European Currency Transaction Tax Network
Strategy Meeting
Cologne, 1st and 2nd of March 2005

Minutes
(short version; a detailed is version also available)
(Max Arlt)

Participants:
Ahlgren, Malin (ATTAC, Sweden); Arlt, Max (WEED, Germany); Bart, Bode (Broederlijk Delen, Belgium); Collignon, Fabrice (ATTAC, Belgium); Cossart, Jacques (ATTAC, France); Denys, Lieven (Free University Brussels); Filabozzi, Alessandra (ATTAC, Italy); Hillman, David (TTN, UK); Kapoor, Sony (TTN, UK); Manzanares, Ernesto (ATTAC, Spain); Oosterlynck, Stijn (ATTAC, Belgium); Rotzen, Johan (ATTAC, Sweden); Ventura, Christophe (ATTAC, France); Wahl, Peter (WEED, Germany).

Summary:
The meeting discussed the new situation with regard to the currency transaction tax (CTT). After the different governmental reports, such as the French “Landau Report”, the report of the technical group of the UN, the statements of the French president and the German chancellor at the World Economic Forum in Davos and others, there is new momentum, which can be used. Furthermore, the debate on financing the Millennium Development Goals (MDGs) creates a positive environment for the CTT, too. The issue of international taxation is now on the international agenda. It is opening the debate on a historically new paradigm, which is a consequence of globalisation and which offers an interesting perspective on the regulation of corporate led globalisation.

Concerning the CTT, the participants agreed the following:
- It has been agreed to promote a two-tier CTT with a rate in the range of one basis point (0.01%) for the first tier. The two-tier tax makes the complementary achievement of the three purposes of the CTT possible: the regulatory function, the fund-raising and the strengthening of political activities versus market forces. The low rate guarantees that market distortions are avoided.
- The CTT should be levied at national, respectively at EU level, and through the mechanisms of the Continuous Link Settlement Bank. The disbursal of the tax should by organised multilaterally under the aegis of the UN.
- The usage of the name Tobin is a delicate matter. It has different connotations in certain contexts. The usage of the name should be due to whether it seems strategically advantageous in a given context. It has been agreed to rename the network into European Currency Transaction Tax Network (ECN).
- The CTT is superior to the other possible international taxes, like a tax on kerosene or on the profits of transnational corporations for example, which all
have certain advantages, too. It is not a mass tax, like most of the other taxes under discussion are, at least in the industrialised countries. It taxes the beneficiaries of globalisation in order to redistribute the revenues to its losers.

- The CTT does not need to be implemented globally in order to be effective. For strategic reasons, it is therefore better to refer to the CTT in the context of international taxes or international co-operation on taxes, rather than global taxes. As a global implementation of the CTT is not likely at the moment, we promote an unilateral implementation in the EU. Nevertheless, a global implementation remains our goal in the long-term.

Furthermore, the network agreed to improve the structures of cooperation. It is open for everybody who would like to join.

For the coming months, the following activities were agreed upon:

- A common declaration of the network has been discussed and got under way. It will be made available in the following weeks. Every member of the network is asked to pass the declaration and these minutes, as well as the detailed version, to all its relevant contacts.

- Each country campaign will lobby their national members of the European parliament (MEPs) and investigate on the chances of an election of the CTT in the European parliament.

- We will try to get the MEPs to hold an audition on the topic of the CTT and the feasibility of its unilateral implementation in the EU in advance of the G7 finance ministers meeting in June.

- At the meeting of the EU heads of state in March, the Belgian government has to put the issue of the CTT on the agenda. We should try to put this point in the context of a broader discussion on international taxation in general and thereby support the building of a broader coalition, possibly including France, Germany and the UK.

- We will try to organise a meeting of Spanish government officials and an expert group of CTT-supporters in advance of the G8 summit in July.

- If there is an alternative conference to the G8 summit, we will try to put the issue of the CTT on the agenda.

- WEED organises an expert meeting on international taxation for the MDG summit in September.

- The Tobin Tax Network organises an international conference on the CTT in November in London. Prominent guests will be Paul Bernd Spahn and Rodney Schmidt.

- The next meeting of the network will take place in June in Brussels.

Contacts:

Collignon, Fabrice (ATTAC, Belgium): fabrice.collignon@attac.be; Hillman, David (Tobin Tax Network, UK): dhillman@tobintax.org.uk; Ventura, Christophe (ATTAC, France): attacint@attac.org; Wahl, Peter (WEED, Germany): peter.wahl@weed-online.org