## Basic information

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|---|---|
| **2012/0298(APP)**<br><br>APP - Consent procedure<br>Decision | Procedure completed |
| Enhanced cooperation in the area of financial transaction tax<br><br>**Subject**<br><br>2 Internal market, single market<br>2.50.03 Securities and financial markets, stock exchange, CIUTS, investments<br>2.50.04 Banks and credit<br>2.50.08 Financial services, financial reporting and auditing<br>2.60 Competition<br>2.70.02 Indirect taxation, VAT, excise duties<br>4 Economic, social and territorial cohesion<br>8.50 EU law | |

## Key players

European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| ECON Economic and Monetary Affairs | PODIMATA Anni (S&D) | 11/09/2012 |
| | Shadow rapporteur<br><br>LULLING Astrid (PPE)<br><br>TREMOSA I BALCELLS Ramon (ALDE)<br><br>TURUNEN Emilie (Verts/ALE)<br><br>STREJČEK Ivo (ECR)<br><br>MATIAS Marisa (GUE/NGL) | |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| IMCO Internal Market and Consumer Protection | The committee decided not to give an opinion. | |
| REGI Regional Development | The committee decided not to give an opinion. | |
| JURI Legal Affairs | The committee decided not to give an opinion. | |

Council of the

| Council configuration | Meetings | Date |
|---|---|---|

| | | | |
|---|---|---|---|
| European Union | Economic and Financial Affairs ECOFIN | 3205 | 2012-12-04 |
| | Economic and Financial Affairs ECOFIN | 3215 | 2013-01-22 |
| | Economic and Financial Affairs ECOFIN | 3198 | 2012-11-13 |

| | Commission DG | Commissioner |
|---|---|---|
| European Commission | Taxation and Customs Union | ŠEMETA Algirdas |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|
| 23/10/2012 | Legislative proposal published | COM(2012)0631 | Summary |
| 13/11/2012 | Debate in Council | | Summary |
| 29/11/2012 | Vote in committee | | |
| 04/12/2012 | Debate in Council | | Summary |
| 04/12/2012 | Committee report tabled for plenary, 1st reading/single reading | A7-0396/2012 | Summary |
| 10/12/2012 | Committee referral announced in Parliament | | |
| 11/12/2012 | Debate in Parliament | | |
| 12/12/2012 | Decision by Parliament | T7-0498/2012 | Summary |
| 12/12/2012 | Results of vote in Parliament | | |
| 22/01/2013 | Act adopted by Council after consultation of Parliament | | |
| 22/01/2013 | End of procedure in Parliament | | |
| 25/01/2013 | Final act published in Official Journal | | |

## Technical information

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|---|---|
| **Procedure reference** | 2012/0298(APP) |
| **Procedure type** | APP - Consent procedure |
| **Procedure subtype** | Legislation |
| **Legislative instrument** | Decision |
| **Legal basis** | Treaty on the Functioning of the European Union TFEU 329-p1 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | ECON/7/11088 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE498.132 | 26/10/2012 | |
| Amendments tabled in committee | | PE500.430 | 22/11/2012 | |
| Committee report tabled for plenary, 1st reading/single reading | | A7-0396/2012 | 04/12/2012 | Summary |
| Text adopted by Parliament, 1st reading/single reading | | T7-0498/2012 | 12/12/2012 | Summary |

**Council of the EU**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Supplementary legislative basic document | 15390/2012 | 25/10/2012 | |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Legislative proposal | COM(2012)0631 | 23/10/2012 | Summary |

**National parliaments**

| Document type | Parliament /Chamber | Reference | Date | Summary |
|---|---|---|---|---|
| Contribution | CZ_SENATE | COM(2012)0631 | 12/12/2012 | |

**Additional information**

| Source | Document | Date |
|---|---|---|
| National parliaments | IPEX | |
| European Commission | EUR-Lex | |

**Final act**

Decision 2013/0052
OJ L 022 25.01.2013, p. 0011 Summary

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 23/10/2012 - Legislative proposal

PURPOSE: to authorise enhanced cooperation in the area of financial transaction tax (FTT).

PROPOSED ACT: Council Decision

BACKGROUND: in 2011, the Commission took note of an ongoing debate on additional taxation of the financial sector. This debate originates from the desire to: (i) ensure that the financial sector fairly and substantially contributes to the costs of the crisis and that it is taxed in a fair way vis-à-vis other

sectors for the future, (ii) disincentivise excessively risky activities by financial institutions, (iii) complement regulatory measures aimed at avoiding future crises and (iv) generate additional revenue for general budgets or specific policy purposes.

Against this background, the Commission adopted a proposal for a Council Directive on a common system of financial transaction tax and amending Directive 2008/7/EC. That proposal set out the essential features of such a common system for a broad based FTT in the EU that aims at achieving these objectives. It was conceived so as to minimise the risk of relocation. The European Parliament delivered its favourable opinion on 23 May 2012.

At the Council meetings of 22 June and 10 July 2012, it was ascertained that essential differences in opinion persist as regards the need to establish a common system of FTT at EU level and that the principle of harmonised tax on financial transactions will not receive unanimous support within the Council in the foreseeable future.

In these circumstances, **eleven Member States** (Belgium, Estonia, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia) have addressed formal requests to the Commission by letters received between 28 September and 22 October 2012 indicating that they wish to establish enhanced cooperation between themselves in the area of the establishment of a common system of FTT and that the Commission should submit a proposal to the Council to that end.

This proposal for a Council Decision is the Commission's response to these requests for enhanced cooperation.

LEGAL BASIS: Article 329(1) of the Treaty on the Functioning of the European Union.

CONTENT: the proposal concerns the **authorisation of enhanced cooperation to Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia in the area of the establishment of a common system of financial transaction tax.**

The Commission considers that **all legal conditions set by the Treaties for enhanced cooperation are fulfilled** and that it is appropriate and timely to authorise enhanced cooperation.

The implementation of a common system of financial transaction tax amongst a sufficient number of Member States would entail **immediate tangible advantages**. The Commission states that:

- the position of the participating Member States in terms of relocation risks, tax revenues and efficiency of the financial market and avoidance of double taxation or non-taxation would be improved;
- other Member States' legislation and policy in the area would not be affected, whereas operators from such other Member States may also benefit from the reduced fragmentation of the internal market;
- through a regime along the lines of the original Commission proposal it would be possible to address evasive actions, distortions and transfers to other jurisdictions.

A proposal for specific measures implementing such enhanced cooperation – i.e., on substance, for a **Directive on a common system of FTT – will be submitted in due course.**

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 13/11/2012

The Council **took stock of developments** regarding the introduction of a financial transaction tax (FTT) in a number of Member States wishing to participate in enhanced cooperation, and discussed how to proceed with the dossier.

In 2011, the Commission issued a proposal for a Directive to establish a common system of financial transaction tax throughout the Union. Because this proposal did not receive sufficient support in the Council, 11 Member States asked the Commission to present its proposal for enhanced cooperation in this area.

The Commission's proposal, submitted on 23 October, would allow Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia to introduce the FTT via enhanced cooperation. The Netherlands indicated that they would be interested in participating under certain conditions.

In June, the European Council suggested that a decision be taken by December. Based on Article 329(1) of the Treaty on the Functioning of the European Union, the decision requires a qualified majority for adoption by the Council, with the consent of the European Parliament.

A number of Member States not wishing to join the enhanced cooperation indicated that they would wish to receive a more detailed assessment of its impact on the internal market before supporting the decision authorising enhanced cooperation.

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 04/12/2012 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Anni PODIMATA (S&D, EL) on the proposal for a Council decision authorising enhanced cooperation in the area of the creation of a financial transaction tax.

The committee recommends that the European Parliament gives its **consent** to the draft Council decision, without prejudice to which Member States participate in the enhanced cooperation.

Members recall that in its resolution of 23 May 2012, Parliament stated that:

- FTT will truly achieve its objectives if introduced at a global level. It also highlighted the importance of the Union to lead efforts to reach agreement on FTT at a global level by means of setting an example for the introduction of FTT ;
- the model for FTT proposed by the Commission would be a suitable basis for implementation within a group of Member States should they choose to move faster by means of enhanced cooperation.

The Council is called upon to adopt a decision pursuant to Article 333(2) TFEU, stipulating that, when it comes to the proposal for a Council Directive implementing enhanced cooperation in the area of FTT pursuant to Article 113 TFEU, it will act under the **ordinary legislative procedure**.

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 04/12/2012

The Council discussed the latest developments concerning the introduction of a financial transaction tax (FTT) in a number of Member States through the "enhanced cooperation" procedure.

In 2011, the Commission proposed a directive aimed at introducing an FTT throughout the EU, but Council discussions in June and July this year revealed support for the proposal to be insufficient.

As a result of letters it had received from Member States, the Commission presented, on 23 October 2012, a proposal for a decision authorising Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia to introduce an FTT via enhanced cooperation.

Progress on this dossier is reflected in a **report on tax issues** to be submitted to the European Council. The report gives an overview on the state of play of Council work regarding some key legislative proposals, which were specifically mentioned in the aforementioned conclusions, such as Energy Taxation, the Common Consolidated Corporate Tax Base, the Financial Transaction Tax, the revision of the Savings Tax Directive and the Negotiating Directives for Savings Taxation agreements with third countries.

The priorities set out in the programme of the Cypriot Presidency illustrate that **the Council's work has continued to focus on how to combat the evasion of taxes and tax fraud over the last few months**. Ensuring effective tax revenues in Member States has indeed gained in importance following the financial crisis and in times of tight budgets. The report shows the extent to which the Council has been developing concrete ways to improve the fight against tax fraud and tax evasion, including in relation to third countries.

Discussions on tax issues during the Cypriot Presidency have also taken into account the potential role of taxation as an incentive/disincentive in the context of broader challenges such as growth stimulation, dealing with climate change and drawing appropriate conclusions from the financial crisis.

**As regards the common system of financial transaction tax**, Ministers were informed of the latest state of play at the November 2012 session. Comments allowed the Cyprus Presidency to assess possible next steps regarding this file.

Based on Article 329(1) of the Treaty on the Functioning of the European Union, the decision requires a qualified majority for adoption by the Council, with the consent of the European Parliament. A legislative act defining the substance of the enhanced cooperation would be adopted subsequently, requiring unanimous agreement by the participating Member States.

**On 30 November, the Permanent Representatives Committee decided to send a letter to the European Parliament requesting its consent on a draft decision that would authorise enhanced cooperation.**

The Council will continue work on the text once the Parliament has given its consent, and in the light of comments made by delegations.

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 12/12/2012 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 533 votes to 91, with 32 abstentions, a legislative resolution on the proposal for a Council decision authorising enhanced cooperation in the area of the creation of a financial transaction tax.

The European Parliament **gives its consent** to the draft Council decision, without prejudice to which Member States participate in the enhanced cooperation.

**More than nine Member States** have indicated their intention to establish enhanced cooperation between themselves in the area of the creation of a common system of FTT by addressing a request to the Commission in accordance with Article 329(1) TFEU. The Commission subsequently presented a proposal for a Council decision authorising enhanced cooperation.

**Parliament has verified the compliance of this initiative** with Article 20 of the Treaty on European Union (TEU).

Members recall that in its resolution of 23 May 2012, Parliament stated that:

- the FTT will truly achieve its objectives if introduced at a global level. It also highlighted the importance of the Union to lead efforts to reach agreement on the FTT at a global level by means of setting an example for the introduction of the FTT ;
- the model for the FTT proposed by the Commission would be a suitable basis for implementation within a group of Member States should they choose to move faster by means of enhanced cooperation.

**The Council is called upon to adopt** a decision pursuant to Article 333(2) TFEU, stipulating that, when it comes to the proposal for a Council Directive implementing enhanced cooperation in the area of FTT pursuant to Article 113 TFEU, it will act **under the ordinary legislative procedure**.

# Enhanced cooperation in the area of financial transaction tax

2012/0298(APP) - 22/01/2013 - Final act

PURPOSE: to authorise enhanced cooperation in the area of financial transaction tax.

LEGISLATIVE ACT: Council Decision 2013/52/EU authorising enhanced cooperation in the area of financial transaction tax.

CONTENT: this Decision **authorises 11 Member States to introduce a financial transactions tax (FTT) by means of enhanced cooperation**. The 11 countries concerned are: **Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia**.

It should be recalled that in 2011, the Commission took note of a debate which was ongoing at all levels on additional taxation of the financial sector. This debate originates from the desire to ensure that the financial sector fairly and substantially contributes to the costs of the crisis and that it is taxed in a fair way vis-à-vis other sectors for the future.

In this context, on 28 September 2011, the Commission adopted a proposal for a Council Directive on a common system of financial transaction tax (FTT).

At the Council meeting of 22 June 2012, it was ascertained that there was no unanimous support for a common system of financial transaction tax (FTT) as proposed by the Commission.

In these circumstances, **11 Member States** addressed requests to the Commission by letters received in September and October 2012 indicating that they wished to establish enhanced cooperation between themselves in the area of FTT.

These Member States requested that the scope and objectives of the enhanced cooperation be based on the Commission's 2011 proposal for a Directive.

Enhanced cooperation in the area of the establishment of a common system of FTT aims at ensuring the proper functioning of the internal market. At the scale of this cooperation, it avoids the coexistence of differing national regimes and thus an undue fragmentation of the market, as well as ensuing problems in the form of distortions of competition, deflections of trade between products, actors and geographical areas, and incentives for operators to avoid taxation through operations with little economic value.

Subject to compliance with any conditions of participation laid down in this Decision, **enhanced cooperation in the area referred to therein is open at any time** to all Member States willing to comply with the acts already adopted within this framework in accordance with Article 328 of the Treaty on the Functioning of the European Union (TFEU).

ENTRY INTO FORCE: 22/01/2013.