

**Digital Tax, yes –**  
**Financial Transaction Tax, no**

Refrain to include financial services in the scope of the „Unified Approach“

## Financial Services should be out of the Scope

Deutsches Aktieninstitut represents the interests of publicly traded companies, banks, stock exchanges and investors. Our members represent 85 percent of the market capitalization of stock corporations listed in Germany.

In general, we welcome the Secretariat Proposal for a „Unified Approach“ under Pillar One and its aim to focus on highly digitalised business which is easily carried out from a remote location and which is characterised by a misalignment of the place where the profits of large digital businesses are taxed and the place where value is created.

We also welcome already proposed exemptions from the scope, namely extractive industries and commodities, which we see as fully justified. Furthermore, in order to avoid unintended consequences of the approach, we deem the carve-out of financial services also as highly important.

A digital tax on financial services would mean nothing else than the introduction of a financial transactions tax „through the back door“. It would have negative effects for services most needed for efficient capital markets world-wide: Trading venues (including spot FX), liquidity providers, data service providers, benchmark administrators, clearing houses and settlement infrastructures as well as those responsible for multilateral systemic risk reduction such as portfolio compression providers would all face considerable burdens – to the detriment of capital markets.

Against this background, we would like to recall that the global introduction of a financial transaction tax was discussed in the aftermath of the financial crises on G20 meetings without reaching any consent among the participating countries. Therefore, we do not see any reason why it should be introduced via a digital tax proposal that evidently targets entirely different businesses/business models. To avoid unintended negative effects, we thus strongly argue to carve-out financial services from the scope of the proposed Unified Approach.

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