Dear Commissioner,

The Commission’s proposal of 28 September 2011 for a Council Directive on a common system of financial transaction tax has been deliberated intensively under the Danish Presidency. The aim was and is to create harmonised taxation that will ensure the financial sector contributes to covering the costs of the financial crisis and that will generate additional public revenues.

Additional meetings of the Working Party were arranged on account of the political interest in the proposal as well as requests from a number of Member States to expedite the process. Some countries met for bilateral and multilateral talks in order to explore different approaches towards the introduction of a common financial transaction tax.

At the ECOFIN Council meetings on 22 June 2012 and on 10 July 2012 it was concluded that the Commission’s proposal for a directive on a common system of financial transaction tax does not enjoy the necessary support of all Member States and in light of the position of individual Member States, it is evident that it will not be possible to attain unanimous approval within a reasonable period of time by the Union as a whole either.
Our governments therefore request, pursuant to Article 329 of the Treaty on the Functioning of the European Union, that the Commission submit to the Council a proposal for a Council Decision authorising enhanced cooperation with regard to the creation of a common system of financial transaction tax.

In our view, European integration in this matter is necessary in order to counteract distortions through measures taken nationally by Member States, bearing in mind the high mobility of financial transactions and the need for the proper functioning of the internal market. Over the last months we have had to recognise that some Member States are prepared to move forward on their own by introducing national legislation.

The scope and the objectives of the enhanced cooperation should be based on the Commission’s proposal for a Council Directive on a common system of financial transaction tax (COM 2011/0261 (CNS)).

Furthermore, there is a necessity for an assessment of impact that examines the possible economic consequences associated with the introduction of a financial transaction tax by way of enhanced cooperation. Evasive actions, distortions and transfers to other jurisdictions are to be avoided.

We are willing to participate in the development process and we will work to find a viable solution.

Yours sincerely,

Dr. Wolfgang Schäuble

Pierre Moscovici