

February 1, 2010

Dominique Strauss-Kahn  
Managing Director  
International Monetary Fund  
700 19th Street, N.W.,  
Washington, D.C. 20431

Re: IMF Request for external stakeholders' views on the potential usefulness and impact of various approaches to financial sector taxation

Dear Mr. Strauss-Kahn:

We, the undersigned civil society organizations are writing to you in response to the IMF's request for views on the potential usefulness and impact of various approaches to financial sector taxation.<sup>1</sup>

We believe that financial transactions taxes (FTTs) are an urgently needed tool for ensuring that the financial sector pays for the costs of government bailouts of their industry. FTTs can also help raise crucial additional funding for a range of priorities such as reducing budget deficits, contributing to economic stimulus, and paying for global public goods such as health care, education, and mitigating the impact of climate change. FTTs could also help rein in speculation in the financial industry that led to the economic crisis.

Evidence from economic research as well as real-world implementation indicate that, contrary to commonly received wisdom, FTTs are technically feasible to implement and that they do not result in significant tax evasion or massive shrinkages of the market. We are aware of other proposals, such as the creation of a system of mandatory insurance by banks or the collection of an annual fee from banks that have benefitted the most from government bailout programs. Relative to the harm caused by the financial sector, these proposals unfortunately would not meet the G20's threshold for generating a "fair or substantial contribution" toward paying for the burdens caused.

The IMF's report to the G20 on this matter should include a substantial and accurate description of FTTs as a feasible and necessary tool, drawing on independent evidence from economists and academics who have examined the feasibility of such taxes, modeling a range of different rates and analyzing the technical feasibility and impact on different markets of unilateral implementation of such taxes.

Finally, we urge the IMF to publish a draft version of its report so that full consideration of key viewpoints can be ensured—before finalization of the report.

We look forward to working with you on this important matter; please contact Asia Russell of Health GAP at [asia@healthgap.org](mailto:asia@healthgap.org) with any questions regarding this submission.

Sincerely,

ActionAid International  
AFL-CIO  
Africa Action  
African Services Committee  
Agua Buena Human Rights Association  
AIDES, France

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<sup>1</sup> <http://www.imf.org/external/np/exr/consult/2009/index.htm>

AIDS and Rights Alliance of Southern Africa  
AITEC, France  
Alliance Sud, the Swiss Alliance of Development Organisations, Switzerland  
Americans for Financial Reform, USA  
Attac Austria  
Attac France  
Avocats pour Sante dans Le Monde, France  
Bretton Woods Project, UK  
Campagna per la Riforma della Banca Mondiale (CRBM), Italy  
Canadian HIV/AIDS Legal Network  
Canadian Treatment Acton Council  
Center for Media and Democracy  
Center of Concern  
CIVICUS: World Alliance for Citizen Participation  
Confédération des Syndicats Chrétiens, Belgium  
Eurodad  
Family Care International  
Friends of the Earth Europe  
Friends of the Earth, USA  
Gender Action  
German Foundation for World Population/Deutsche Stiftung Weltbevoelkerung  
Germanwatch  
Gethsemane Scholarship Institute of Fond Des Blancs Haiti  
Global AIDS Alliance  
Global Health Advocates, India  
Global-Local Links Project  
Greenpeace International  
Halifax Initiative Coalition  
Harvard Global Health and AIDS Coalition  
Health Alliance International  
Health GAP (Global Access Project)  
IBON International  
Institute for Policy Studies, Global Economy Project  
Interagency Coalition on AIDS and Development, Canada  
International AIDS Society  
International HIV/AIDS Alliance  
International Trade Union Confederation (ITUC)  
International Treatment Preparedness Coalition (ITPC)  
International Womens Health Coaltion  
Jesuit Forum for Social Faith and Justice  
Just Foreign Policy  
Justice, Peace and Integrity of Creation, Missionary Oblates  
Kenya AIDS NGO Consortium (KANCO)  
Loretto Community  
Make Poverty History  
Marianists International  
Maryknoll Office for Global Concerns  
MEDACT, UK  
Medical Mission Sisters, Sector North America  
Missionary Oblates of Mary Immaculate  
Mozambican Treatment Access Movement (MATRAM)

National Empowerment Network of People Living with HIV in Kenya (NEPHAK)

Network of Zimbabwean Positive Women (NZPW+)

New Rules for Global Finance, USA

Osservatorio Italiano sull'Azione Globale contro l'AIDS, Italy

Oxfam International

Passionists International

Physicians for Human Rights

PLUS, Coalition SIDA Internationale

Public Citizen

RESULTS, Canada

RESULTS, UK

RESULTS, USA

Sisters of Charity Federation

SOLIDAR

Solthis

Tearfund, UK

The Norwegian Forum for Environment and Development

Trades Union Congress, UK

Treatment Action Campaign, South Africa

Treatment Action Group, USA

United Church of Canada

Vermont Global Health Coalition

Victoria AIDS Resource & Community Service Society

Wemos, The Netherlands

Working Group on Finance and Taxes, Attac-Germany

World Development Movement

WWF International