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EU Financial Transaction Tax

No to "make believe" policy

A tiny tax for a big change. That used to be the short way to describe the financial transaction tax (FTT), a small levy on financial transactions such as shares, bonds and derivatives, whose supporters can't wait to see the European Union adopt it. But today's [meeting of EU finance ministers](#) is not a single step closer to making this dream come true, with Estonia even announcing it will leave the club of 11 pioneering countries.

10 EU leaders today announced an "[agreement](#)" on the main features of the future FTT. The one page document is just a list of a few points the 10 countries managed to find consensus on. It is however an illustration of how bumpy and difficult the technical negotiations have been over the past few years. Up against fierce lobbying - from the financial sector but also from member states like the UK or Luxembourg who are protecting their own financial industry - the negotiators seem to be going for a small tax and are still being vague on how many exemptions will remain and who will pay the tax in the end. There is a huge risk that in its current form the FTT will end up being paid by EU citizens when instead we want those responsible for the financial crisis to take responsibility for the crashes they created.

These finance ministers today did not reassure EU citizens that they are not giving in to big business and are still committed to [collecting around €34 billion in extra revenue](#) in times of austerity. The "most popular tax of the world", supported by [more than a million people](#), has again been postponed and optimists hope for a final agreement in June 2016.

Worse than today's news is the fact that much more work still remains to be done before an FTT can become a reality by the beginning of 2017. In addition to the tax base, member states also need to agree on the tax rate for these financial transactions and on what the FTT will cover: will pension funds be included for example? The European Commission is now mandated to make this one page political deal a legal proposal for these 10 countries. The Greens are calling for the European Parliament to be consulted again if the proposal departs too much from the original version, in order to check what impact this tax might have on ordinary citizens.

Member States have also lost a chance to re-commit to using these funds for common public goods. The ongoing negotiations of the international climate conference in Paris offered a perfect opportunity for EU leaders to commit part of future FTT funds to the fight against climate change or to the fight against poverty, at home and in developing countries.

The Greens have for years been championing a strong FTT, with a large base and no exemption, as part of our plans for [tax justice](#) and the [regulation of the financial sector](#). It's high time to stop this "make believe" policy of announcing agreement if only a small amount has been agreed upon. EU leaders from the 10 remaining countries should rapidly deliver a strong and broad FTT, as promised, demonstrating that they act in the public interest, rather than listening to the financial

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