

The Currency Transfer Tax



Leading Group Side Event
Doha FfD Conference
November 2008

Volume/Potential

- Financial transaction taxes for years on instruments including bonds and stocks - applied in many countries: UK, USA, China, India, Colombia
- Currency: \$500 tr. 2004 - \$1.9 tr. per day

\$800 tr. 2007 - \$3.2 tr. per day

< \$1,000 tr. 2008 - \$4 tr. per day

Why it is feasible?

- Computerised collection – electronic/automated
- Rate: 0.005%
- Revenue: UN University – \$33 - \$60 billion per annum
- UNITAID – important precedent
- Do you think it's true that a country that wanted to implement a currency transaction tax on its own currency couldn't do it?

With financial crisis - good/bad timing?

- British press argue it for funding to bail out of banks
- Jeffrey Sachs argued it to expand IMF's war chest
- Austrian Government for EU budget
- Financing - adaptation to Climate Change

There is no monopoly on this idea

Conclusion

In times of greater financial stress when the world is facing a multitude of interlinking crises can we afford the luxury of leaving untapped such a rich source of revenue as a tax on currency transfers?

Appeal

- Next Leading Group
- Meeting arranged in Doha to set up a working group of most interested countries in Leading Group to make Currency Transfer Tax happen
- An announcement in Paris

THANK YOU

