TECHNICAL FICHE[1]
REVENUE ESTIMATIONS

As already stated in the Impact Assessment accompanying the Proposal for a Council Directive on a Common system of financial transaction tax and amending Directive 2008/7/EC (SEC(2011) 1102), at a tax rate of 0.1% for securities and of 0.01% of the notional value for derivatives agreements and payable by each side of a transaction, the revenue estimates for the tax are about €57bn[2].

About one third of this revenue is expected to be generated by taxing trading, borrowing and lending in securities (bonds and shares), and two thirds are expected to come from taxing derivatives.

As can be seen from the table, more than half of all revenue is actually expected to stem from taxing interest rate linked derivatives such as interest-rate swaps.

Revenue estimations (in bn €)

Product	Rate (%, for each tax payer)	
	0.01	0.1
Securities		**19.4**
- shares		6.8
- bonds		12.6
Derivatives	**37.7**	
- equity linked	3.3	
- interest rate linked	29.6	
- currency linked	4.8	

Exempting some of the <u>products</u> from the scope of the tax (such as government bonds or derivatives) would, thus, not only negatively affect the tax neutrality of the proposed approach but also have significant revenue implications. So would have the exemption of certain <u>actors</u>

[1] This technical fiche should be considered as a non-paper that commits only the Commission's services involved in its preparation.

[2] One has to keep in mind, however, that estimating revenues for taxes which would be newly introduced and that - to a certain extend – have the goal to change market behaviour and structure bears a high degree of uncertainty.

(such as pension funds, UCITS, regional or local authorities or "professional dealers") or certain transactions of actors (such as "market making").