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French and German business organisations warn about the negative impact of the Financial Transaction Tax on financing and risk management of non-financial companies

French and German business organisations AFEP, BDI, Deutsches Aktieninstitut, MEDEF and Paris EUROPLACE, as well as representatives of major French and German non-financial companies, met on 24 June 2014 for a high-level dialogue on the impact of European regulations on corporate financing and risk management.

Ahead of the 8 July ECOFIN meeting, French and German business organisations stressed their general view, that competitive financing and hedging conditions, as well as a robust European financial industry, are preconditions of entrepreneurial activities and thus growth in Europe.

German and French participants of the dialogue discussed the direct and indirect impacts of the EU Derivative Regulation (“EMIR”), the proposed Financial Transaction Tax (FTT) and the proposed Banking Structural Reform on companies of the real economy. Business organisations and participants, in particular, expressed their deep concerns about the harmful effects of the FTT.

While Europe needs to attract capital and investments and strengthen its competitiveness, the tax would put companies established in the area of taxation at a competitive disadvantage vis-à-vis other companies from outside the participating EU Member States. Also, private investors would be seriously harmed.

French and German business organisations therefore call upon the participating Member States to refrain from the introduction of a European Financial Transaction Tax. It has also been agreed to continue the dialogue in order to share analysis of and positions on the impact of financial market regulation.

Contacts

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<p>BDI</p> <p>Contact person: Dr. Reinhard Kudiß Function: Senior Manager Phone: 0049 30 2028-1422 E-mail: r.kudiss@bdi.eu</p>	<p>The Federation of German industries is the umbrella organisation of German industry and industry-related service providers. It speaks on behalf of 37 sector associations and represents over 100,000 large, medium-sized and small enterprises with more than eight million employees.</p>
<p>MEDEF</p> <p>Contact person: Function: Phone: E-mail: adelaunay@medef.fr</p>	<p>Mouvement des entreprises de France (MEDEF), the French Business Confederation, is the leading network of entrepreneurs in France. It represents 780.000 companies of all sizes and sectors of business, including industry, commerce and services. About 15 million persons are employed by MEDEF members.</p>
<p>Deutsches Aktieninstitut (DAI)</p> <p>Contact : Dr. Gerrit Fey Fonction : Head of Capital Market Affairs Téléphone : 0049 69 92915-41 E-mail: fey@dai.de www.dai.de</p>	<p>Deutsches Aktieninstitut is an established political player that actively contributes to the shaping of German and European financial markets. It represents the entire German economy interested in the capital markets. Our over 200 members include listed stock corporations, banks, stock exchanges, investors and other important market players. Deutsches Aktieninstitut was founded in 1953 and is based in Frankfurt and Brussels.</p>
<p>Paris EUROPLACE</p> <p>Contact person: Arnaud de BRESSON Function: Managing Director Phone: 01 49 27 11 14 E-mail: bresson@paris-europlace.com</p>	<p>Paris EUROPLACE is the organization in charge of developing the Paris financial marketplace. It brings together all French and international market participants: corporates, investors, intermediaries, as well as the market authorities.</p>