

Congress of the United States
Washington, DC 20515

June 7, 2013

Dear Secretary Lew,

We are writing to express our deep concern with the global reach of the European Commission's ("EC") proposed council directive to implement a financial transaction tax ("FTT") beginning in January 2014 (the "EC proposal"), and with the recently enacted FTTs in France and Italy. We very much appreciate your recent statements to Congress opposing the EC proposal and we thank you for registering your concerns with your European counterparts. Given their unprecedented global reach, we fear that the burden of the French and Italian tax laws and the EC proposal will unfairly be borne by U.S. individuals and will negatively impact jobs and growth here in the United States. Despite objections from financial and non-financial trade associations and government officials in the United States, Canada, Australia, Japan, Korea, and the United Kingdom regarding the global reach and negative impact of the EC proposal, we remain concerned that there is momentum among the 11 European Union countries (the "FTT zone") to move ahead with this tax.

As is the case with the Italian and French FTTs, the EU proposal as currently drafted would not stop at the borders of participating EU member states; rather, it would apply to a wide variety of financial transactions occurring outside the FTT zone countries, including here in the United States. The result would be an unprecedented, unfair and disruptive extraterritorial excise tax on the global financial markets and the American investing public.

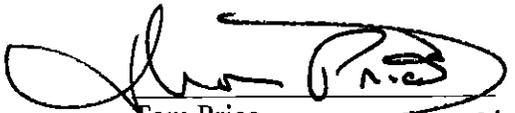
As currently designed, any U.S. financial institution could be subject to the tax if it enters into a single financial transaction with a company that is directly or indirectly connected to the FTT zone. Because of the proposal's joint and several liability and the impracticality of challenging European assessments, individual American investors with no connection to the FTT zone could begin to face liability for European FTT as early as next year. As you know, individual American investors are already facing potential liability for French and Italian FTT on certain American Depositary Receipt and derivatives transactions. The disruptive effect on the global financial markets of this extraterritorial tax cannot be overstated.

Although the FTTs in Italy and France are now in place, there is still time to address these extraterritoriality concerns as they apply to the EU proposal. We urge you to seek greater clarification from the European Commission and the 11 participating member states on how they intend to apply the FTT in practice, and how international disputes concerning liability for this tax will be resolved. The global network of income tax treaties in force does not provide a framework for the cross-border application of the FTT. As a result, we anticipate significant confusion regarding its application and administration, including the possibility of duplicative imposition of the tax, uncertainty regarding appeals, and difficulty in seeking refunds of taxes inappropriately assessed.

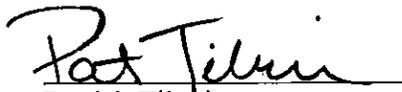
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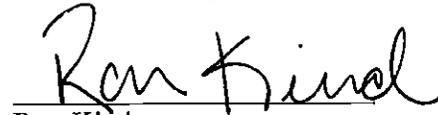
We very much appreciate your efforts and the efforts of others in the U.S. government to remove the extraterritorial aspects of the existing FTTs, and to seek to ensure that the FTT proposal being considered by the EU does not include these provisions. We urge you to continue to raise with your European counterparts the concern that American taxpayers with little or no connection to Europe will be compelled to pay these unprecedented taxes to European governments with little ability to register grievances or seek due process for incorrect or unjustified assessments.

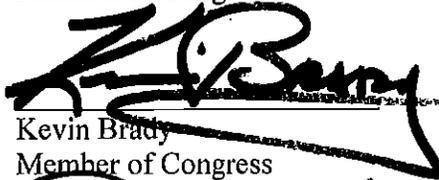
Yours truly,


Tom Price
Member of Congress


Richard Neal
Member of Congress

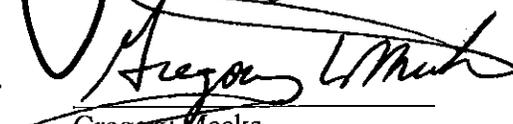

Patrick Tiberi
Member of Congress

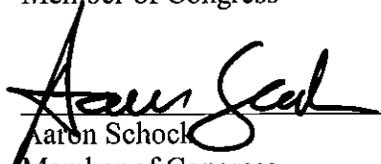

Ron Kind
Member of Congress


Kevin Brady
Member of Congress

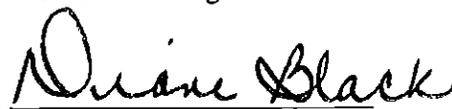

John Larson
Member of Congress

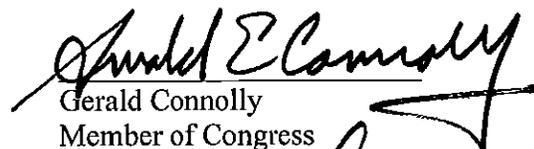

Devin Nunes
Member of Congress

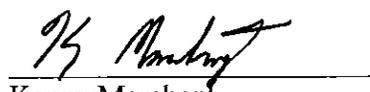

Gregory Meeks
Member of Congress

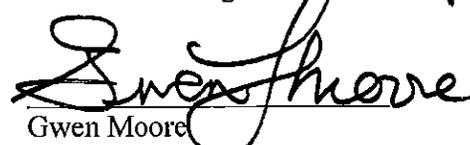

Aaron Schock
Member of Congress


Bill Foster
Member of Congress


Diane Black
Member of Congress


Gerald Connolly
Member of Congress

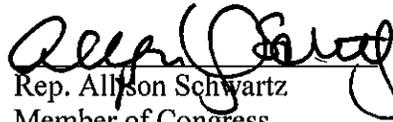

Kenny Marchant
Member of Congress


Gwen Moore
Member of Congress

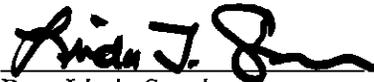
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Rep. Erik Paulsen
Member of Congress



Rep. Allison Schwartz
Member of Congress



Rep. Linda Sanchez
Member of Congress