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## Press Release

14/02/2013

### AFME comment on EU financial transaction tax

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Commenting on the European Commission's proposal for a financial transaction tax issued today, Simon Lewis, the chief executive at the Association for Financial Markets in Europe (AFME) said:

"The Commission's proposal for a financial transaction tax in 11 EU member states is regrettable and likely to serve as another brake on economic growth.

"This tax will have a negative impact on business in several ways. The tax on equities will increase the cost of raising capital for Europe's businesses – and the tax on bonds increases the cost of debt funding for both businesses and governments. The tax on derivatives will also have a negative impact on hedging transactions undertaken by the real economy in order to manage risk.

"AFME will continue to analyse the Commission's proposals not least with regard to their extra-territorial impact, at this time when the EU and US have launched important and timely free trade negotiations. As participants in the G20, the EU and its members have committed to work together to support policies that will lead to sustainable and balanced growth – the imposition of an FTT with extra-territorial reach runs counter to that important objective. It is essential that the economic evidence is fully taken into account as the negotiations are taken forward."

-ENDS-

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#### Notes:

1. The Association for Financial Markets in Europe advocates stable, competitive and sustainable European financial markets, which 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](http://www.afme.eu)
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