Commenting on today’s European Commission proposal for a financial transaction tax, Simon Lewis, AFME’s chief executive said:

“As highlighted at the IMF last week, Europe needs to focus on rebuilding its economies and fostering recovery. This proposal will do nothing to support either of those aims. It will, however, have the effect of hampering economic recovery and future growth and distract the Commission's attention from contributing to the real challenges that the continent faces.

“The impact on the ‘real economy’ – especially manufacturers and exporters – could be severe as many financial transactions are made on behalf of business that would bear the extra costs of the tax. For example, a transaction tax would raise the cost of capital and penalise companies for basic transactions such as hedging against fluctuating raw material prices.

“Europe’s leaders should reject this proposal as potentially damaging to their economies and to the financial system.”

-ENDS-

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Notes

AFME advocates stable, competitive and sustainable European financial markets that support economic growth and benefit society. 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