

EU FTT update

Operational Tax News

EU FTT is back on the agenda

A widest scope combined with low tax rates

Following the apparent lapse in the effort to progress with the proposed EU FTT, there has now been some movement indicating a fresh push into the forefront of the agendas of the 11 EU Member States in consideration.

On 22nd January 2015, the Austrian and French Finance Ministers agreed, once more, on a proposal to implement an EU-wide FTT. Importantly, it was agreed that this proposal should cover the widest possible scope in addition to low rates, wishes previously expressed by Francois Hollande. It is thought that the scope of the FTT was the principle factor for the lack of progress so far.

On 26th January 2015, Finance Ministers from Austria, Belgium, Estonia, France Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain took part in informal discussions in connection with the FTT. At this informal meeting, the French Finance Minister, Michel Sapin, gave a brief press conference which underlined the strategy to enlarge the basis of the applicable FTT given that the previous approach was not pragmatic enough to be concluded. Mr Sapin's brief statement outlined two actions designed to streamline work methods:

- the Austrian Minister of Finance has been appointed as the permanent president of the FTT group; and
- a technical group has been established which will be led by Portugal.

Subsequently, on 27th January 2015, a Joint Statement was published by the Ministers of the Participating Member States in the enhanced cooperation of the FTT.

Joint Statement

The Joint Statement by the Member States echoes Mr Sapin's statement from the day before, providing that a renewed commitment to implement the EU FTT by 1st January 2016 be actioned as a first priority. It also confirms the statements calling for a broader based tax with low rates.

The statement also calls for technical support from European Institutions in order to move ahead with the proposal. This will result in a greater involvement from the EU Commission in understanding the impacts of the proposals put forward.

The proposal for an EU FTT is back on the agenda with a renewed political support. An update on progress is expected at the next ECOFIN meeting, which is scheduled for 17th February 2015.

We will keep you updated in respect of any further updates on the proposed implementation of the EU FTT.

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