A European financial transaction tax would be a brake on economic growth, the Association for Financial Markets in Europe, which represents Europe’s wholesale financial markets firms, said today.

Simon Lewis, AFME’s chief executive said:

“The financial services industry should not be seen as an additional source of tax revenue but as an essential part of a stable and sustainable economy.

“The real impact of a possible transaction tax needs to be understood. Many financial transactions are carried out on behalf of businesses that would bear the cost of the additional tax. For example, the foreign exchange market underpins international trade and a tax on these currency trades would increase costs for a large section of European industry, to the detriment of economic growth.”

The finance sector is already one of the largest contributors of tax revenue. Its input includes taxes on business profits, employment taxes on employers and employees, sector-specific levies and value-added taxes.

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Contact

AFME
James White +44 (0)20 7743 9367
Rob McIvor +44 (0)20 7743 9321

Notes:

1. The Association for Financial Markets in Europe advocates stable, competitive and sustainable European financial markets that support economic growth and benefit society.

2. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, www.afme.eu

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