

LETTER FROM FINANCIAL INDUSTRY PROFESSIONALS TO LEADERS OF THE 10 EUROPEAN COUNTRIES WORKING TO INTRODUCE FINANCIAL TRANSACTION TAX

Chancellor Christian Kern, AUSTRIA

Prime Minister Charles Michel, BELGIUM

President Macron, FRANCE

Chancellor Angela Merkel, GERMANY

Prime Minister Alexis Tsipras, GREECE

Prime Minister Paolo Gentiloni, ITALY

Prime Minister António Costa, PORTUGAL

Prime Minister Robert Fico, SLOVAKIA

President of the Government Miro Cerar, SLOVENIA

Prime Minister Mariano Rajoy, SPAIN

Dear European leaders,

As individuals with first-hand knowledge and significant experience in the financial industry, we urge you to introduce small financial transaction taxes (FTTs). These taxes will rebalance financial markets away from a short-term trading mentality that has contributed to instability in our financial markets. They also have the potential to raise significant revenue.

In the last few decades, financial market activity has increased tremendously, with the value of transactions now 70 times greater than the size of the real global economy. The primary role of financial markets is to raise investment, allocate resources efficiently, and mitigate risk. However, much of today's financial activity does not contribute to these goals. Computer-driven, high frequency trading, for example, allocates resources on the basis of algorithms designed to turn very short-term profits and have been shown to drain liquidity in stressed markets when it is needed most. FTTs of a small fraction of a percent on each trade would moderate the incentives for such short-term speculation while having a negligible impact on long-term investment.

Concerns have been raised that FTTs could damage growth. But a growing body of evidence suggests that by reducing volatility, adding long-term liquidity, and raising much needed revenue, the overall effect would be significantly positive. Critics have also wrongly claimed that the exit of the UK from the EU is reason to delay or suspend FTT talks to entice London finance firms to move to mainland Europe. As industry professionals, we can assure you that these firms would base a decision on whether or not to relocate on many factors beyond a small transaction tax, especially given the fact that the UK already applies a tax on stock trades.

FTTs have a proven track record. Numerous countries, including those with deep and fast-growing markets, such as the UK, South Africa, Hong Kong, Singapore, Switzerland, and

India, currently have FTTs on particular asset classes that raise billions of dollars per year. Additional FTTs, such as those your 10 countries are currently working to introduce, offer a real opportunity to help restore the financial sector to its proper role, while raising substantial revenues for people in urgent need at home and in the world's poorest countries.

We urge you, for the reasons of stability, resilience and revenue outlined above, to do all in your power to finalise FTT negotiations so that implementation may happen at the earliest time. We believe this is an opportunity that should not be missed.

Yours faithfully,

1. Dr. Wilfried Stadler, former CEO, Investkredit Bank (Austria)
2. Benoît Lallemand, former Senior Internal Consultant and Service Excellence Manager, Euroclear Bank SA (Belgium)
3. Luc Bomans, former Executive Vice President, JP Morgan, and former CEO, Euroclear Securities Clearing System (Belgium)
4. Marc Bellis, former CEO of Corporate, Institutional and Public Banking Fortis (Belgium)
5. Robert Thys, former Director of International Affairs, NYSE Euronext Paris (Belgium)
6. Bernard Bayot, President, NewB; Director, Réseau Financité and Former President, European Financial Inclusion Network (EFIN) (Belgium)
7. Prof. Eric De Keuleneer, Professor of Finance, Université Libre de Bruxelles and CEO of Credibe (former Office Central de Crédit Hypothécaire) (Belgium)
8. Lars Pehrson, Managing Director, Merkur Andelskasse (Merkur Cooperative Bank) (Denmark)
9. Jean-Louis Bancel, President, Crédit Coopératif (France)
10. Rainer Geiger, former Deputy Director, Financial and Enterprise Affairs, OECD (France)
11. Stéphane Voisin, Financial Analyst (France)
12. Gunther Capelle-Blancard, Member of French Financial Market Authority (AMF) Scientific Advisory Board, Professor at the University Paris 1 Pantheon – Sorbonne, Deputy Dean of the Sorbonne School of Economics (France)
13. Bernd Kloth, Board Member, Pax-Bank eG (Germany)
14. Dirk Müller, Financial Expert and Former Broker, Frankfurt (Germany)
15. Dr. Klaus Schraudner, Chairman of the Board, Pax-Bank eG (Germany)
16. Klaus Euler, Chairman of the Board, Ethik bank (Germany)
17. Matthias Lehnert, Managing Director, Oikocredit (Germany)
18. Prof. Dr. Max Otte, Investment Fund Manager, Economist (Germany)
19. Richard Boeger, Managing Director, Bank für Kirche und Caritas eG (Germany)
20. Thomas Jorberg, Executive Board Spokesman, GLS Gemeinschaftsbank eG (Germany)
21. Prof. Dr. Rainer Lenz, Professor of Finance at the University of Applied Sciences, Bielefeld (Germany)
22. Andrea Baranes, President, Ethical Finance Foundation (Italy)
23. Luca Mattiazzi, General Manager, Etica Sgr (Italy)
24. Ugo Biggeri, President, Banca Popolare Etica (Italy)
25. Giulio Romani, Secretary General, FIRST CISL, (Italy)
26. Agostino Megale, Secretary General, FISAC-CGIL (Italy)
27. Massimo Masi, Secretary General, UILCA (Italy)

28. Prof. Dr. Marc Chesney, Professor of Finance, University of Zurich (Switzerland)
29. Lord Adair Turner, former Chairman of the UK Financial Services Authority (UK)
30. Alastair Constance, Managing Director, Ethical Currency Limited (UK)
31. Avinash Persaud, Chairman, Intelligence Capital Limited & Chairman, Elara Capital PLC, and former head of Currency and Commodity Research, JP Morgan (UK)
32. Dr. Paul Wilmott, Proprietor, Wilmott magazine and the quantitative finance portal wilmott.com, and Former Partner, Caissa Capital (UK)
33. Prof. Stephany Griffith-Jones, Financial Markets Program Director at the Initiative for Policy Dialogue, Columbia University, and former Head of the Department of Credit for the Public Sector at the Central Bank of Chile and Latin American analyst, Barclays Bank (UK)
34. Raj Thamotheram, Founder and Co-Chair, Preventable Surprises, former President, Network for Sustainable Financial Markets, and former Director of Responsible Investment, AXA Investment Managers (UK)
35. Rev. Iain May, BSc MBA BD, former Senior Manager RBS and Head of Planning Strategy, AIB Bank, current Chair, Castle Community Bank (UK)
36. Sony Kapoor, Managing Director, Re-Define, Visiting Scholar, the IMF, and former derivatives trader (UK)
37. Andrew Sheng, former Chairman, Securities and Futures Commission (Hong Kong)
38. Rob Johnson, President, Institute for New Economic Thinking, Senior Fellow at the Roosevelt Institute, former Managing Director at Soros Fund Management and former Chief Economist of the US Senate Banking Committee (US)
39. Amy Domini, Trustee, The Sustainability Group of Loring, Wolcott & Coolidge (US)
40. Doug Cliggott, Lecturer, University of Massachusetts-Amherst, and former Managing Director and U.S. Equity Strategist, JP Morgan (US)
41. Dr. Hazel Henderson, President, Ethical Markets Media, and former Advisory Council member, Calvert Social Investment Fund (US)
42. Dr. William Barclay, former Senior Vice President, Planning and Development, Chicago Stock Exchange (US)
43. John Harrington, President and CEO, Harrington Investments, Inc. (US)
44. Leo Hindery, Jr., Managing Partner, InterMedia Partners, LP, a media industry private equity fund (US)
45. Leslie Christian, Senior Investment Adviser, NorthStar Asset Management Inc. (US)
46. Lief Doerring, Senior Principal Development Specialist, DAI Global (US)
47. Prof. Lynn A. Stout, Distinguished Professor of Corporate and Business Law, Clarke Business Law Institute at the Cornell Law School, and member of the CFA (Chartered Financial Analyst) Institute Board of Governors (US)
48. Richard Eskow, former President, HEI, a subsidiary of American International Group (AIG), and risk management consultant (US)
49. Julie Goodridge, CEO, NorthStar Asset Management, Inc. (US)
50. Robert Zevin, Chairman, Zevin Asset Management (US)
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