

## **EBF calls for courage to recognize financial transaction tax damages economy**

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The European Banking Federation on Tuesday reiterated its strong opposition to plans by a group of EU member states to adopt a financial transaction tax (FTT) and called on governments and lawmakers to recognize that such a tax would damage the European economy, even if its scope would be limited from earlier proposals.

“If you want to foster economic growth you need to provide for a very clear framework,” said Guido Ravoet, Chief Executive of the EBF. “This tax would create uncertainty for investors and would increase the costs for businesses, regardless of it being an EU-wide FTT or an FTT limited to a few member states. It would be a tax on growth.”

An EU financial transaction tax would be counterproductive for the entire European economy because it would discourage investment in securities and thereby would impair access to finance for enterprises. Even a limited FTT would impede the proper functioning of the Internal Market. Banks also believe it is necessary to consider the impact on trading volumes and the reduction on liquidity in financial markets.

“After years of analysis by experts from governments and business, no consensus has been reached on a realistic and workable solution,” said Mr Ravoet, referring to the discussions among EU member states. “The Commission’s proposal has already proven its limits, not the merits.”

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