

**FINANCIAL TRANSACTIONS TAX PROPOSED IN  
ELEVEN EUROPEAN UNION STATES**

On October 23, 2012, the European Commission of the European Union (the “EU”) approved a legislative proposal authorizing a financial transactions tax to be imposed by EU countries beginning in 2013.

Currently, the proposal is supported by Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia, Spain and Estonia. The United Kingdom, Sweden and Poland have not supported the financial transactions tax. The proposal will be discussed at the next meeting of the European Council (in its Economic and Financial Affairs Council configuration) on November 13, 2012. The measure would need to be approved by a two-thirds vote of the EU’s European Parliament and then enacted by at least nine individual EU states to become effective in any of the states. It would be effective only in enacting EU states.

The proposal by the European Commission would impose a 0.1% tax on trades of stocks and bonds and a 0.01% tax on trades of derivatives. According to the European Commission, implementation of the financial transactions tax by the 11 states above would generate approximately €1 billion in revenue each year (€7 billion if implemented by all 27 EU states).

France has already introduced a financial transactions tax that came into effect on August 1, 2012. The French tax is levied at the rate of 0.1% of the acquisition price upon the transfer of equity securities or other equity instruments issued by French-listed companies whose capitalization exceeds €1 billion.

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