



**EUROPEAN COMMISSION**

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**Speech: Speaking points on Financial Transaction tax**

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## **FTT**

Ladies and gentlemen,

Today's agreement to allow 11 Member States to move ahead with a harmonised Financial Transaction tax is a major milestone.

It is for milestone for EU tax policy, as it paves the way for more ambitious Member States to progress on a tax file, even when unanimity could not be achieved.

Those who want to move ahead, and who appreciate the merits of working more closely on taxation at EU-level, can do so.

This is a highly significant and very welcome advance.

But today is also a milestone in global tax history.

For the first time ever, the Financial Transaction Tax will be applied at regional level.

A block representing around 2/3 of EU GDP will implement this fair tax together, answering the long-time calls of their citizens.

And in doing so, they can pave the way for others to do the same.

It should be remembered that, under enhanced cooperation, other Member States can sign up at any time.

Some have already expressed potential interest in doing so. And I would encourage any Member State that is considering the FTT to climb on board.

Because there is everything to gain from being part of an EU approach to the financial transactions tax.

The considerable new revenues it will generate can be used for growth-friendly investment, and to support wider policy commitments such as development.

Taxation will become fairer, as the financial sector makes a proper contribution to public finances and the costs of the crisis.

And the Single Market will be strengthened, as a patchwork of national approaches is replaced with one harmonised FTT. This can only make life easier for businesses, by reducing compliance costs and increasing legal certainty.

With the same commitment that the Commission has always shown on this file, we are ready to react swiftly to today's green light for enhanced cooperation.

I will present the substantive proposal on the FTT within the next few weeks – drawing largely on our original proposal, as has been requested of us. It will then be for these 11 Member States to take the reins, and discuss and agree this FTT they want to implement.

## **Tax Evasion / Avoidance**

Today was also a chance to present the Action Plan on Tax Fraud and Evasion which the Commission adopted in December.

You will remember that this consisted of over 30 measures to tackle evasion and avoidance, including a tougher EU stance against tax havens and measures to fight aggressive tax planning.

I am delighted that the Irish Presidency has given high priority to making progress on this file.

Tackling tax evasion carries a double dividend. Not only can it help recapture some of the €1 trillion a year we are losing in public revenues, but it will ensure fairer taxation at individual, corporate, Member State and global level.

It is a battle that must be fought with a united front. So I would urge Finance Ministers to swiftly endorse and implement the stronger EU approach I have put forward.

## **AGS**

While the major theme of our tax discussions today was greater EU-level action, the point we had on the AGS also served as a reminder that there is important work to be done at national level too.

In November, I outlined the key objectives that Member States should follow for growth-friendly, competitive and fair taxation.

There is good consensus on this approach, which I hope will translate into effective national tax reforms.

Finally, I would like to take this opportunity to thank Minister Noonan and the Irish Presidency.

Not only have they delivered an excellent result at the first ECOFIN of the year, but they have set out an ambitious yet well-balanced tax agenda for the Council over the next 6 months.

I look forward to working closely together with them in delivering more successes.