



Joint statement by the French, UK and German Governments on bank levies

In light of agreement in the G20 that the financial sector should make a fair and substantial contribution towards paying for any burdens associated with government interventions to repair the banking system or fund resolution in a financial crisis, and the valuable work undertaken by the IMF in response to this (and the conclusions of the European Council on 17th June), the Governments of France, the United Kingdom and Germany propose to introduce bank levies based on banks' balance sheets.

The United Kingdom bank tax is announced today, Tuesday 22nd June in the Budget. France will present the details of its bank tax in the coming Budget. Germany announced a framework for a national bank levy at the end of March and will present draft legislation in the Cabinet in summer. All three levies will aim to ensure that banks make a fair contribution to reflect the risks they pose to the financial system and wider economy, and to encourage banks to adjust their balance sheets to reduce this risk. The specific design of each may differ to reflect our different domestic circumstances and tax systems, but the level of the levy will take into consideration the need to ensure a level playing field.

The French, UK and German Governments are committed to the full implementation of the ambitious G20 financial sector reform agenda and look forward to discussing these proposals further with international partners at the G20 summit in Toronto on 24th June.