

# FTT newsletter

## A round-up of FTT developments across Europe



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The 1 January 2014 proposed FTT implementation date has now been and gone. The scope of the FTT continues to be discussed by Member States and the European Commission, with the Commission hinting that it may be prepared to compromise and accept a watered down FTT. We provide further details of this below, along with details of the official list of companies whose shares are in scope for French FTT during 2014.

The Deloitte FTT team wishes you a happy new year and we look forward to speaking to you in 2014.

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

Please feel free to forward this newsletter onto any of your colleagues. Please also see our **FTT website** where you can access past editions of this newsletter and find other FTT related material.

### EU FTT

It has been reported Algirdas Šemeta, the EU Commissioner for Customs & Taxation, has said that the EU may accept a "watered down" version of the FTT from the current proposed directive. Šemeta is quoted as saying:



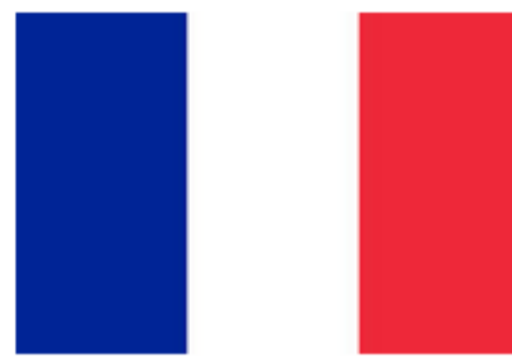
*"We would support a compromise with a more limited remit... the only red line for us is that any loopholes which would jeopardise the main principle of the tax be avoided."*

Šemeta has stated that the key points presently being discussed are exemptions for sovereign bonds, repos, market makers and pension funds and is hoping that a compromise could be reached by May 2014.

Interestingly, Šemeta has not commented on article 4(1)(f) of the proposed FTT directive. Article 4(1)(f) contains the deemed "counterparty residence" principle which is presently subject to a legal challenge by the UK Government and is the subject of differing legal opinions issued by the Council Legal Service and the Commission. It is therefore uncertain whether a revised FTT containing further exemptions but without any limitation on territorial scope would be acceptable to all parties.

### French FTT

The updated official list of companies whose shares are in scope for French FTT ("FFTT") in 2014 has now been released. Please note that the changes are effective from 1 January 2014. There are 14 new additions to the list. If you would like to receive the updated list, please **contact us**.



### Italian FTT

From 1 January 2014, the Italian FTT ("IFTT") rates have, as planned, been reduced. The IFTT now applies to in scope securities at the following rates:

- 0.1% for trades executed on a regulated financial market or multi-lateral trading facility (MTF); and
- 0.2% for other trades



Those responsible for paying and reporting the IFTT should ensure that systems are appropriately updated.

### China

The head of China's foreign exchange regulator has said that a number of measures, including a financial transaction tax, should be considered as a means of curbing currency speculation. Although there is no indication yet that a FTT would be introduced by China, it is interesting to see that the Chinese Government is not wholly opposed to the idea of a transaction based tax and is looking to study its merits "in depth".



**Martin Walker**  
Director

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