

## **EBF statement on financial transaction tax**

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The European Banking Federation regrets to learn that some member states of the European Union envisage pushing forward with the European Commission proposal to introduce a financial transaction tax (FTT), making it clear that they still underestimate the economic impact of this initiative.

Even when an FTT is introduced in a limited number of member states in the EU its effects will be detrimental to the entire European economy. The tax would damage financial stability in Europe and in the Euro zone at a time when the European economy requires structural measures to encourage growth.

Numerous governments, central banks, independent research analysts and tax experts share the view of the damaging consequences. Despite this overwhelming evidence against the merits of an FTT, the plan remains on the table. European banks urge EU member states to be courageous and take the right decisions, taking into account the evidence of negative consequences for economic growth and employment.

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