



Newsletter - EU Financial Reforms

April 2011

This newsletter is part of the project "[Towards a Global Finance System at the Service of Sustainable Development](#)", implemented by six European NGOs with the aim of ensuring that European economic stimulus packages do not impact negatively on development.

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Editorial: Will the financial markets really be tamed ?

This newsletter explains how, during the past two months, the links between the financial sector and monetary, economic, fiscal and social policy have become increasingly visible. The burden of the crisis is now being further transferred to governments, citizens and workers. While various large European banks were making profits again, countries, which had taken on the debt of their banks and suffered from the economic crisis, were cutting (social) public spending. Recently another government, Portugal, had to request financial assistance because the financial markets stopped providing adequate financing for its huge debt. In addition, European banks who had lent to these countries (or bought their bonds) could not afford to be threatened by default. In order to stop the resulting speculation by the financial markets against the Euro, the Euro zone countries largely agreed on strengthened budgetary disciplines for countries with deficits, stringent conditions for countries requiring financial support (the European Stability Mechanism – EMS), and additional measures to discipline wages, social security and pensions in the name of remaining competitive (Euro Plus Pact).

In contrast, the EU still has not agreed to increase taxing of the financial sector and financial transactions, and to enforce strong mechanisms to stop tax havens. However, the European Parliament (EP) and some countries continue to favour a Financial Transaction Tax (FTT) at European level. The EP also promoted initiatives to prevent tax evasion and avoidance including by (European) companies operating in developing in developing countries. At least the EC has been putting country by country reporting of tax payments on the agenda.

Even though the European banks have showed great weaknesses ever since the financial crisis more than 2 years ago, the EU has yet to start the legislative process to ensure that banks have enough high quality capital reserves to withstand financial turmoil. The EU intends to implement new international standards (Basel III) but already many critics are calling for significantly higher [capital requirements](#). A new stress test, to be published in June, may demonstrate how necessary that is. Other discussions covered in this Newsletter relate to the unresolved issues of how to deal with banks who are too big to fail and with banks who are failing or collapsing, and how to regulate the shadow banking system which might grow due to avoidance of new banking rules.

Last but not least, legislation to deal with part of the speculative (agricultural commodity) derivative markets is in full swing. European Parliamentarians and Ministers of Finance have to take important decisions in May and the months thereafter. Other necessary EU laws to deal with financial speculation of food still have to be presented later in 2011. Also at the G20 and in other fora, solutions are being sought for the high volatility in the agricultural commodity markets.

The G20 and international organisations play an important role in setting some benchmarks for the EU's financial reforms while the financial lobby continues to water down any stringent proposals. However, civil society voices have been much more clearly heard in Brussels, at the European Parliament as well as at the European Commission. It resulted in the EP voting in favour of an FTT at EU level and pressure to ensure that over the counter financial commodity derivative markets are transparent and well regulated. Civil society is becoming more organised, which should further promote their input to the many banking and derivatives market reforms that are still due to go through the EU decision making process this year. The weaknesses of the current EU financial reforms will otherwise remain a threat to Europe.

As usual, this Newsletter is not able to cover all the reforms taking place at the different EU institutions, including discussions on the Investor Compensation Schemes (ICS) for investors who were victim of fraudulent and defaulting investment firms, the deposit guarantee schemes in case banks go bankrupt, and universal access to financial services.

Regulation and supervision of (agricultural) commodity derivatives markets are being legislated in the EU

The European Parliament and the Council of Finance Ministers have entered the final legislative stages in the regulation of the so-called [over-the-counter \(OTC\)](#) derivatives markets, which so far has remained non-transparent, unregulated and highly speculative and risky. Their lack of insurance against default was a reason for Lehman Brothers to collapse and trigger the world wide financial crisis. Financial lobbyists claim that these OTC derivatives help countries and companies to hedge their risks, against changes in interest rates or exchange rates for example. However, this hedging is estimated to have become only 30% of the derivatives trade. The rest is speculation including betting against currencies, as well as financial speculation in food commodity prices (e.g. through agricultural swaps) and emission allowances prices (through [derivatives based on carbon trading](#), etc.). As announced in the [previous Newsletter](#), the Economic and Monetary Committee (ECON) of the European Parliament (EP) will agree on its own version of legislation to make (OTC) derivatives markets more safe, through [clearing](#), and more transparent, through mandatory reporting.

This first vote in ECON is now planned for 24 May 2011. The Council of Finance Ministers will



continue their discussions on the issue at their meeting of 17 May 2011. However, disagreements within the EP as well as between the EP will make decisions difficult. As usual, the financial lobby towards the MEPs is fierce in its attempt to water the new legislation down but more civil society organisations have raised their voice. The EU decision making process is also influenced by the many recommendations and activities on derivatives, commodity price volatility and (financial) speculation or abuses in (agricultural) commodity by the G20 and international organizations as explained in the [next article](#).

At the end of February 2011, MEP Langen published his first proposals to change [the legislative proposals by the European Commission \(EC\)](#) to regulate (1) [OTC derivatives](#) markets, (2) [clearing houses](#) (or [central counter parties, CCPs](#)) that derivatives counter parties would need to use as insurance instruments against defaults in payments of derivatives contracts, and (3) data repositories where all derivatives trade should be reported to. The future EU law is likely to be called the European Market Infrastructure regulation (EMIR). On 20 April 2011, MEPs of the ECON committee discussed the 977 amendments on the draft EMIR legislation presented by MEP Langen. The MEPs will vote on 24 May 2011 in the ECON committee after which the MEPs will have to vote in plenary (planned in July). However, before and after that date there will be negotiations with representatives of the Council of Finance Ministers who will discuss EMIR at their 17 May 2011 meeting. An update of the timing of the decision making procedure can be found [here](#).

The views among EU Finance Ministers are still divergent on commodity derivatives, with the UK, the Netherlands and Nordic countries rather opposed to regulatory measures, and the UK strongly opposing limits on the amount of derivatives contracts ('position limits') help by a party. This blocks France, Italy and a few others who are in favour of regulation and position limits when appropriate. Germany is still discussing the issue with its Ministries of Finance, Industry, Agriculture and Development and seems to be rather reluctant to go beyond anything more than increased transparency.

All MEPs seem to agree that all derivatives traded should be reported on, and that no exemptions from reporting should be allowed (contrary to the EC's first proposals). However, there are disagreements on whether EMIR should cover all derivatives and not only OTC derivatives. Important weaknesses can be included in the legislation if the call for exemption from clearing for non financial parties (e.g. commodity processors) or even financial entities (e.g. pension funds, an exemption pushed by the Netherlands) should be exempt from using clearing houses. The current proposals also require a largely enhanced capacity from supervisors to be effective.

Criticisms of the draft EMIR presented by MEP and the amendments made thereof, include:

- The proposals do not aim at sufficiently shrink the financial speculative activities of the derivatives markets and the 'socially useless' derivatives. It is doubtful whether the aim of pushing 80% of the OTC derivatives onto exchanges or other regulated platforms – which will be regulated by upcoming new legislation – will be achieved.
- No position limits are legislated or sufficiently mandated to supervisors.
- There is only one amendment to ensure that general but meaningful reporting is published to the public (non-market participants, including parliamentarians) every week (as the CFTC is doing), about positions in OTC derivatives markets, based on the information received by repositories.
- The definitions of hedging, financial counterparties and non-financial counterparties seem to leave open possibilities of abuse so that the latter can use their status to undertake financial speculation. A definition of excessive speculation is missing.
- Exemptions from clearing for non-financial counter parties will not be kept to a minimum if pension funds will be exempted.
- There are still serious risks that [central counter parties](#) (CCPs) will become very large. This will make CCPs a serious threat to instability in the financial system if they fail.

Later in 2011, regulation of exchanges and trading venues for derivatives (review of [MiFID](#) as explained in the [previous newsletter](#)) will be decided on but the EC still has to present the proposal and intends to propose some position limits to deal with food speculation.

Many NGOs work at work: some examples

Some NGOs have approached MEPs with a letter in order to warn them against watering down the EMIR legislative proposals through amendments. They requested strengthening of the Langer report regarding public transparency and avoiding abuses by speculators, among other things. Before the 24 May 2011 vote in the ECON committee at the EP, a campaign tool will be organised for those who want their voice to be heard by the MEPs (see the [make finance work website](#) after the first week of May).

NGOs have been meeting in March to prepare [mobilisation around the G8 and G20 meetings in France](#) this year. They shared information and prepared strategies, including on financial regulation and to deal with food price speculation and volatility. How French social movements are mobilising for the G8 and G20 meetings, see [here](#), and what famous people think of it, see [here](#).

An NGO "[G8/G20 Working Group](#)" on commodity speculation: "Commodity markets require some speculation to operate, but a recent influx of institutional investors and speculators means that by 2008 speculators controlled about 70% of food commodities, up from 20% ten years before. Under such conditions, prices are driven less by "fundamentals" like harvests, weather conditions, storage, transport, and basic supply and demand, and more by financial cycles. The G20 must act to coordinate regulations among its member countries, so that traders cannot evade the rules. They should agree on standards for 1) position limits for volumes of speculation relative to conventional hedging; 2) increased capital deposit requirements on futures transactions; 3) position limits for individual investors and categories of investors such as index funds; and 4) transparency, including ensuring that all commodity derivatives are traded on formal exchanges."

World Development Movement (WDM) has stepped up its campaigns on food speculation. On 25 April, WDM organised [a successful action](#), widely reported in the media, at the General Assembly of Barclays, which is one of the 3 top players in commodity derivatives. A [WDM report](#) estimates that Barclays made up to £340 million in profits a year from speculating on food.

In Germany, Welthungerhilfe organised an expert working group together with the University of Bonn on price formation in agricultural markets, speculation and food security, on 11 April 2011. A new [study](#) was presented in cooperation with the University of Bonn, which concluded that speculators increased price volatility that would remain a serious problem in the coming years.

For immediate action, cast your vote [here](#) !

G20 and other discussion fora on derivative regulation, commodity price volatility and food speculation

The EU reforms of the financial (agricultural commodity) [derivatives](#) markets need to be seen in the context of international for a such as G20, [the International Organization of Securities Commissions \(IOSCO\)](#), and the Financial Stability Board. The divergent country positions also play a role in the international context. However, more developing countries such as Indonesia and India have now come out calling for curbs on excessive speculation in commodity markets in February and in April 2011, Brazil, Russia, India, China and South Africa [called for a stricter regulation](#).

After France put commodity price volatility and financial commodity speculation high on the agenda of the G20 and (food) commodity prices have risen or shown volatility in 2011, as explained in the [previous newsletter](#), the G20 continued to work on these issues in several ways:



The G20 Ministers of Finance stressed in their [communiqué of 14-15 April](#) the need for “participants on commodity derivatives markets to be subject to appropriate regulation and supervision.” They asked IOSCO to finalise, by September, its recommendations on regulation and supervision in this area especially to address market abuses and manipulation. Interestingly, they suggested that IOSCO recommendations should include the formal mandate to manage the number of derivatives’ positions (i.e. the number of contracts a particular contract holder can have) and “powers of interventions” such as “the authority to set ex-ante position limits where appropriate” (i.e. limit beforehand the number

of contracts held by a particular person or company). The G20 Ministers also called for “enhanced transparency in both cash and derivatives markets.”

The G20 also deals with better regulation and supervision of the overall derivatives markets in general as well. At their meeting on 14-15 April, the G20 Finance Ministers stated that they were “committed to set high, internationally consistent, coordinated and non-discriminatory requirements in our legislations and regulations implementing [FSB recommendations](#) on [OTC derivatives markets](#) and stressed the need to avoid overlapping regulations.”

Work on commodity price volatility is divided among different G20 groups together with international organisations, and includes the following:

- The G20 Finance Ministers are dealing with the core issues of commodity derivatives regulation. They set up a Study Group, not a working group, chaired by Japan, to analyse commodity markets in the G20 and not to negotiate a text. There seems to be a deadline at the end of April to collect inputs by all G20 governments. The Netherlands, which is no longer invited to G20 meetings but still a substantial food producer and exporter, was invited by France to provide its input during a bilateral seminar at the end of March 2011.
- The Minister of Economy of Argentina organises a meeting on 18/19 May 2011 in Argentina, in presence of the French Economy minister, in order to address [commodity price volatility](#). Argentina is keen to expand the global supply of commodities, as it is a major producer and exporter.
- G20 Agriculture Ministers focus on food price volatility. There seems to be no definite working group so far, but [France has announced one](#), with Russia as co-chair. So far, France has been coordinating the work and preparing for the G20 agriculture ministers meeting, on 22-23 June 2011, in Paris (this meeting is prepared by top officials, ‘the G20 agriculture Sherpas,’ at a meeting in Paris on 11-12 May 2011)
- The G20 Development Working Group prepare a report called “Price Volatility in Food and Agricultural Markets: Policy Responses” to be produced jointly by the FAO, IFAD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF. First drafts show that there seem to be controversial discussions amongst the organisations. It is not clear whether the final document will only concern the consequences of price volatility or also the effects of derivatives, and whether this report will call for a strict regulation of commodity derivative markets or rather follow a light touch approach.
- The G20 working group on energy, with a sub-group on energy price volatility, focusing on oil, gas and coal price volatility, is chaired by France. One of the projects is the Joint Oil Data Initiative (JODI) to exchange data. Also measures of production, consumption and stocks seem to be discussed, with an analysis of the drivers of energy price volatility, including derivative contracts.
- The Financial Stability Board has a working group on all derivatives (mainly tackling the OTC problem), coordinated by UK and US. The IOSCO is supporting this work and has a specific sub-group on commodity derivatives which focuses on market abuse and aims at reducing excessive speculation. In April 2011, this [IOSCO sub-group submitted a](#)

Striving towards agreement on how to deal with the Euro crisis, governmental debt and economic governance



The crisis of the Euro zone continues, with nervous speculation that Greece will not be able to repay its debt, with Ireland and Portugal requiring financial support from the European Financial Stability Facility (EFSF) for their governmental debt, and fears that Spain will not be able to repay its governmental and private debts. To prevent that the Euro or even the entire European integration fails, governments have been seeking solutions in a permanent financial support fund (European Stability Mechanism - ESM), as well as by taking

measures to stop huge budget deficits and to coordinate economic, tax and social policies (economic governance framework and the 'Euro Plus Pact'). A lot of political tension among EU member states was building up before and after a package was agreed by the heads of governments at their meeting of 24-25 March 2011. Discussions currently being held at the European Parliament and the Council of Ministers should lead to legally binding budgetary disciplines. The process has been subject to much criticism from economists, parliamentarians and citizens. Protests are expected against these measures because they discipline governmental spending, workers' wages and pensions, even though they in fact protect shaky European banks (German and French) from defaults on debts by governments solvency problems.

The European Stability Mechanism (ESM)

The European Stability Mechanism (ESM) is the cornerstone of the measures being formulated to deal with current and future budgetary and Euro crises in the Euro zone. From 2013 onwards it will replace the current European Financial Stability Facility (EFSF) and European Financial Stability Mechanism, which were hastily established in the spring of 2010. The purpose is to enable a member state of the Euro zone that has huge budget deficits to have access to financing so as to prevent insolvency. The reason is that countries with high debt cannot obtain financing (or only at high costs) on the private financial markets who fear that debt and bonds will not be repaid. A highly indebted country in the Euro zone causes markets to speculate that, if it slips into insolvency, the value of the Euro will go down. In order to prevent the insolvency of countries in the Euro zone, the ESM provides financial assistance to Euro zone member states that are experiencing or are threatened by severe financing problems, as follows. The main elements of [the ESM package](#) was accepted by the all EU heads of state on 24-25 March but need a change of the Treaty on the Functioning of the European Union to become permanent.

1. The ESM fund will have a total lending capacity of € 500bn to which Euro zone member states that are threatened by insolvency or severe financing problems will have access. The ESM's own capital would be € 80bn, which will be paid in annual tranches the next years by the Euro zone member states. The burden sharing of contributing to the ESM should be based on similar distribution formula as at the European Central Bank (ECB). This would mean that Germany would have to provide € 22bn, France € 16bn, Italy € 14bn, Spain € 9.5bn, the Netherlands € 4.5bn, etc. The rest will be guaranteed by the ESM member states and the money that is needed would be borrowed from the markets.

2. The access to the ESM funds is tied to strict conditionality that includes a rigid austerity programme and budget control. The implementation of the austerity measures will be controlled by the European Commission (EC), the IMF and the ECB.

3. Before the adoption of a programme, the EC, the IMF and the ECB will jointly make a debt sustainability assessment. In case they come to the conclusion that the debt cannot be fully repaid, the private sector will have to be included in a restructuring of the debt. This means that the creditors will have to write off a certain percentage of their loans and bonds, a move that is currently making financial markets very nervous. For instance, in the case that the present debt of Greece would be restructured, between 40% and 60% of the value of the debt would be reduced.

4. From 2013 onwards, all new bonds issued by all countries in the Euro zone shall have a so called 'Collective Action Clause' that defines the baselines for a restructuring (reduction of value of the bond to be repaid) in case a country cannot repay.

5. A high interest rate, which is set between 2% and 3% above the rate at which the ESM has borrowed, will be charged. For instance, currently the interest rate for Portugal is 5.9%.

6. If cost effective, the ESM would also be allowed to purchase government bonds directly from the country concerned, besides giving loans.

The Euro Plus Pact

As explained in the [previous newsletter](#), the Euro crisis and the huge budget deficits made it clear to politicians that the Growth and Stability Pact was not functioning adequately to keep budget deficits under control. Politicians grudgingly agreed with Germany that a monetary union, a common Euro, could not function in the long run without also coordinating macro-economic policies and other basic areas of the economy, fiscal policies, tax policies, labour unit costs, social systems, productivity, etc. within the Euro zone.

After conflict-riddled discussions among member states, the first proposals for a [Pact for Competitiveness promoted in February 2011 by Germany](#) were replaced by a so-called [Euro Plus Pact](#) at the European Council of heads of states on 24-25 March 2011. Not only the Euro zone countries will participate but also Denmark, Poland, Romania, Bulgaria, Latvia and Lithuania, whereas the UK, Sweden, the Czech Republic and Hungary will not. The main purpose of the Pact is still defined as increasing competitiveness and promoting convergence ('economic governance'). For that purpose, countries committed to the Pact have to take annual measures that reduce macro-economic and current account imbalances, aim at specific deficit, revenue and expenditure targets, ensure that labour costs and collective bargaining do not undermine productivity and competitiveness, harmonise taxation by working towards a common consolidated corporate tax base, and ensure the future financing of social systems and in particular the pension system. Explicitly mentioned is an adjustment of the age of retirement to match the increasing life expectancy.

The Europe Plus Pact will result in scrutiny of budget deficits and macro-economic imbalances, however, with the focus on the deficit countries – and not surplus countries like Germany who will serve as examples for the others. The implementation will be monitored politically by the Heads of State or Government of the Euro zone and participating countries on a yearly basis, on the basis of a report by the Commission. This means that Euro Plus Pact is not binding and raises questions whether and how it will be implemented.

Implementation of the stricter budgetary disciplines to be legally enforced

Some political promises and agreements about improved economic governance are being supported by stricter criteria for the Stability and Growth Pact (SGP). These criteria are being incorporated in six legislative proposals ('six pack') being discussed at the European Parliament (EP) and the Council of Ministers of Finance. On 19th April 2011, the EP's Economic and Monetary Affairs Committee (ECON) agreed on the following important measures with a narrow majority after the Social Democrats and the Greens refused to back many key reforms:

- The SGP will be strengthened through more focus on limiting public debt to 60% of gross domestic product (GDP). When exceeding that limit, governments have to start reducing the deficit by 5% a year on average over three years. However, member states would be allowed to continue to make investments that would be beneficial to growth and jobs so as to avoid causing or deepening a recession.

- The European Commission should have a more important role than the Council in scrutinising and deciding actions in response to excessive deficits of member states, so that member states have less possibility to take no action on budget deficits.
- Semi-automatic sanctions should be introduced for countries that fail to keep their public debt and deficit under control. Such sanctions (of between 0.2-0.5% of GDP) could only be rejected by a majority vote of member states against them (at the moment sanctions require a majority in favour).
- Curbing macro-economic imbalances should be achieved by scrutinising them with the aid of national indicators of imbalances (as yet undefined), recommending actions to reduce them, and sanctions for countries that fail to comply.
- Countries that are reporting false statistics, regarding their debt, etc., should face a fine of 0.5% of GDP.
- Sanctions (at 0.1% GDP) for failing to take action on macro-economic imbalances should already be imposed at the first failure to respect recommendations; continued refusal to take action should lead to a fine of 0.3% of GDP.
- When the Council votes on imposing sanctions, this should be done publicly, except in crisis situations.

These proposed measures will only become law if the plenary of the European Parliament as well as the member states agree. However, member states are opposed to the reduction of their manoeuvring space for dealing with budget deficits, economic and social policies. June 2011 is the deadline for an agreement on this economic governance package.

Many criticisms

There are many critics who doubt whether the real problems underlying the Euro crisis and the budget problems are being tackled. The trade and macro economic imbalances inside the EU mean that some countries, such as Germany and the Netherlands, have surpluses. These surpluses resulted in banks of those countries, and other countries, like France, to lend to governments and the private sector in deficit countries like Greece, Ireland, Portugal and Spain without correctly assessing the probability of default. Once default on those debts was looming, governments stepped in to take on the debt to their banks, which subsequently led to high governmental budget deficits. However, many European banks – and not in the least German banks – had bought bonds from deficit countries. By agreeing on the ESM and measures that prevent insolvency, already weak European banks are saved from defaults on repayment of loans and bonds. By trying to prevent speculation against the Euro – through measures to discipline governmental spending, wages and pensions expenses – Germany and other countries can ensure their companies can continue to reap the competitive benefits of the Euro and continue to easily export. Critics indicate that it is doubtful whether the German surplus and its main causes, the low labour unit costs for example, would appear on the agenda. The European policy makers are criticised for being obsessed with national competitiveness and for making prosperity synonymous with trade surpluses by capturing a share of the global market, rather than addressing the real issues such as productivity growth or social spending. Other criticisms warn that the agreed measures will get countries into a deflationist situation or a recession, which earlier or later will then also affect the surplus countries and the entire Union.

A main root cause of the Euro zone problems is the excessive speculation of institutional investors against the Euro and deficit countries, in interplay with the irresponsible ratings of credit rating agencies. These issues are hardly being tackled and EU measures to discipline financial market are advancing with much less speed (see, for instance, another article in this newsletter about the [slow regulation of derivatives markets](#)). Critics warn that governments should not only discipline themselves to give a clear signal to the financial markets that speculating against the Euro and Euro zone countries would not be beneficial, but also that financial markets themselves need to be prevented from carrying out socially and economically harmful speculative activities.

Since many measures taken so far, including the financial support for Greece, Ireland and Portugal, do not seem to have really calmed the financial markets, and speculation that Spain might potentially default continues, there are fears that the crisis remains unsolved. This could result in political destabilisation, social unrest and a further rise in the popularity of right wing,

populist and non-democratic parties. Trade unions have announced they will protest against these measures as they undermine workers' income and rights, while doing too little to discipline markets or make banks pay for their high-risk lending.

^ photo by [aranjuez1404](#)

European Parliament votes for Financial Transaction Tax in the EU

The discussions at EU level about introducing a European Financial Transaction Tax (FTT), which the [previous newsletter](#) reported on, are far from over. There are still strong dynamics in favour of a European Financial Transaction Tax (FTT). This was reflected in the vote in plenary by the European Parliament (EP) on 8 March 2010 which voted with an overwhelming majority in favour of a FTT at European level. Such an FTT has been promoted by substantial campaigning by EU civil society organisations but is also internationally supported by many economists. Several country governments, among them France, Germany and Austria, continue to support a European FTT while the European Commission (EC) continues to propose it.



The EP [resolution of 8 March 2011 on innovative financing at a global and European level](#) was adopted in plenary with an overwhelming majority (529 votes in favour against 127 opposed). An important campaign conducted by many civil society organisations and unions advocated the adoption of the resolution that was based on the so-called [Podimata Report](#), by rapporteur Anni Podimara, a Greek Socialist MEP. From a strictly formal point of view, the EP's resolution is not binding because the EP does not have the power to decide on tax issues. Only if the governments of EU countries – represented in the Council of Ministers and the European Council of heads of state and governments – agree on such a tax, can it be implemented. Nevertheless, the vote of the Parliament has a political impact that cannot be completely ignored. Indeed, the Parliament increasingly uses its powers in those areas in which it does have competence to get concessions from the Council and the EC in those areas in which it has no formal rights.

The Commissioner for Taxation, Algirdas Semeta, known for his neo-liberal positions, immediately rejected the outcome of the EP vote. In [a declaration](#) after the EP's plenary vote, he stated: *"With regard to a financial transactions tax at EU-level only, I firmly believe that it is premature to commit to such an option. In fact, taking into account the potential impact that this could have on European competitiveness, it would be irresponsible to proceed with such a tax without first analysing and fully understanding all the implications."*

The round of EU debates and decision making regarding the introduction of an European FTT is related to the upcoming report from the European Commission on taxing the financial sector, in which proposals related to an FTT and the FAT (Financial Activities Tax) should be included. The FAT, which had been put on the agenda by the IMF in its report to the G20 in 2010 at the G20 Toronto summit (June 2010), was meant to offer an alternative to the FTT. The difference between a FAT and FTT is that a FAT taxes the salaries of the management and the employees working in the financial industry, while the FTT is taxing financial transactions, generates substantially more revenues and can work against speculation. The EC report was initially scheduled for early summer 2011 and is now announced for autumn. Obviously there is a lot of internal conflict over the issue within the EC. As usual before publishing its (legislative) proposals, the EC launched [a consultation process](#) via the EC website. This internet

consultation which included a long questionnaire to be filled in, was open to citizens and the lobby of the financial industry.

Civil society has been a very active advocate of the adoption of the FTT at the EU level as well as the international level. A [campaign](#) to email a petition to the EC in relation to the EC's consultation on taxing the financial sector, resulted in [nearly 400,000 emails](#) being sent to the EC. Many civil society organisations and unions, and also some political parties, have been [\[actively advocating the adoption at the EP of the so-called Podimata Report\]](#).

In April 2011, a [thousand economists from 53 countries](#) have written to G20 Finance Ministers and Bill Gates, who has been asked by the G20 to examine innovative options to raise money for development and climate change, to introduce financial transactions taxes to tackle global poverty, climate change and help people hit by the economic crisis. Civil society is preparing a new international day of action, in order to mobilise further pressure for the FTT.

Reforming the banks: still a long way to go



This summer the European Commission (EC) will present its proposals for new minimum capital reserves and liquidity requirements for banks. These minimum requirements should implement new international standards for capital reserves agreed in 2010, the so-called Basel III-guidelines. However, there is increasing criticism and a call for much higher capital ratios is being heard in academic circles and amongst policymakers. The Swiss government and a UK independent advisory committee recently made proposals to legislate higher capital requirements. But it is not only the level of capital that matters. Other reforms are still needed, such as improved supervision and testing of banks, sustainability risk assessments of loans and other assets, frameworks to deal with banks that are posing a risk to the financial system or which

combine retail banking with investment banking, and agreements on how to deal banks that are failing. There is still a long way to go.

The better capitalised banks are, i.e. the more capital they have in relation to their [\(risk-weighted\) assets](#), the safer they are in times of crisis, meaning they will have less chance of reaching the point of bankruptcy or needing bail-outs. At the end of 2010, after agreement at [the G20 in November 2010](#), the members of the Basel Committee on Banking Supervision (BCBS) [adopted](#) the so called 'Basel III' standards ([see also the October 2010 Newsletter](#)). These new global minimum standards for [capital requirements](#) and liquidity requirements for banks not only increase the amount of capital but also the quality of this capital. They raise the minimum high quality capital buffers from 2% to 7% (and an additional 2.5% anti-cyclical buffer) of their total [risk-weighted assets](#). The main drawback is that they have left the methodology of risk-weighting of assets largely untouched: It is still possible for the larger banks to use their own risk assessment models.

The BCBS points to the need of a strict implementation of Basel III in all countries, warning for ["a competitive race to the bottom"](#).

Because Basel III standards are not legally binding, the EC is currently working on the implementation of Basel III through another revision of the Capital Requirement Directive ("CRD"). Proposals for this so called CRD 4 are expected in June or July 2011. In 2010 the EC already held [public consultations regarding further possible changes to the Capital Requirement Directive](#) and the European Parliament already published already its own opinion in parallel with consultations by the BCBS for Basel III.

While at first sight this tripling of capital reserve requirements may seem to be a big step forward, in the light of recent experience this is not actually the case. During the recent financial crisis the Swiss giant UBS lost 13% of its capital, at Merrill Lynch this was [almost 20%](#). Also, as [Admati and others put it](#) "in assessing these numbers, one has to bear in mind that risk-weighted assets usually are a fraction of total assets, for some banks as low as one tenth – and that, in the crisis, some assets that had zero risk weights induced losses exceeding the bank's equity." It is for this reason that in recent months, many have argued that the minimum rules set by Basel should be expanded on. Especially for systemically important banks, the ones that count on being bailed out because they are too big to fail, the Basel 7% should be heightened to at least double that or even the 20% levels at which Swiss regulators [announced they will set the capital standards for their largest banks, UBS and CreditSuisse](#). A draft legislation to this end has just been sent to the Swiss parliament, requiring UBS and Credit Suisse [to hold at least 19% in total capital, of which 10% would be from emission of shares \('common equity'\)](#). By contrast, the Basel III reforms call for just 10.5% in total capital reserves and 7% in common equity. In Hungary, in contrast, a 0.5 percent levy on assets was imposed on banks who claimed that this would undermine their capital base and competitiveness.

In the UK, the Independent Commission on Banking released its [Interim Report on 11 April 2011](#). The so-called Vickers commission has clearly decided not to pursue more radical policies towards capital or structure of banks but to choose a combination of more moderate measures. It proposes slightly higher capital ratios than Basel III: "the 10% equity baseline should become the international standard for systemically important banks, and that it should apply to large UK retail banking operations in any event." Importantly, instead of a total separation of investment and retail banking, it proposed "forms of retail ring-fencing under which retail banking operations would be carried out by a separate subsidiary within a wider group." Responses to the report are now being collected and the final report will be published in September 2011. Any conclusions drawn in the report are simply recommendations; the UK government is under no obligation to implement them. Before the publication of the draft report, a consultation took place in which stakeholders and civil society could participate and the New Economics Foundation made [a submission](#).

The BCBS will also work further with the Financial Stability Board (FSB) on the question of higher capital demands for systemically important banks (SIBs). Proposals on the table are [higher buffers raised from common equity and other, softer, forms of capital](#). The BCBS expects to consult on proposals to address the risks of globally systemic banks around the middle of the year. After this process, the EU will start legislating on this issue. The Dutch Central Bank proposed at the end of April that the Dutch systemically important banks would need to raise additional buffers before that process is finalised.

A growing number of academic and independent policy research studies show that raising much higher capital requirements can be done without negative effects on the real economy. See for instance the Financial Times' letter of late 2010 of a group of prominent financial economists around Stanford professor Admati (Admati et al. (November 9, 2010) "Much More Bank Equity Is Needed and Is Not Socially Costly", [Letter Financial Times](#)) and the report of Miles of the Bank of England (David Miles, Jing Yang and Gilberto Marcheggiano, (January 2011) "Optimal bank capital", External MPC Unit for the Bank of England, Discussion Paper No. 31).

Shadow banking

Bankers warn that the shadow banking sector will grow strongly to avoid regulation of banks themselves. The [shadow banking sector](#) consists of non-depository banks and other financial entities (e.g., investment banks, hedge funds, money market funds and insurers) which grew in size dramatically after the year 2000 and played an increasingly critical role in lending businesses the money necessary to operate. However, not a great number of concrete actions are planned at the moment: "the FSB, the Basel Committee and the Joint Forum of Banking, Securities, and Insurance Supervisors will ["monitor developments closely and promote appropriate responses as circumstances dictate."](#) The FSB published [a note on potential methods to regulate shadow banking](#) in April 2011. The FSB welcomes comments from the public on this note by 16 May 2011.

Sustainable banking proposals

Because the reforms as proposed in Basel III do little to make finance more sustainably responsible, on 28 February 2011, Friends of the Earth and BankTrack organised a seminar at the European Parliament, with the support of Green MEP Philippe Lambert, explaining how assessing environmental and social risks, can be integrated in future bank legislation (CRD 4). These ideas were published in [two papers](#) making the case for integrating social and environmental risk assessments in banking regulation and implementation of Basel III. So far, only the EP [report on the revision of CRD 4](#) (by rapporteur MEP Karas) called for "assessments of long term social and environmental risks arising from companies and projects receiving bank loans". Friends of the Earth started [an action, which all citizens can join](#), to put these issues higher on the political agenda. In its latest [publication, "Banking on ethics"](#), CRBM analysed some experiences of ethical finance in the context of financial crisis and regulation in order to introduce some alternatives to the banking reform debates.

Failing banks

To deal with banks when they are failing, the EC has held a [consultation](#) about how to handle a bank when it is in crisis or collapsing. By 3 March 2011, SOMO and other NGOs submitted their criticisms of the proposal which for instance assumed that all banks should be able to fail provided a deposit guarantee of Euro 100,000, did not define "essential financial services" which were to be safeguarded at all times, lacked any strong preventative measures, and did not propose to totally separate retail banking from investment banking splitting banks nor ring-fencing retail banking.

New stress test of banks

In the meantime, the safety of the European banks will be tested by a new bank 'stress test', to be coordinated and published by the new European Banking Authority (EBA). The stress test will cover [90 European banks](#). It is a repeat of the stress test done in 2010 but will, however, have a slightly different scenario and use place slightly stricter criteria as a [8-page overview by EBA explains](#). Indeed the 2010 stress test was criticised for not being rigorous enough, especially when two Irish banks which passed the test almost went bankrupt just three months later. The [2011 scenario](#) includes a drop in GDP, lower housing prices and high unemployment, as well as some more decreasing prices of government bonds from Portugal, Ireland, Greece and Spain. The timeline for this stress test is as follows:

- 29 April 2011 is the deadline for all banks to hand in their results;
- By the end of May 2011, EBA analysts should have analysed them;
- In June 2011 the complete results will be published.

^ photo by [Cesar Pics](#)

Poor progress at the April meeting of the G20 Ministers of Finance

The G20 meeting of the Finance Ministers and Central Bank Governors took place in Washington DC on 14-15 April 2011 as an aside to the spring meetings of the World Bank and the International Monetary Fund (IMF). Apart from some minor decisions being reached on controlling global imbalances, no progress was made on important regulatory issues. Large G20 countries such as China and Brazil were unwilling to be pressured by the priorities of large developed countries like the US. The G20 pointed to many ongoing efforts by international organisations to provide further information and guidance. Therefore, important decisions on systematically important financial institutions (SIFIs), a better international monetary and currency reserve system, and tax havens have yet to be reached.

A main issue on the agenda of the [April G20 Finance Ministers meeting](#) was their continued discussions on how to deal with persistently large global imbalances which relate to deficit and surplus imbalances in trade, balance of payments, currency reserves, budget deficits and capital flows. After reaching a difficult agreement about a limited set of indicators at the

February G20 meeting of Finance Ministers, the April meeting agreed on a "set of indicative guidelines" to apply these indicators. These would be used to assess countries with large and important economies (with more than 5% of G20 output). Countries who would be found to have large imbalances would have to undergo further scrutinising by the IMF.



The difficulties in reaching any agreement resulted from the insistence of the US, the EU and others, that China should re-value its currency, while China does not want other countries to have any say on this. Also, the large developing countries accuse developed countries from causing hot money outflows, and preventing them from developing further. For instance, developed countries oppose capital control measures even though some G20 countries are currently using those same measures to stop hot money from flowing into their countries and making their currencies more expensive. This harms export prospects of developing countries while making imports from developed countries cheaper. There was no explicit agreement on allowing capital controls even after the IMF had reversed its views and considered capital controls useful in certain circumstances and under certain conditions – conditions which Brazil has rejected. However, the G20 also agreed on "assessing developments in global liquidity", i.e. large capital flows, by a country specific analysis regarding drivers of reserve accumulation, a strengthened coordination to avoid disruptive capital movements and persistent exchange rates misalignments.

In addition, the G20 agreed to work on strengthening the international monetary system in different areas, including through a reform of the Special Drawing Rights (SDR) mechanism. Indeed, French President Sarkozy had already harshly criticised the current global currency system in January, and in a statement shortly before the April G20 meeting the BRICS countries (Brazil, Russia, India and China, South Africa) called for "a broad-based international reserve currency system providing stability and certainty" which is not too dependent on the dollar.

Other issues which were discussed at the G20 meeting:

- Dealing with financial commodity markets and (agricultural) commodity price volatility (as explained in [another article in this Newsletter](#)), including through better regulation and supervision, and considering how to limit speculation.
- Reviewing work about systematically important financial institutions (SIFIs) by the Financial Stability Board (FSB) who is requested to provide recommendations for better supervision, higher capital reserves, and measures that would allow SIFIs to fail without too much affecting governmental budgets and financial stability.
- Regarding tax havens, the G20 "agreed to maintain momentum for action to tackle non-cooperative jurisdictions and to fully implement the G20 anti-corruption action plan."
- The G20 communiqué stressed the importance of the development working group, established last year at the November 2010 Seoul summit. A multi-year action plan for the working group has now been established. The various issues, taken from the Seoul Agenda, are infrastructure, human resources, trade, private investment and job creation, food security, resilient growth, financial inclusion, domestic resource mobilisation and knowledge sharing. All issues now have a detailed timeline and designated organisations for preparing a report, mainly due in June or September 2011.

In order to make progress on issues on its agenda in between meetings and summits, the G20 has formed several working groups, chaired by different G20 countries.

Also, the G20 relies heavily on different international institutions to give advice, prepare

studies and recommendations, or to implement its decisions. Not only the IMF has been strengthened but also the [Financial Stability Board \(FSB\)](#). The G20 asked the FSB to make proposals to strengthen the FSB's capacity, resources and governance. Mid April, directly before the G20 meeting of Finance Ministers meeting, the FSB released reports on:

- [National implementation progress of G20 Recommendations for Strengthening Financial Stability,](#)
- [Implementation progress of OTC derivatives market reforms,](#)
- [Exchange Traded Funds,](#)
- [Shadow banking.](#)

Civil society mobilisation

Many civil society organisations were campaigning around the different issues dealt with by the G20. For instance, a group of NGOs issued a call to "[End Tax Haven Secrecy](#)" because no stringent measures to prevent tax havens from operating had been taken yet. Actions were also taken by the groups who are campaigning worldwide for a financial transaction tax (FTT) (see [elsewhere in this Newsletter](#)).

For more opinions and information on campaigns on the G20, G24 and World Bank / IMF meetings, see also information provided by the [coalition of French NGOs who are mobilising around all G20 and G8 meetings in 2011](#), [Heinrich Böll Foundation](#) and the [Bretton Woods Project](#).

^ photo by [London Summit](#)

New EU initiatives to tackle tax illegal capital flows and tax evasion



Apart from financial stability, financial reforms to improve transparency about financial flows and end tax havens are necessary to stop tax-related illicit financial flows from developing countries to the North. This would support financing the achievement of the Millennium Development Goals (see the [Monterrey consensus](#)). The Commission and Parliament published important Communications and Resolutions regarding tax and development in 2010 and in 2011. The European Parliament adopted two progressive Resolutions in March 2011 while the ambitions in the European Commission's (EC) Communication and Staff Working Paper of April 2011 were less ambitious. To stop tax-related illicit

financial flowing from developing countries to the North, the EP Resolutions call for the improvement of the international tax system (such as reforming the transfer pricing mechanism or strengthening the UN Tax Committee), innovative financing for development and financial regulation (such as a financial transaction tax) and country-by-country reporting to become mandatory for all multinational corporations registered in the EU.

Last year, the Commission made progress in following up on the [Monterrey consensus](#) by publishing a [series of documents](#) on 21 April 2010 covering the Millennium Development Goals, financing for development, aid effectiveness, aid for trade, tax governance and policy coherence for development (the so-called April package). The Commission Communication on Tax and Development (Cooperating with Developing Countries on Promoting Good Governance in Tax Matters) from April 2010 was welcomed by civil society organisations for its strong call for financial transparency with the aim of assisting developing countries in building "efficient, fair and sustainable tax systems and administrations." (see [Financial Reforms Newsletter Issue](#)

[2](#) for more background). Its recommendations were backed up by the [Foreign Affairs Council Conclusions](#) from June 2010.

The European Parliament (EP) also published several resolutions in 2010 and 2011. On 8 March 2011, the Parliament adopted in plenary two strong non-legislative Resolutions: one on [Tax and Development](#), and one on [Innovative financing at global and European level](#)). The Tax and Development Resolution puts forward very specific and strong proposals towards governments, OECD, UN institutions and the International Accounting Standards Board (IASB) in support of tax justice (see [Eurodad website](#) for an in-depth analysis). The EP's resolution reiterates many civil society demands. Concrete proposals include an obligatory reporting system of the ultimate beneficial owners of trusts (often used for tax avoidance) and corporate entities. As a way as of curbing illicit financial flows in secrecy jurisdictions, it calls for the extension of the European Savings Tax Directive to serve as a potential model for an internationally binding, multilateral and automatic information exchange system on tax matters. This should be done in close collaboration with the UN Committee of Experts on International Cooperation in Tax Matters, supporting long-standing civil society demands to strengthen the UN Tax Committee (civil society supports its upgrade to an intergovernmental body). The resolution calls for a set of indicators and methods for tackling trade mispricing, the so-called 'transfer pricing', which it identifies as "one of the most prominent drivers of illicit financial outflows" from developing countries. The EP further calls on the EU to implement sanctions against tax evasion and illicit capital flight.

In addition, the EP resolution addresses the shortcomings of the international architecture and calls on national governments to combat tax havens beyond the OECD framework. The Resolution "expresses its concern about the unfortunate effect of tax treaties on the distribution of tax revenues" because the right to tax is based on the domicile principle rather than the source country, which helps to make tax havens a more favourable location. It deems that "tax treaties should be reviewed for fairness, which implies the possibility of granting the primary right to tax in the source country where real activities are pursued". This is an interesting point as it strengthens civil society demands to follow the UN Model Tax Convention rather than the OECD model and is in line with increased attention paid by parliaments to the content and negotiation practices of double taxation treaties. For example, the Dutch Parliament will soon scrutinise the government's policy on Double Taxation Treaties with a particular focus on the negative impact they have on developing countries for allowing international business to create conduit structures that undermine poor countries' tax base by shifting profits through the Netherlands.

Country-by-country-reporting

Finally, the EP proposes country-by-country financial reporting to become obligatory in forthcoming revisions of EU accounting laws.

On 10 March 2011, the Council came out in support of country-by-country reporting at the EU Competitiveness Council, in its [Conclusions on tackling the challenges on raw materials and in commodity](#): calling upon "the Commission to come forward with initiatives on the disclosure of financial information by companies working in the extractive industry, including the possible adoption of a country-by-country reporting requirement, International Financial Reporting Standards (IFRS) for the extractive industry, and the monitoring of third-country legislation."

The Commission had already issued a [consultation on country-by-country reporting](#) at the end of 2011. It is currently assessing the feasibility of asking EU listed companies to disclose financial and tax payment data on a country-by-country basis. The EC considers such "a reporting standard would be a powerful tool for parliaments and civil society to hold multinational enterprises and governments to account for the revenues paid and received respectively [...]". Concrete proposals to be submitted to the Member States and Parliament, have been delayed and are expected for September 2011. The big question now is whether civil society manages to push for the country-by-country standard not to be restricted to the extractives sector companies only, but apply to all companies in all sectors. [Eurodad](#), [Publish What You Pay](#), [CIDSE](#) and the [Tax Justice Network](#), all made detailed submissions to the 2010 consultation. They are now following the process closely and are signalling the possibility for the document and the scope of the legislation to remain limited in terms of what information will be disclosed and what sectors will be covered. Eurodad and tax justice groups are pushing

for transparency for all sectors beyond the extractive and beyond payments to host governments. Eurodad argues that “if they are serious about clamping down on tax evasion by companies operating in developing countries, the EC must ensure that the legislative proposals on this matter are broad in their coverage and detailed in the financial information required.” In addition, NGOs are invited civil society organisations from the countries with extractive industry to have a say in any new EU legislation.

Calendar of events

For background to the official agenda of European institutions, see the following websites:

- The [European Commission \(EC\)](#)
- The [Economic and Financial Affairs Council \(ECOFIN\)](#)
- The [Economics and Monetary Affairs Committee \(ECON\) of the European Parliament](#)

The links below give the website with updates and overviews of documents and dates related to the EU decision making process

May

- **?, Madrid (IOSCO):** publication of a report on physical commodities markets to give an insight into the effect of speculation on prices.
- **2, Brussels (ECON):** meeting
- **2, Brussels (EC and ECB):** [conference on “Strengthening the Foundations of Integrated and Stable Financial Markets”](#) (register for free at <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=fis&lang=en>)
- **9-10, Strasbourg (EP Plenary):** planned discussion and vote on short selling directive (<http://www.europarl.europa.eu/oeil/FindByProcnum.do?lang=2&procnum=COD/2010/0251>) and EP own initiative report by MEP Klinz Wolf on new legislation on credit rating agencies (<https://webmail.somo.nl/exchweb/bin/redir.asp?URL=http://www.europarl.europa.eu/oeil/FindByProcnum.do?lang=2%26procnum=INI/2010/2302>)
- **11-12, Paris (G20):** G20 agriculture Sherpas meeting to prepare the 22-23 June meeting of G20 Ministers of agriculture, and potentially meeting with civil society
- **17, Brussels (ECOFIN):** scheduled discussion for a political agreement by EU Finance Ministers on regulation of OTC derivatives, including speculative agricultural derivatives, and related market instruments ([OTC / EMIR regulation](#)) and [[short selling & CDS regulation](#), tax saving directive and tax fraud
- **18, Brussels (EU):** [Brussels Economic Forum](#)
- **18-19, Argentina (G20):** the Argentinian Minister of Economy and Public Finances organises a workshop related to commodities
- **20-22, Berlin (NGOs):** [Congress on De-Growth by Attac and others](#)
- **21, ? (G20):** agricultural sherpa’s meet?
- **22, Le Havre, France (NGOs):** G8 Alternative Forum
- **24, Brussels (ECON):** meeting
- **26-27, Deauville, France (G8):** summit meeting
- **23-24, Paris (NGOs):** preparation of G20 NGO activities
- **May/beginning June, Brussels (EC):** planned release of proposals to review the Directive on Market in Financial Instruments ([MiFID](#)) to potentially include both i) position limits and ii) specific issues related to food commodity derivatives speculation

June

- **?, London/Brussels:** publication of EBA stress test of 90 European banks
- **?, (G20):** publication of report with recommendations to G20 by FAO, IFAD, IMF, OECD, UNCTAD, WFP, the World Bank and WTO on price volatility of agricultural commodities
- **14-15, Brussels (ECON):** meeting
- **20, Luxembourg (ECOFIN):** Finance ministers meet probably on financial sector taxation

- **20-21, Brussels (ECON):** meeting
- **22-23, Paris (G20):** postponed meeting of G20 Ministers of agriculture
- **22-24, Geneva (UNCTAD):** public forum with NGOs "Making Trade and Finance Work for People and the Planet" (register [here](#))
- **24, Brussels (European Council):** heads of state and governments meet
- **27, Brussels (ECON):** meeting
- **27, Berlin:** German Parliamentary Hearing on Food Price Volatility

July

- **early summer, Brussels (EC):** planned release of proposals to review the Market Abuse Directive (MAD)
- **before end of the summer, Brussels (EC):** release of proposals to review the Capital Requirement Directives, to implement Basel III
- **5, Strasbourg (EP):** plenary vote scheduled on [OTC/EMIR regulation](#)
- **6-9, Strasbourg (EP):** plenary meeting
- **18-19, ? (G20):** preparatory meeting by G20 sherpa's to prepare summit
- **?, South Africa (G20):** G20 sherpa's of development ministers meet

September

- **?, Madrid (IOSCO):** recommendations on regulation and supervision of agricultural commodity derivatives
- **9-10, Marseille (G7):** Ministers of Finance meeting planned to focus on currency issues
- **21, Brussels (EC):** planned packaged of EU financial reform proposals
- **23-26, Washington:** Possible meeting of G20 finance and development ministers on financial reforms related to development issues
- **25, 26, 27, France (G20):** Meeting of Ministers of Labour on "Work and Employment"
- **End September, ? (G20):** meeting by Sherpa's to prepare G20 summit

October

- **14-15 or 16, Paris (G20):** meeting of the G20 Ministers of Finance and Central Bankers expected to put the finishing touches on the economic reform agenda before G20 Summit

November

- **?, Brussels (EC):** publication of an impact assessment on [potential new financial sector taxes](#)
- **1-3, Cannes, France (NGOs):** scheduled alternative people's summit
- **2, Nice, France (G20):** social G20 conference
- **2-4, Cannes, France (G20):** heads of state summit
- **5 November (G20):** Mexico takes over G20 presidency

2012, June

- **4-6, ?? Rio:** Rio +20 process
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This newsletter is produced by [SOMO](#) and [WEED](#) and is intended for wide circulation to interested parties. We appreciate receiving feedback as well as announcements of research reports, campaign actions, and meetings, which can be sent to m.vander.stichele@somo.nl.



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