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Post-ECOFIN Statement on Financial Transactions Tax

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

ECOFIN Press Conference

Brussels, 8 November 2011

Today I had the chance to personally present the Commission's proposal for a Financial Transactions Tax to the EU's Finance Ministers.

The discussion that followed was extremely interesting – although it is no secret that more discussions are needed before views will start to converge!

Nonetheless, I find the level of support for the proposed financial transactions tax very encouraging. I am not just referring to the support expressed here at the ECOFIN. I am also speaking about the support that we have seen amongst stakeholders, NGOs, public figures, economists and, above all, citizens.

There is a huge momentum behind the idea of a Financial Transactions Tax that cannot be ignored. We just need to look at the demonstrations – across the EU and across the world – to see how greatly citizens want the financial sector to make a proper contribution to the economy and to society as a whole.

There may not have been agreement on the global implementation of a Financial Transactions Tax at the G20 last week. But there was undisputable consensus on the need for all countries to ensure fiscal justice or, to put it simply, fairness the way that all sectors are taxed.

This fairness is at the very core of our FTT proposal. The financial sector was largely responsible for the crisis we are now in, it benefited from considerable support from governments and taxpayers, and yet it is paying proportionately less tax than other sectors. A financial transactions tax would redress this imbalance, and, in some way, help restore people's shattered confidence in the financial sector.

The FTT which we have proposed also offers substantial revenues at a time when they are so badly needed. Our estimate is that it could raise around €57 billion every year, to be shared between the EU and national budgets. This will serve the dual purpose of bolstering national income, and reducing the contribution that Member States need to make to the EU budget. In addition, revenues from this tax which go to the EU budget will be used to contribute to our work in key areas such as development and climate change.

Some may ask whether the Commission feels the need to reconsider its proposal on the basis of last week's G20 Summit. The answer is categorically: No. The Commission expressed hope that there would be a global financial transactions tax - but never made its proposal dependant on this. One message that emerged strongly from Cannes last week was that an FTT at regional level is feasible, and I have always said that, even applied only at EU-level, this proposal for an FTT has countless benefits to offer.

As I have already said, we have seen strong agreement at the G20 on the need for the financial sector to pay its fair share, and an acknowledgement that different tools – not least the financial transactions tax – can be employed at regional level to achieve this. A number of countries openly expressed a willingness to work with us on a financial transactions tax, and we will continue discussions with other countries to see how we can further expand this coalition.

In the meantime, the Commission will continue to support the Presidency and the Council in working towards an agreement amongst Member States on what I see as a well-designed and very workable proposal for a financial transactions tax here in the EU.