

Declaration of the European Currency Transaction Tax Network

We, the undersigned, are a network of NGO's, social movements and national coalitions. Membership is open to every organisation, movement and network that signs on to this declaration.

In the context of international taxation for wealth redistribution and financing global public goods, the aim of the network is to implement a tax on currency transactions.

We promote and support the search for complementary and alternative sources for financing development and public goods and for mechanisms to stabilise financial markets to prevent the collapse of developing and transition economies. The two-tier currency transactions tax (CTT) is a means to re-assert political control over global capital flows and improve democratic governance.

For the lower tax rate we initially propose a figure in the region of one basis point (0.01%). The upper tax rate would be set much higher and will come into effect only when a currency is being speculated against and decreasing rapidly in value. The second tier of the tax is designed to remove the incentive for mounting a currency attack so preventing financial shocks that have driven so many countries into poverty in the past.

Each member of the network can focus on those dimensions of the tax that they deem most appropriate in their specific campaigning context. We support the drive for international taxation, at the same time stressing the specific advantages of a CTT.

The revenues generated by a CTT need to be additional to, and not a replacement for, the current commitments of governments to fund development aid such as the pledge by wealthy countries (first made in 1970) to give 0.7% of their GDP as aid to poor countries.

We favour a CTT implemented on a global scale, but wholeheartedly support its unilateral implementation in the Euro zone and other European countries, which is entirely feasible on both a practical and a political level.

In respect of the application of the tax and the allocation of its revenues, we favour a multilateral solution under the umbrella of the United Nations. The revenues generated to be used to finance both the improvement and creation of global public goods, including sustainable international development.