



## ETUC questionnaire on the Financial Transaction Tax (FTT)

Name of your organisation:

Trade Union of Employees in Higher Education (abbreviation: FDSZ, Hungary)

### 1. What is your government's position on the FTT?

The Hungarian Parliament adopted the "FTT Law" on 9 July 2012. (Law 2012: CXVI).

The FTT will become payable in connection with:

- (a) the specified types of payment obligations whereby at the value date of the relevant transfer order the payment service provider with a head office or branch in Hungary is obliged to pay the tax calculated as a percentage of the amount debited on the payer's payment account or of the money transfer. The applicable tax rate is 0.1%, subject to a cap of HUF 6 000 per payment; and
- (b) the issuance of Magyar Nemzeti Bank (<http://english.mnb.hu/>) bills with a maturity of up to two weeks, or the placement of overnight deposits with the MNB, whereby at the issuance or the value date, the MNB is obliged to pay the tax calculated as a percentage of the face value of the security discounted with the daily central bank base interest or of the amount of the overnight deposit. The applicable tax rate is 0.01% for the overnight deposits and 0.1% for the MNB bills, without a cap.

The law will come into force on 1 January 2013. (See the law in Hungarian:

<http://www.jogiforum.hu/torvenytar/tv/2012/CXVI>)

The estimate of revenue issuing from the FTT is 239 billion HUF and according to the plan of the government this amount will cover its "workplace-saving" action plan.

On 3 July 2012, the European Central Bank (ECB) received a request from the Hungarian Ministry for the National Economy for an opinion on a new draft law introducing a financial transaction tax (hereinafter the 'FTT Law'). On 5 July 2012 the ECB received a request from the Ministry for an opinion on a new amending proposal to the FTT Law. On 9 July 2012 the Parliament adopted the FTT Law with the changes introduced by the new amending proposal. But the Hungarian government breached the consultation obligation : According to Article 4 of Decision 98/415/EC, the ECB must be consulted 'at an appropriate stage' in the legislative process. This implies that the consultation should take place at a point in the legislative process which affords the ECB sufficient time to examine the draft legislative provisions and adopt its opinion, and also enables the relevant national authorities to take the ECB's opinion into consideration before the provisions are adopted.

In this respect, the ECB once again stresses its position that even cases of particular urgency do not relieve national authorities from their duty to consult the ECB and to allow sufficient time to take into account its views in accordance with Decision 98/415/EC. The Hungarian Government should have postponed the final vote on the draft law until such time that would have allowed for a proper consultation with the ECB, as well as due consideration of the ECB Opinion. The Opinion of the ECB can be read here : [http://www.ecb.int/ecb/legal/pdf/en\\_con\\_2012\\_59\\_f\\_sign.pdf](http://www.ecb.int/ecb/legal/pdf/en_con_2012_59_f_sign.pdf)

It is true, that according to the 1.§ (1) above mentioned FTT law, the obligations belong to the defined institutions, but in real they are going to charge the citizens with the expenses.

On national level: there was no any cooperation with the Trade Union of Employees in Higher Education.

2. Will your government participate in the enhanced cooperation procedure?

Yes

No

Has yet to decide

Has yet to decide, but according to the news coming from Brussels yesterday (9 October 2012), probably yes.

3. Please inform us of any measures that your organisation has taken or is planning to take in order to influence your government to join the enhanced cooperation process on the FTT.

No measures yet, because it does not belong to the responsibility of our Trade Union.