

# **G-20: Take Action on Financial Transaction Taxes**

## ***International Civil Society Statement to the G-20 Leaders Summit in Seoul***

We, ***the undersigned 183 civil society organizations from 42 countries collectively representing over 200 million people***, urge G-20 leaders to make concrete progress towards the introduction of an internationally coordinated financial transactions tax (FTT) at the upcoming summit in Seoul.

Our organizations have long advocated that such taxes are a practical way to generate revenues needed to fill domestic and international financing gaps, discourage the type of short-term financial speculation that has little social value but poses high risks to the economy and serve as a desperately needed and sustainable source of financing for health and development. In recent months, the case for an FTT has been strengthened with new inputs from sometimes unexpected sources. Several developments have contributed to building a solid foundation for going beyond discussion of options to implementation:

### **IMF research commissioned by the G-20 recognizes technical feasibility of FTTs**

At the 2009 Summit in Pittsburgh, the G-20 charged the International Monetary Fund (IMF) with preparing a report on various financial sector taxation options. While the IMF report delivered in June 2010 favored an alternative approach (devoting only 3 of its 74 pages to FTTs), it did confirm the administrative feasibility of this option.<sup>1</sup> A follow-up IMF technical paper has pointed out that most G20 countries have already implemented some form of transaction tax and offered useful information on how to design the taxes to make them most effective. The paper also confirmed that such taxes can generate substantial revenues.<sup>2</sup>

### **A report by the 'Leading Group on Innovative Financing' endorses one form of FTT**

In July 2010, a group of international finance experts confirmed the feasibility of taxing financial transactions, with a view to financing international commitments for health and development made to developing countries. The experts had been commissioned to produce a feasibility study for a group of 12 governments -- Germany, UK, Japan, France, Belgium, Korea, Norway, Senegal, Brazil, Spain, Austria and Chile. These countries are part of the Leading Group on Innovative Financing for Development, comprised of 60 nations (including 75% of G20 member states). In their report, the experts point to foreign exchange transactions between banks as the easiest option for collecting a solidarity tax. They calculated that an extremely small tax of only 0.005% on such transactions would generate 33 billion USD per year.<sup>3</sup>

### **European Union and UN High-level Advisory Group on Climate Change Financing consider FTT**

Meanwhile, the European Commission is considering the possibility of introducing an FTT at European level, following the support shown by the European Parliament earlier this year. A European Commission report notes that, depending on the rate and coverage, an FTT could potentially generate more than \$1 trillion per year.<sup>4</sup> The FTT is also being addressed by a workstream of the High Level Advisory Group of the UN Secretary General on Climate Change Financing (AGF). The Group, made up of heads of state, high-level officials from ministries and central banks, and other finance experts, is expected to release a report on climate finance options this week.

## The need for FTTs has grown more urgent

FTTs are one of the few available options that could generate the enormous financial resources required to pay for the continuing costs of the global financial and economic crisis, including reducing the unacceptably high rate of job loss, and to achieve key development, health, education and climate change objectives in developing countries. Several hundred billion dollars worth of untapped revenue could potentially be harnessed. This new financing is required in addition to official development assistance in order to meet the Millennium Development Goals. Alternative financial sector taxes as proposed by the IMF would fall far short of the volume required. At the same time, the potential benefit of FTTs to enhance market stability is of equal interest as the world has become more aware of the dangers posed by automated high-frequency trading that increasingly predominates in financial markets. Even extremely low transactions tax rates would reduce the incentive for such speculative activities.

At the recent UN Summit on Millennium Development Goals, French President Nicolas Sarkozy made a very welcome vow to press for an international agreement on FTTs during his term as G-20 chair in 2011. There is, however, no reason to delay. We call for G-20 action on this critical issue to begin in Seoul.

### Signatories:

#### International/Regional:

ActionAid International (AAI)  
Economic Governance for Health (EG4Health)  
Education International (EI)  
Emmaus International  
European Federation of Public Service Unions (EPSU)  
European Network on Debt and Development (EURODAD)  
European Trade Union Confederation (ETUC)  
Federación Internacional Fe y Alegría  
Feminist Task Force (GCAP)  
Friends of the Earth International  
Global Call to Action Against Poverty (GCAP)  
Global Campaign for Education (GCE)  
Global Union Federation Building and Wood Workers International (BWI).  
Greenpeace  
Health Poverty Action  
International HIV/AIDS Alliance  
International Metalworkers' Federation  
International Trade Union Confederation (ITUC)  
International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association (IUF)  
La Red Latinoamericana sobre Deuda, Desarrollo y Derechos (LATINODAD)  
Oxfam  
PLUS, Coalition Internationale Sida  
PSI Asia Pacific Regional Organization (PSI-APRO)  
Public Services International (PSI)  
Tax Justice Network (TJN)  
The African Campaign for Education for All (ANCEFA), Senegal, for African continent

Third World Network (TWN)  
Trade Union Advisory Committee to the OECD (TUAC)  
WWF International

#### National:

ABVV/FGTB, Belgium  
Action for Southern Africa ACTSA, UK  
ACV-CSC, Belgium  
AFL-CIO, US  
Africa Europe Faith Justice Network, UK  
African Initiatives, UK  
AFRICANDO de Gran Canaria, Spain  
AITEC / IPAM, France  
Aktionsbündnis gegen AIDS, Germany  
Alianza Mexicana por la Autodeterminación de los Pueblos (AMAP), Mexico  
Alliance Sud--the Swiss Coalition of Development Organisations, Switzerland  
Altermond, Japan  
Americans for Financial Reform, US  
Article 12 in Scotland, UK  
ASDE Scouts de España, Spain  
Asociación de Defensa de la Vida, ADEVI, Perú  
Association of Citizens for International Solidarity Taxes, Japan  
ATD Fourth World, UK  
ATTAC, Hellas, Greece  
ATTAC, Québec, Canada  
ATTAC, Austria  
ATTAC, Denmark  
ATTAC, Finland  
ATTAC, France  
ATTAC, Germany  
ATTAC, Norway  
ATTAC, Spain

Australian Council of Trade Unions (ACTU), Australia  
 Bia'lii, Asesoría e Investigación, A.C, México  
 Bond, UK  
 Both ENDS, the Netherlands  
 Canadian Union of Public Employees (CUPE), Canada  
 Catholic Agency for Overseas Development (CAFOD), England and Wales  
 CCFD-Terre Solidaire, Catholic Committee against Hunger and for Development, France  
 Centro de Referencia do Movimento da Cidadania pelas Águas Florestas e Montanhas Iguassu Itereí, Brazil  
 Christian Socialist Movement, UK  
 Civil Society Forum for Climate Change, Tanzania  
 CNCD-11.11.11, Belgium  
 CNPL, Brazil  
 Coalición española de la Campaña Mundial por la Educación ( Ayuda en Acción, Educación sin Fronteras, Entreculturas), Spain  
 Comisión Independiente de Derechos Humanos de Morelos, Mexico  
 Comisión Nacional de Enlace (CNE), Costa Rica  
 Comité Nacional de la Confederación de Trabajadores, México  
 Community the Union, UK  
 Confederación Intersindical, Spain  
 Confederación Revolucionaria de Obreros y Campesinos, (CROC), México  
 CONGDE - Coordinadora de ONG Spain  
 Consejo de Investigaciones e Información en Desarrollo CIID, Guatemala  
 Council for NGOs in Malawi (CONGOMA), Malawi  
 CRBM, Italy  
 CS de Comisiones Obreras (CS CCOO), Spain  
 Dutch Platform on Sustainable and Solidarity Economy, the Netherlands  
 Ecologistas en Acción, Spain  
 Educational Institute of Scotland, UK  
 Ekklesia, UK  
 Fair, Italy  
 Fe y Alegría, Guatemala  
 Federation of Trade Unions, Ukraine  
 Fiare Banca Ética de Sabadell, Spain  
 Fiare Zona Centro, Spain  
 FOCO -Foro Ciudadano de Participación por la Justicia y los Derechos Humanos, Argentina  
 Forum on Indonesian Development (INFID), Indonesia  
 Friends of the Earth, Sierra Leone  
 Friends of the Earth, US  
 Fundación IPADE - Spain  
 Fundación Primero de Mayo (First of May Foundation), Spain  
 Fundacion PROCLADE, Spain  
 General Assembly of Unitarian and Free Christian Churches, UK  
 General Secretary National Union of Teachers. UK  
 General Union of Workers, UGT-P, Portugal  
 German Campaign "Tax Against Poverty", Germany  
 Global Alliance for Incinerator Alternatives (GAIA), Belgium  
 Global Health Advocates (Avocats pour la Santé dans le monde), France  
 Grassroots International, US  
 Greenpeace, Spain  
 Grupo de Tecnología Alternativa SC, Mexico  
 Grupo Tacuba, A. C., Mexico  
 Halifax Initiative, Canada  
 Health Alliance International, US  
 Health GAP (Global Access Project), US  
 Health, Pharmaceutical and Social Care Workers' Trade Union, Georgia  
 Hind Mazdoor Sabha (HMS), National Trade Union Centre, India  
 Housing Justice, UK  
 Hunger Free World, Japan  
 IBON, Philippines  
 Indian National Trade Union Congress (INTUC), India  
 INDIAN SOCIAL ACTION FORUM - INSAF, India  
 Inspiracion – Spain  
 Institute for Agriculture and Trade Policy, US  
 Institute for Policy Studies, Global Economy Project, US  
 Instituto del Tercer Mundo, Uruguay  
 International HIV/AIDS Alliance, UK  
 International Solidarity Tax Joint Campaign, Japan  
 Intersindical Valenciana, Spain  
 Italian General Confederation of Labour, Italy  
 ITEREI- Refugio Particular de Animais Nativos, Brazil  
 Japan NGO Network for Education (JNNE), Japan  
 Japanese Trade Union Confederation (JTUC-RENGO), Japan  
 Jubilee Debt Campaign, UK  
 Jubilee USA Network, US  
 Jubilee, Australia  
 KAIROS Canadian Ecumenical Justice Initiatives, Canada  
 Kepa, Service Centre for Development Cooperation, Finland  
 KRuHA-People's Coalition for the Right to Water, Indonesia  
 Lokoj Institute, Bangladesh  
 Lunaria, Italy  
 Make Poverty History, Canada

Maryknoll Office for Global Concerns, US  
 Medicus Mundi, Spain  
 Mexicanos Contra La Desigualdad, Coalición  
 Nacional Mexicana del GCAP, Mexico  
 Mirada Solidaria, Spain  
 Movimiento Rural Cristiano de AC, Spain  
 Mujer y Medio Ambiente AC, Mexico  
 MUNDUBAT, Spain  
 NASUWT, UK  
 National Education Association (NEA), US  
 Nationwide Group Staff Union, UK  
 Network Institute for Global Democratisation  
 (NIGD), Finland.  
 New Zealand Council of Trade Unions Te Kauae  
 Kaimahi, New Zealand  
 Niger Delta Women's movement for Peace and  
 Development (NDWPD), Nigeria  
 NKOTA-netzwerk, Germany  
 Norwegian Church Aid, Norway  
 Norwegian Forum for Environment and  
 Development, Norway  
 Observatori del Deute en la Globalització,  
 Catalunya, Spain  
 Observatorio RSC, Spain  
 Oikos Foundation (Dutch member, Tax Justice  
 Network), the Netherlands  
 Otros Mundos AC - Amigos de le Tierra (Friends  
 of the Earth), México  
 Pacto por la Soberania Alimentaria Energetica,  
 los derechos de los Trabajadores y las  
 Garantas Constitucionales en Morelos,  
 Mexico  
 Partido Revolucionario de los Trabajadores,  
 Mexico  
 Partners in Health, US  
 Plataforma 2015 y más, Spain  
 Positive Vibes, Namibia  
 Public Citizen, US  
 Red de Genero y Medio Ambiente, Mexico  
 Red Mexicana de Acción frente al Libre  
 Comercio (RMALC), Mexico  
 RESULTS Japan  
 RESULTS, Canada  
 RESULTS, UK  
 RESULTS, US  
 Robin Hood Tax Campaign, UK  
 Secours Catholique / Caritas, France  
 Secretariado Social Mexicano, A.C., Mexico  
 Service Employees International Union (SEIU),  
 US  
 Share The World's Resources (STWR), UK  
 Solidaridad Internacional - Spain  
 SPEAK Network, UK  
 Spire, the Development Fund's Youth, Norway  
 Stamp out Poverty, UK  
 Stop AIDS Campaign, UK  
 TB Alert, UK  
 Tearfund, UK

Terræ Organização da Sociedade Civil, Brazil  
 The Canadian HIV/AIDS Legal Network, Canada  
 The Christian Socialist Movement (CSM), UK  
 The Ecumenical Council for Corporate  
 Responsibility, UK  
 The Federation of Independent Trade Unions of  
 Russia, Russia  
 The International HIV/AIDS Alliance, UK  
 The National Union of Journalists, UK  
 The National Union of Public and General  
 Employees, Canada  
 The Stop AIDS Alliance, Belgium  
 The Zacchaeus 2000 Trust, UK  
 Trades Union Congress (TUC), UK  
 Treatment Action Group (TAG), US  
 Ugoku/Ugokasu / Global Call to Action against  
 Poverty –(GCAP), Japan  
 UNI-Korea Liaison Council, South Korea  
 Union of Shop, Distributive and Allied Workers  
 (USDAW), UK  
 Unión Sindical Obrera (USO), Spain  
 UNISON, UK  
 United Methodist Church, General Board of  
 Church and Society, US  
 University and College Union (UCU), UK  
 Veterinarians Without Borders (VSF), Spain  
 Victoria AIDS Resource & Community Service  
 Society, Canada  
 War on Want, UK  
 WEED - Weltwirtschaft, Ökologie & Entwicklung,  
 Germany  
 World Democratic Governance Project  
 Association (apGDM-WDGpa), Spain  
 World Development Movement, UK  
 World Federalist Movement of Japan  
 World Federalist Movement, Canada  
 Worldview, The Gambia  
 Country-specific breakdown

16/G20 countries and EU, 117 organizations:

UK – 33 national orgs, plus UK-based  
 international/regional  
 Mexico - 14 orgs  
 US – 18 orgs  
 Canada – 10 orgs  
 Japan - 9 orgs  
 Belgium, France, Germany – 5 orgs each  
 Brazil, Italy – 4 orgs  
 India – 3 orgs  
 Indonesia, Australia – 2 orgs each  
 Argentina – 1, this and all following:  
 Russia  
 South Korea

25 additional countries/66 organizations:

Spain - 27  
 Belgium - 5  
 Norway – 4

the Netherlands, Finland – 3  
Guatemala - 2  
Denmark – 1, this and all following:  
Georgia  
Ukraine  
Austria  
Costa Rica  
Senegal  
Tanzania  
Greece  
Peru

Switzerland  
Philippines  
Uruguay  
Bangladesh  
the Gambia  
Nigeria  
Sierra Leone  
New Zealand  
Malawi  
Namibia  
Portugal

## NOTES

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<sup>1</sup> International Monetary Fund, “A Fair and Substantial Contribution by the Financial Sector: Final Report for the G20,” June 2010. <http://www.imf.org/external/np/g20/pdf/062710b.pdf>

<sup>2</sup> International Monetary Fund, “Taxing Financial Transactions: Issues and Evidence,” Chapter 8 of *Financial Sector Taxation: The IMF's Report to the G-20 and Background Material*, September 2010. <http://www.imf.org/external/np/seminars/eng/2010/paris/pdf/090110.pdf>

<sup>3</sup> Report of the Committee of Experts to the Taskforce on International Financial Transactions and Development, “Globalizing Solidarity: The Case for Financial Levies,” July 16, 2010. <http://www.leadinggroup.org/article668.html>

<sup>4</sup> Commission Staff Working Document, “Innovative financing at a global level,” Brussels, January 4, 2010. [http://ec.europa.eu/economy\\_finance/articles/international/documents/innovative\\_financing\\_global\\_level\\_sec2010\\_409en.pdf](http://ec.europa.eu/economy_finance/articles/international/documents/innovative_financing_global_level_sec2010_409en.pdf)