

THEROBINHOODTAX

Dear One and All

As we head into August (just before some of us take summer breaks) I am writing to reflect on a roller-coaster last few weeks and to look forward to the exciting next phase of the campaign that will kick off in September.

The sheer breadth of what has been taking place recently is breath-taking. From US President Obama passing his 'financial regulation' bill^[1] to the EU presidency, Belgium, calling a special meeting of Finance Ministers^[2] on 7 September to forge unity on bank levies, the momentum for concrete action on the finance sector is tangible.

In the UK

This tangible progress is happening here, as well. In the emergency budget on 22 June George Osborne announced a bank levy that will raise £2.5 billion a year and a potential [further](#) tax on excessive bank profits and staff salaries. The Robin Hood Tax campaign believes this is nowhere near enough money and that this revenue has to be spent to protect jobs and pay for development and climate change. It is though a step in the right direction and something that can be built upon!

Meanwhile, UK banks have returned to significant profits and bonuses and are still failing to lend to small businesses, much to the anger of key commentators such as the Daily [Mail](#). David and Ed Miliband, favourites for being the next Labour leader, have both publicly supported the Robin Hood Tax.

In Europe

On 17 June, in a significant move, the European Council agreed that EU Member States should set a global approach to introducing systems of levies and taxes on financial institutions. See: **EU agrees to introduce bank taxes** - <http://www.eubusiness.com/news-eu/summit-finance-tax.584>

Germany and France then took the initiative with their finance ministers, Wolfgang Schauble and Christine Lagarde, sending a letter to their Belgian counterpart, on 7 July, requesting that he insert in the agenda of the next meeting of the EU Council of Finance Ministers the issue of a global financial transaction tax. This has led to the special meeting to be held on 7 September.

In addition, in early July, the EU Parliament backed tough new rules on bonuses, see: <http://www.ft.com/cms/s/0/6f7788da-89aa-11df-9ea6-00144feab49a.html>

In the US

The US government is still aiming to press ahead with a levy on banks of \$9 billion dollars a

[1] **Obama signs broad reform of financial regulation into law** - <http://www.msnbc.msn.com/id/38340258/>

[2] **Belgium calls September meeting in bid to forge unity on bank levies** – <http://www.europeanvoice.com/article/imported/eu-finance-ministers-set-for-tussle-on-bank-taxes/68619.aspx>

year, which would make it more likely the UK would increase its tax. However, this is likely to be very hard to get through congress before elections weaken the position of the Obama administration, making campaigning in the US very important.

On July 20, Congressman Pete Stark, a senior member of the House Ways and Means Committee, introduced the 'Investing in Our Future Act of 2010' bill – this would put a 0.005% tax on all foreign exchange transactions by large-scale traders in the US raising tens of billions of dollars, which the bill directs to international climate adaptation and mitigation (40%), global health (40%), and childcare (20%). The bill text can be downloaded here:

<http://www.stark.house.gov/images/stories/111/legislation/HR5783IIOF/investinginourfuturebilltext.pdf> . Other information on the bill can be found here:

http://www.stark.house.gov/index.php?option=com_content&view=article&id=1081&Itemid=103

The Leading Group

The theme of taxing the foreign exchange market was further echoed with the 12 country taskforce of the Leading Group of countries working on new sources of finance for development and climate change, recommending a Currency Transaction Tax as the way forward. See the report here:

http://www.leadinggroup.org/IMG/pdf_Financement_innovants_web_def.pdf and the Guardian article about it: <http://www.guardian.co.uk/business/2010/jul/18/tobin-tax-financial-transactions> .

Next phase of the campaign

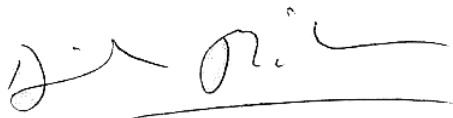
As we go into the summer we should reflect on the remarkable progress of the Robin Hood Tax campaign to establish itself in its first few months of life. With a facebook group of more than 200,000, with more than a million people having seen the original Bill Nighy film, with 40,000 emails going to prospective parliamentary candidates before the election making us one of the most far-reaching campaigns in the country, we should be proud of the foundation we have built. Yet the foundation is as nothing if we cannot build success on top of it.

Coming up we have important work to push the UK Government to go much further than it has already, with key decisions being made in October. Meetings with the government have already indicated they have some appetite to tax the financial sector more. Our job is to capitalise on that! I firmly believe concerted action by the Robin Hood Tax campaign can make the UK government significantly expand the amount of tax on banks and ensure that this money helps the poor and fights climate change.

On the international stage, important occasions coming up include the UN MDGs Summit in New York in September and the next G20 Summit in Seoul in November. In Europe, the Belgian Presidency can set the stage for France's 'MakePovertyHistory' year when they will host both the G8 and the G20 in 2011. Along with Germany, France are clearly pushing for a greater and more substantial contribution from the world of finance. Our task is to help orchestrate forces to turn this exceptional opportunity into a successful campaign outcome.

In conclusion, we really do have everything to play for. Let's recharge our batteries so we can redouble our efforts from September onwards. Happy holidays!

Best wishes



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