

A 0.05% **tax** on every **speculative** financial transaction

With over €3,000,000,000,000,000 (quadrillion) worth of financial transactions worldwide per year, even the smallest tax rate can raise enormous revenue.

If we implement a Financial Transaction Tax (FTT) today at the European level, it could generate €200 billion per year.

- We need €200 billion a year to eradicate extreme poverty in the world.
- We need €900 billion to fight the worst consequences of climate change.
- In Europe alone, potential revenue of the FTT could finance sustainable projects, create hundreds of thousands of jobs and decrease public deficits by more than 25%.

**We need
a new
tax stream
NOW!**

A tax to **pay for** damages and **control** speculation

While banks and speculators continue to make enormous profits, the citizens are still paying the price of this crisis.

- By the end of 2011, the crisis will have cost each European citizen €6,000 in extra public debt. So far 7 million Europeans have lost their jobs and more will lose theirs unless we tackle the crisis in a fair way. Due to tight budgets, social security is slashed, while the number of poor people is rising.
- The uncontrolled financial system, which is still 70 times bigger than the real economy, is supported by neo-liberal politicians. Speculation caused the crisis.

It is not up to us to pay for the damage.

But it is up to us to make sure that this never happens again.

The FTT is the **right tool** to get the speculators to **pay** for their **crisis**

The **FTT** is the **right** weapon to **control** speculation

Let's tax **speculators**, not ordinary people

Speculators, and not ordinary people, will have to pay the tax, because any legislation will be defined in such a way that the final consumer will be exempt from it.

They say it's too difficult and too expensive;
We say it's the easiest, cheapest and most popular tax ever.

The majority of financial transactions are now done electronically and run through centralized "clearing houses". It is easy and cheap to collect: all fees and transaction costs are already levied directly. The transaction tax is just the same, as simple as adding a line of computer code.

They say it can't be done;
We say it's already being done.

An FTT is technically feasible: some countries have already introduced taxes on various financial transactions all over Europe.

In the United Kingdom, home of financial capital in Europe, a 0.50% tax on buying and selling company stock ("stamp duty") has been enforced since 1694 and generates more than €3 billion every year.

Currently, 7 out of the 27 EU Member States as well as Switzerland have a form of FTT. France and Belgium have already introduced the basis for a European financial transaction tax in national law. We need to generalize this tax at the European level.

They say it will be harmful to the financial markets;
We say it's the lack of regulation and political irresponsibility that are harmful.

A global or European financial transaction tax will have an important impact on financial markets, by dampening socially useless and high speculative activities and allowing others, longer-term ones, to take place – like productive investment.

PES initiatives for the introduction of the FTT

The PES has been at the forefront of the introduction of a Financial Transaction Tax at the European level: already in 2000, the socialists and social democrats in the European Parliament presented a resolution on the so called Tobin Tax that was rejected by the conservatives.

The fight continues:

- **PES member parties are taking the lead on the FTT. In the autumn of 2010, the PES is launching a coordinated action on proposing a bill in national parliaments aiming at introducing a Financial Transaction Tax at the European level.**
- **The PES is part of a large coalition of progressive forces (Europeans for Financial Reform - EFR) campaigning for the FTT.**

A Financial Transaction Tax in Europe now!



"We need a European-wide Financial Transaction Tax that raises money to pay for already caused damages and that tackles speculation"

Poul Nyrup Rasmussen
(PES President)

"It is essential to set up a true tax on financial transactions, which would help shift the focus from the financial sector back to the real economy, and consolidate public finances while giving the economy a necessary breathing space"

Martine Aubry
(First Secretary
of the Socialist Party, France)



"Thanks to this tax on all stock exchange and over-the-counter financial transactions, we can make sure that gamblers and speculators also pay their fair share of the costs of this crisis"

Sigmar Gabriel
(Chair of the Social
Democratic Party, Germany)

"A financial transaction tax is an idea whose time has come"

Paul Krugman
(Economist and
Nobel Prize winner, USA)



A FINANCIAL TRANSACTION TAX IN EUROPE NOW!

0.05%

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