTT calling it "unacceptable" and "undesirable" in its present form.

Siemens and Bayer, two major German companies, have estimated the impact of FTT on their respective businesses to be between €70m - €100m and €15m - €45m annually. These estimates are significant as they illustrate how the FTT could have a major impact on non-financial services corporate groups.

An EU Committee of Permanent Representatives meeting is due to be held on 22 May 2013 where FTT may be discussed. While it is too early to predict the outcome of any discussion, the increasingly critical press coverage of the FTT in its current form may mean that the EU will give further thought to the scope and form of FTT.

We will of course keep you updated with developments in this area through our regular FTT newsletters.

A list of Deloitte's [FTT contacts](#) across Europe can be found here along with a link to the [FTT website](#).



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Director

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