

Campaign for the introduction of an FTT

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What is a Financial Transaction Tax (FTT)?

- A tax on the financial services sector, applied to trading in bonds, shares and derivatives.
- The European Commission proposed a tax of 0.1% on trading in bonds and shares and 0.01% on trading in derivatives.
- Eleven Member States have agreed to introduce an FTT, through the enhanced cooperation procedure, in their jurisdictions. (Germany, Italy, France, Spain, Austria, Portugal, Belgium, Greece, Slovakia, Estonia, Slovenia)

What is the aim of an FTT?

- Revenue-raising mechanism for Member States,
- A means of recouping some of the costs of the bank bailouts from the financial sector,
- A mechanism to curb speculative trading and help avoid boom-bust economic cycles.

Why is Ireland opposed?

Arguments from Government:

- We have a stamp duty of 1% on share transactions
- There will be a loss of jobs from the financial services centre
- IFS centre in Dublin will move to another global financial hub
e.g. London, New York

We already have a stamp duty:

- FTT yield would be greater (estimates suggest it could be €500m in excess of Stamp Duty per year)
- Stamp Duty does not tax trading in derivatives – the more speculative type of trading
- Stamp Duty exemptions have been brought in in recent years, thus making the revenue yield smaller

Loss of jobs/ financial institutions will relocate

- No impact assessment has been done here to determine whether this is the case
- The anti-relocation measures in the FTT are very robust
- Financial companies here are subject to higher rate of stamp duty than in UK yet companies haven't relocated there
- The low corporation tax rate here is going to remain a huge pull factor regardless

Claiming our Future FTT Campaign

Goal:

- The introduction of a Financial Transaction Tax (FTT) in Ireland

Specific Aims:

- Lobby key opinion formers to support position on the introduction of an FTT in Ireland
- Raise awareness of the issues (challenging myths and misconceptions)
- Mobilise civil society to act in support of the campaign for introduction of an FTT

Join the FTT Campaign: Contact Claiming Our Future

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