

Alpha Trader Forum

Financial Transaction Tax

Copenhagen

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Advokat David Munch
Rådhuspladsen 16 - DK-1550 København V.

Feedback on FTT - Denmark

- Memo of 11 January 2013 to Parliament's Europe Committee concerning ECOFIN 22 January 2013 including Government opinion on the FTT proposal:
- It is important to the Government that an enhanced cooperation does not compromise the rights of non-participating countries or the internal market and will reduce possible derived adverse influence on financial markets in non-participating countries (extract)
- Council Decision 2013/52/EU of 22 January 2013 authorized eleven Eurozone countries (not including Luxembourg, Ireland and Finland) to establish enhanced cooperation in the area of FTT

Feedback on FTT - Denmark

- 14 February 2013: Revised FTT proposal of the Commission, new "issuance principle", see Article 4.1.g) and 4.2.c) of the proposed Directive
- 4 March 2013: Hearing process by the Danish Tax Ministry, comments to be received no later than 18 March
- 12 March 2013: Feedback from the Danish Ministry for Economic Affairs and the Interior – by phone

FTT – tax issues

- The FTT is neither an income tax nor a capital gains tax as it is calculated on the basis of the occurrence and value/notional amount of the relevant financial transaction, see Articles 5-7 of the proposed Directive
- Denmark had a share transfer tax during the period of 1987 – 1999
- A tax treaty will only be relevant to take into account, if the FTT is covered by the tax treaty in question
- As regards the relevant country, the FTT could be treated as a deductible expense, or as addition to acquisition sum and deduction from sales sum according to the realisation principle or a mark-to-market principle