



## Press Release

Paris, April 8, 2013

### **ACI - The Financial Markets Association Europe on the Financial Transaction Tax**

Following a General European Meeting in Singapore on March 13, ACI-Europe members reaffirm the dangers of the implementation of a Tax levied on each transaction as is planned by the EC.

Member states in Europe are concerned by the fact that such a tax would alter the level playing field between countries, unless it is applied globally, and therefore increase fiscal arbitrage opportunities between countries rather than move towards a European harmonisation. To be clear: this will transfer business to FTT-free countries and will create a strong illiquidity in countries where the tax is implemented, even putting refinancing at risk.

Furthermore, the tax would also be transferred to end-users as it would oblige market-makers to increase their bid-offer spreads in order to pay for the tax percentage.

This would mainly target corporate, pension funds and other hedging clients who do not enter into such transaction for speculative, but for hedging purposes.

For most of the financial products targeted by the regulation, the tax levels are greater than the "bid/offer" spreads quoted by the markets, which is a clear signal that this will kill the market in the countries where the tax is implemented, as the tax would be greater than the margin gained by market participants...

ACI Europe insists that other alternatives have to be found, that maintain the level playing field between countries, and that do not hit the end-user of the financial product.

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**ACI The Financial Markets Association**

ACI is a non-profit, but also non-political association of wholesales financial market professionals. Members of ACI are in large part engaged with the financial trading or sales environment in the global financial markets.

ACI counts some 13,000 members from 60 countries.

ACI Europe members are: Austria, Belgium, Bulgaria, Chanel Islands, Croatia, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxemburg, Macedonia, Malta, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.