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## Press Release

19/04/2013

### AFME comment on legal challenge to EU financial transaction tax

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Simon Lewis, chief executive, the Association for Financial Markets in Europe (AFME) said:

“We welcome the decision to make a legal challenge to the proposed financial transaction tax amongst 11 EU member states, under enhanced cooperation.

“This is a tax that will damage markets beyond the 11 states that are considering it, across Europe and also internationally. It will act as a brake on economic recovery by increasing costs to investors.

“All the evidence shows that the tax will have serious harmful economic effects in a number of ways: taxing securities will increase the cost of raising capital for Europe’s businesses and increase the cost of debt funding for both businesses and governments. In addition, taxing derivatives will have a negative impact on hedging transactions undertaken by the real economy in order to manage risk.”

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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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