

PRESS RELEASE

ASIFMA Launches New Paper on Financial Transaction Taxes

Industry Group recommends that any need to raise revenue would be better serviced by alternative mechanisms that would create less disruption to the financial markets

17 June 2022 (Hong Kong) - Financial Transaction Taxes (FTTs) exist in many countries and in many forms. In a [paper](#) launched today, ASIFMA focuses on the Financial Transaction Tax debate and highlights the plethora of studies which have been conducted in various parts of the world.

This paper does not purport to cover all research studies conducted on all FTTs; however, the prevailing literature almost universally reaches very similar conclusions that the introduction of FTTs:

- Generates significantly less revenue than forecast
- Reduces asset prices and pension fund values
- Reduces trading volume, liquidity and certainty in financial markets
- Increases volatility through higher uncertainty, wider bid-ask spreads, and lower volume
- Lowers the attractiveness of the market for foreign firms
- Increases costs to companies through higher funding costs
- Increases costs to the end investor

Through this paper, ASIFMA recommends that any need to raise revenue would be better serviced by alternative mechanisms which would bring less disruption to the financial markets.

The full paper can be downloaded [here](#).

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About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 165 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the

financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative, and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: www.asifma.org.