



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Riksdag for its reasoned opinion on the Proposal for a Council Directive on a common system of financial transaction tax (FTT) and amending Directive 2008/7/EC {COM(2011)594}.

The Commission would like to underline that the proposed Directive is in essence intended to ensure that the Single Market functions properly and to avoid distortions of competition resulting from the existing and future financial transaction taxes in the Member States of the EU. An EU initiative on the harmonisation of the essential features of a FTT is necessary to avoid non or double taxation, relocation of transactions and market participants and substitution of financial instruments within the EU. Such an initiative has become particularly relevant in the context of the economic and financial crisis bearing in mind that various Member States already apply a form of national tax on certain financial transactions and that this area could be the object of additional unilateral measures on the part of the Member States.

Article 113 of the Treaty on the Functioning of the EU therefore is the appropriate legal basis of the Commission proposal. That proposal does not go beyond what is needed to ensure the good functioning of the Single Market. The Commission has taken great care to ensure that this proposal respects fully the principles of subsidiarity and proportionality. The reasoning is set out in detail in the explanatory memorandum and recitals to the proposed Directive.

It is also to be stressed that the FTT Proposal as such does not address the issue of revenue attribution to the EU budget. The Commission tabled separate proposals in this respect. For the sake of completeness and coherence in the Explanatory Memorandum of the FTT proposal the Commission refers to its proposals on the system of own resources of the EU. The FTT proposal must first be adopted at Council level before any decision can be taken on the use of FTT revenue as an own resource.

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The Commission hopes that these explanations serve to clarify the points raised in the reasoned Opinion of the Riksdag. We look forward to continuing our political dialogue with the Riksdag in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*