

Having trouble reading this email? [View it on your browser.](#)

Deloitte.

27 January 2014

FTT newsletter

A round-up of FTT developments across Europe



 [Forward to a colleague](#)

 [Tweet](#)

 [Like](#)

There have been indications of further movement on proposed changes to the FTT directive. These changes focus on utilising current regulatory reporting and market infrastructure in the collection and enforcement mechanism. Furthermore, an agreement in principle on the MiFID II regulatory package has been reached, and the implications of this for the FTT are discussed below.

Deloitte has authored a report on the implications of the FTT for the European regulatory reform agenda. Further details, including a link to the report, can be found below.

To discuss any aspect of FTT please contact your usual Deloitte contact or **Martin Walker** on [+44 20 7303 7644](tel:+442073037644).

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.

Collection and Reporting

It has been reported that the Presidency of the EU Council, currently Greece, has suggested amendments to the draft FTT directive relating to the collection and enforcement mechanism. The current draft of the FTT Directive delegates this to participating member states. The reported proposal would, if adopted, make three changes to this by:



1. Allowing the Commission to specify elements of the registration, accounting, reporting and enforcement obligations that participating member states are required to take account of when producing their local collection mechanisms;
2. Requiring participating member states to ensure legislation is in place to allow Competent Authorities (such as regulatory bodies) and market infrastructure (such as stock exchanges) to share reported transaction data with local tax authorities; and
3. Requiring Participating Member States, when designing their individual collection

mechanisms, to take into account current obligations under the Market in Financial Instruments Directive (“MiFID”) and European Market Infrastructure Regulation (“EMIR”).

It appears that these changes are intended to utilise current regulatory reporting requirements and market infrastructure as part of the collection and enforcement mechanism. This follows the political agreement reached on MiFID as detailed below

MiFID

The draft FTT directive references MiFID to define financial instruments that are in-scope to the FTT. As noted above, a political agreement was reached (on 14 January 2014) between the EU Council, Parliament and Commission on amending the MiFID II / Markets in Financial Instruments Regulation (“MiFIR”) Package. The changes agreed will affect a wide-range of market participants, including banks, broker-dealers, investment managers and some corporates, as well as market infrastructure.

The package is intended to make markets more resilient by:

- overhauling over-the-counter (OTC) derivatives trading and curbing algorithmic and high-frequency trading;
- increasing transparency in equity, bond, derivative and commodity markets;
- increasing competition in the clearing and trading space; and
- enhancing investor protection.

We envisage that this agreement will allow the package to enter into force before the European Parliament elections in May.

From the information available to date, we do not anticipate the MiFID II package will have a material impact on the FTT. This is because the scope of the transactions and instruments subject to FTT in the directive are wider than those referenced in MiFID. However, the impact that these changes have on any future iteration of the FTT directive will need to be carefully considered.

Implications of an FTT for the European regulatory reform agenda

Deloitte is pleased to announce the publication of the “Implications of a financial transaction tax for the European regulatory reform agenda and financial stability” research paper co-authored by Deloitte’s Financial Services Tax and Risk & Regulatory regulatory teams. Deloitte was commissioned to prepare the research paper, which is published by the International Regulatory Strategy Group, City of London and TheCityUK.

The paper examines the conflicts and compatibility issues of the impacts of the FTT with a number of key EU regulatory measures being brought in to try to avoid further financial crises. Overall, the paper’s findings highlight a number of areas where the design of the FTT is likely to conflict with the European regulatory reform agenda.

The paper can be found [here](#).



Martin Walker

Director

© 2014 Deloitte LLP. All rights reserved.

This communication is from Deloitte LLP, a limited liability partnership registered in England and Wales with registered number OC303675. Its registered office is 2, New Street Square, London EC4A 3BZ, United Kingdom. Deloitte LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, whose member firms are legally separate and independent entities. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

This communication is for the exclusive use of the intended recipient(s). If you are not the intended recipient(s), please (1) notify it.security.uk@deloitte.co.uk by forwarding this email and delete all copies from your system and (2) note that disclosure, distribution, copying or use of this communication is strictly prohibited. Email communications cannot be guaranteed to be secure or free from error or viruses.

Other than as stated below, this document is confidential and prepared solely for your information. Therefore you should not, refer to or use our name or this communication for any other purpose, disclose them or refer to them in any prospectus or other document, or make them available or communicate them to any other party. If this communication contains details of an arrangement that could result in a tax or National Insurance saving, no such conditions of confidentiality apply to the details of that arrangement (for example, for the purpose of discussion with tax authorities). In any event, no other party is entitled to rely on our communication for any purpose whatsoever and to the extent permitted by law, Deloitte LLP does not accept any liability for use of or reliance on the contents of this email by any person save by the intended recipient(s) to the extent agreed in a Deloitte LLP engagement contract.

Opinions, conclusions and other information in this email which have not been delivered by way of the business of Deloitte LLP are neither given nor endorsed by it.

[Home](#) | [Security](#) | [Legal](#) | [Privacy](#)

Not interested anymore? [Unsubscribe](#) from all email communications. Please be aware that this will unsubscribe you from all Deloitte marketing and events communications.