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## **BANK TAXES BASED ON TRANSACTIONS, PROFITS OR BALANCE SHEET ITEMS IN THE EUROPEAN UNION**

*Governments have recognized the serious impact of the crisis on the banking sector and the trust hazard ensuing from the special role banks play in the economy. A number of systemically important banks have been bailed out from public funds. With the relative stabilization of the financial system, measures aimed at recovering the public funds used for bailout and the creation of bank resolution funds with a view to managing potential future crises without using taxpayer money have come to the forefront. A politically popular method for this has been the imposition of bank taxes. The EU decision-makers have advocated for an EU-wide financial transaction tax. This has been under discussion at several levels in the EU. Without waiting for the results of this discussion, and without any impact studies, 17 member states have imposed bank taxes based on financial transactions, profits and/or balance sheet items. The study primarily examines the expected impacts of bank taxes, warning decision-makers to exercise restraint in light of the potential economic consequences.*

*Keywords: FTT, FAT, FSC, Tobin tax, bank tax, JEL codes: H25, G10, G21, G38.*

### **Background**

In the wake of the 2008 financial crisis, governments have been faced with two challenges. The first challenge has been to stabilise the financial sector, by regulation, as a natural tool. With this belated, and intensively communicated, (over)regulation, governments, supervisory authorities and central banks have sought to demonstrate their determination and commitment to resolving the crisis. The second challenge has been related to the stabilisation costs of systemically important banks. Expecting the crisis to be short-lived, EU governments have used significant public funds to mitigate the impacts. Governments have been under considerable pressure to not only collect the spent public funds from the banks (which were declared the number one culprits for the crisis), but also to punish them. According to more cautious and forward looking opinions, the extra revenues from these measures could be used for setting up resolution funds (ECB, August 4, 2010), which could be used for bailing out banks in potential future crises and reducing the vulnerability of less developed countries already in the present time.

Participants in the September 2009 G-20 summit requested the IMF to launch a broad discussion on how the financial sector could be involved in bearing the burdens undertaken by governments to reform the banking system. In its preliminary report, issued in April and finalised in June 2010 (IMF Final Report for the G20, June 2010), the IMF proposed two types of taxes:

1. A Financial Stability Contribution (FSC), as a future support source for the banking sector. The FSC would be initially levied at a flat rate (varying by type of financial institution) and refined later to reflect individual institutions' riskiness. However, the IMF has failed to define the base for the contribution, which is a key issue for the institutions affected.
2. A Financial Activities Tax (FAT), levied on the profits of financial institutions and on certain remunerations (such as payroll costs). The FAT could also be used as a general revenue source.

In October 2010, the European Commission put forward a proposal for three types of taxes: an FAT (as proposed by the IMF), a Financial Transaction Tax (FTT, also known as Tobin tax, politically pop-

ular due to its simplicity), and a tax to be levied on banks' balance sheets. In 2011, the European Commission only proposed to the Council the imposition of an FTT, while leaving the option open to initiate the imposition of the other proposed tax types at a later date.

In September 2011, the European Commission published the final proposal for an EU Directive on an EU-wide financial transaction tax (European Commission COM (2011) 594, September 28, 2011). Pursuant to this, the new tax would apply to all member states, with uniform tax rates: 0.1% for securities and 0.01% for derivatives agreements. If passed, the Directive, should be transposed into national law by the end of 2013 and applied from January 1, 2014.

Although the European Council and the ECOFIN addressed the issue at several of their meetings (European Commission, 2011-2012.), it has fallen off the priority list due to the debt crisis and the development of the fiscal pact.

The way of implementation of the FTT as set out in the proposed Directive has been received with a mixed response by member states. The application of the proposed tax to a wide range of financial investment products is primarily supported by Germany and France, which are the main axis of the EU. However, even they propose implementation in stages, where the FTT would initially be applied to securities and bonds traded in the secondary market and perhaps to EU licensed collective investments, and then extended to other, primarily derivatives products at a later stage. Some member states, particularly the UK, are challenging the proposed FTT and proposing alternative forms (such as an FAT) to tax the banking sector. It has also been mooted that during the current Commission revision of the VAT framework, the abolition of the VAT exemption of financial services might also be considered. The potential imposition under a common framework of the various types of bank taxes and levies imposed in member states will also be examined.

#### **History of the financial transaction tax**

At the end of World War II (1944), at the Bretton Woods Monetary and Financial Conference, the United Nations decided to remove trade barriers and promote the free flow of capital. To achieve this, the U.S. dollar was adopted as a key currency, to work as a substitute for gold. The general principles for this stabilisation policy were as follows: „1 A fixed exchange rate regime; exchange rate adjustment in the event of a high current account deficit; 2 Financial liberalisation to promote the development of international trade; 3 A multilateral supervision of

the currency system, 4 Development of a lending mechanism to complement (shore up) official reserves.” (Gál, 2010)

Apart from its benefits, the instability factors of this system should also be mentioned. These lied in the contradictions of the currency system, pegged to the U.S. dollar and, indirectly, to gold. A serious weakness of the system was its vulnerability to the potential flaws of U.S. economic policy. To keep the cross exchange rates unchanged, the countries belonging to the system had to keep their inflation rates at the level of that in the U.S. To overcome arising difficulties, various temporary measures were taken, such as the introduction of an interest compensation tax on investments in foreign securities. However, despite all efforts, the U.S. current account deficit remained, and all calculations showed that the U.S. dollar was overvalued. (Hall-Taylor, 2003). „Global money supply required the U.S. current account to be permanently in deficit, because that ensured the required dollar outflow, while preserving the dollar's convertibility into gold required the U.S. current deficit to stay within a reasonable limit. This contradiction was solved with the dissolution of the Bretton Woods monetary system.” (Gál, 2010), as the United States was not able to commit itself to selling gold at a rate of USD 35 per ounce to maintain the purchasing power of the dollar (Hall-Taylor, 2003). „With the dissolution of the fixed exchange rate system pegged to gold, the dollar and the rest of the other currencies switched to a floating exchange rate system in 1973. From then on, the dollar exchange rate was more or less regulated by the free market.” (Gál, 2010). Thus, the decisive role played by the monetary sector was taken over by the capital markets. (Vigvári, 2008)

After a stable Bretton Woods system, the floating exchange rate system and the ever-growing importance of the capital markets carried the risk of capital market turbulences of a magnitude for the management of which there was no past experience. The idea of a Tobin Tax was mooted in 1972 to reduce money and capital market volatility (Jankovich, 2006) and short-term speculative transactions. The Tobin Tax, proposed by the renowned Nobel prize winner economist, to be imposed on currency conversion (speculative) money movements at an internationally uniform rate subject to the transaction volume would have been a possible tool for maintaining international money and capital market stability.

During the economic debates, rather than its money market stabilising effect, the capital market regulating function of the tax came to the forefront.

There were several attempts to introduce the Tobin Tax in some countries: in Sweden, a Tobin Tax was imposed on shares in 1984 and on debt securities in 1989. As a result, the volume of transactions fell dramatically, therefore, the tax was abolished in 1991. In the United Kingdom, a Tobin Tax on the sale of UK issued securities was imposed in 1974. This tax is in place to date. Since the tax base is narrow, its revenue effect is negligible. According to literature on the Tobin Tax, it cannot be effective if applied at the individual state or community of states level: it should be implemented on a global basis. (With today's money and capital market mobility, national or regional taxes can be easily avoided by market players).

### **The European banking community's critiques of the proposed Financial Transaction Tax**

In the European Commission's opinion, a Financial Transaction Tax should be introduced because:

- a) it would strengthen the stability of financial markets by reducing risky speculative (non-productive) financial transactions;
- b) it would allow the recovery of public funds spent on crisis management;
- c) it would serve as a basis for a mechanism to fund similar costs in the future.

The proposed Directive on FTT sets out the following as objectives of the FTT (European Commission COM (2011) 594, September 28, 2011:

- ensuring adequate public revenues;
- ensuring a proportionate and fair contribution of the financial sector to public finances (especially in view of the fact that with the VAT exemption of financial services, the sector's burden is lower than that of other sectors);
- limiting undesirable market behaviour, and thereby, stabilising markets;
- ensuring a level playing field in the internal market through coordinated implementation at the EU level.

Concurrently, deposit guarantee schemes' funds should be replenished, to a level to be determined at a later stage (expectedly 1%).

Although the ECOFIN is also divided over the objectives set out by the Commission, it agrees that the financial sector should contribute more to public finances. It also agrees that the various and diverse taxes levied on banks in the various member states should be replaced with a common FTT. However, there are significant differences in members' opinions on the rest of the issues, including whether the revenues from the common FTT should go into the EU budget. The ECOFIN is also divided regarding the potential impacts of the FTT on the banking

sector and on economic growth and the effectiveness of the FTT as a regulatory tool.

The European Federation, as the voice of the European banking sector, has also protested against the proposed Tobin Tax, for the following main reasons:

- The Commissions argument that financial service providers do not have a proportionate share of the public burden because their tax burden is lower than that of businesses in other sectors due to the VAT exemption of financial services is unfounded. An analysis undertaken by PwC on the issue (PwC, October 2011), including a review of the factors not taken into account in the European Commission's impact study has revealed that in the period between 2000 and 2007, the amount of non-refundable VAT paid by the EU banking sector was greater than the VAT the sector would have paid in a non-VAT-exempt tax environment.

The IMF's report (IMF Final Report for the G20, June 2010) has revealed that the contributions of the banking sector in terms of other tax types are outstanding in the developed countries of the EU. For example, the corporation tax collected from the financial sector makes up 20-25% of all corporation tax revenues. With the decline in profits of the banking sector, the European Commission estimates this ratio to fall to 18% in 2012. (European Commission, May 2012).

Since bank taxes have been levied in a number of member states, banks can be considered overtaxed rather than undertaxed.

- Due to the globalisation of money and capital markets, the desired market effects can only be achieved if the Tobin Tax is introduced on a global basis, or the transactions would shift to countries where there is no Tobin Tax.

Currently, global regulators are focused on the U.S. and EU financial and capital market reforms, while a quarter of all international financial and investment transactions are managed in the emerging markets. These countries could be the beneficiaries if the FTT were not to be globally implemented: in a global financial market, funds and transactions would flee to these less costly markets. (EBF, Economic Perspective on the Introduction of the Financial Transaction Tax, March 2011)

The European Commission's impact study is rather sketchy about the expected shifting effects of an FTT: it considers all trading activities as a whole, without assessing the impacts at the product or services level. However, even this study

acknowledges that a structural rupture may occur in the money and capital markets, with certain products and services (particularly, non-standard OTC derivatives transactions) abandoning the EU markets, at a rate of up to 70% to 90%.

The FTT may lead to the migration of low-margin, high-volume products away from the EU. The two most damaging consequences of this would be the impacts on market liquidity and on hedging transactions. There is a close correlation between liquidity and low-margin transactions and there is a concern that the migration away of these transactions would take away the liquidity from the EU financial markets. (Csillik - Tarján, Cross-Region Analysis through a Myopic Leader-Follower Model, 2012/2.) Conventional hedging transactions belong to this category. As an effect of the FTT, expensive, complex and high-risk transactions would remain in the EU markets, while the less costly products, affordable by small and medium-sized businesses and small investors, would migrate away. This may pose a problem primarily for medium-sized exporting companies. (EBF, Interim Report on the Financial Sector Tax, October 2011).

Also, according to preliminary calculations, the FTT liabilities of large banks would be as high as their current profits before tax. This would also lead to a migration away. (EBF, Report on the Proposed FTT Directive, January 2012)

This structural rupture would impact employment in the sector, which would adversely affect economic growth. (EBF, Interim Report on the Financial Sector Tax, October 2011)

Although the plan is to apply both the “taxation at the place of the transaction” and the “taxation at the place of issue” principles, this is not expected to result in any substantive increase in revenues, if the transactions migrate away from the EU.

- The distribution of the burden is uneven, because the transactions are concentrated on certain money and capital markets.

87% of the transactions are managed in the France, Germany and the UK (including 71% alone in the UK). Without derivatives, the concentration is significantly lower, the top three countries are the UK (34%), Spain (23%) and Germany (13%) (EBF, Interim Report on the Financial Sector Tax, 2011. október)

- Due to the pass-on effect, it is unclear, who will ultimately bear the burden.
- The tax is economically inefficient, as it does not distinguish between strong and weak institutions

in terms of resilience during the crisis. Consequently, it distributes the past burdens of the crisis and the costs of potential future crises over the entire market. However, this “solidarity-based” fundraising may strengthen the free-rider attitude of certain market players.

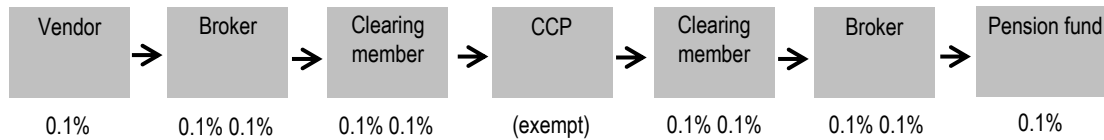
- The timing of the proposed tax is wrong: today (after the decline during the crisis) any new tax imposed on the banking sector would reduce lending, thus hampering economic recovery.

At a time when the financial sector is overwhelmed by an explosion of regulations, brought forth by the crisis (additional capital requirements, deposit guarantee scheme replenishment requirements, the costs entailed by administrative restrictions, bank taxes and other measures), the introduction of a new tax, burdening shareholders and/or customers, would hamper economic recovery. (Csillik - Tarján, 2009)

- The tax would not help in achieving the set goals. Namely: the recovery of the public funds spent on crisis management is questionable, due to the complexity of collecting the tax. The stabilisation effect of the tax is also questionable, due to the effects discussed earlier. The best regulatory tools for ensuring market stability are prudential regulation and the strengthening of supervision.
- Several critiques have been raised regarding the methodology and outcome of the Commission’s impact study:

According to the European Commission’s estimate, the FTT would reduce the EU GDP by an amount ranging between 0.53 and 1.76% in the long-term. The annual impact of this is perhaps negligible. In its subsequent analysis, the Commission reduced this estimate to 0.28%. The sector is critical of these calculations, as it is unclear how the shifting, market restructuring and other adverse effects have been taken into account. (EBF, Interim Report on the Financial Sector Tax, October 2011)

It is also unclear under what assumptions the European Commission raised its initial revenue estimate of EUR 37 billion (which in itself is equal to 0.3% of the current EU GDP) to EUR 57 billion. (Even the previous estimate carried significant uncertainties, since the methodology used was based on the simplified model of a closed economy. Furthermore, it failed to take into account the tax base erosion effect of the decrease in GDP and analyse the impacts broken down by member states, products and markets (regulated and OTC). The estimate also failed to take into account the “cascade effect”. (Out of the financial institutions involved in the transaction, only central counterparties would be exempt from the tax) (Figure 1).



**Figure 1 – A typical purchase of investment instruments by a pension fund**

Source: Clifford Chance: Financial Transaction Tax: Update, October 2011

**Bank taxes in EU member states**

Members of the EU Council have been unable to agree on a common bank tax to date. Without waiting for the EU decision, 17 member states have imposed various types and sizes of bank tax during the past one or two years. (See Table 1). The diversity

and the varying rates of these taxes, their rapid introduction and the lack of consultation with the national banking associations show desultory decision-making rather than a well-thought-out decision-making process, supported by impact studies.

**Table 1 – Bank Taxes in EU Member States**

Austria	A bracketed tax, levied on banks' 2010 total assets less equity, insured deposits and certain other liabilities. The tax rates are: 0% up to EUR 1 bn, 0.055% for the part of the base above EUR 1 bn and below 20 bn and 0.085% for the part above EUR 20 bn); in effect since January 1, 2011. The tax is a general budget revenue.
Belgium	A flat rate tax (0.035%), levied on banks' total assets less equity and insured deposits; in effect since January 1, 2012. The tax goes into the general budget.
	A flat rate tax (0.08%), levied on the stock of tax-subsidised deposits and an additional tax (0.03%-0.12%); in effect since 1997 and 2012, respectively. The tax goes into the general budget.
Cyprus	A flat rate tax (0.03%), levied on total liabilities less Tier 1 capital. Adopted by the Parliament in December 2011. The tax goes into a financial stability fund.
Dánia	A flat rate tax (10.5%), levied on payroll costs (excluding payroll costs of operations subject to VAT); in effect since 2011. The tax goes into the general budget.
UK	A flat rate tax (0.088%), levied on total liabilities less Tier 1 capital, insured deposits and other secured and liquid liabilities; in effect since 2011. The tax goes into the general budget.
	A stamp duty (0.5%) levied on shares purchased on the OTC market; in effect since 1984. The tax goes into the general budget.
France	A tax levied on high-value bonuses (bonuses in excess of EUR 27,500). The tax rate is 50% and the tax is deductible from the corporation tax. The tax has been in effect since 2011. It goes into a special fund aimed at supporting innovation in banking.
	A flat rate tax (0.25%) levied on the minimum regulatory capital required; in effect since 2011. The tax goes into the general budget.
	An FTT levied on the purchase of shares of French companies with a market value exceeding EUR 1 billion. The tax rate is 0.2%. The tax has been in effect since August 1, 2012.
Greece	A flat rate tax (0.6%) levied on the stock of loans; in effect since 1975. The tax goes into the general budget.
Netherlands	A tax levied on total liabilities excluding Tier 1 capital and insured deposits. The tax rate is 0.044% for short-term liabilities and 0.022% for long-term liabilities. The tax rate is to be increased by 10% for bonuses exceeding 25% of the base salary. The tax has been in effect since July 1, 2011 and it goes into the general budget.
Latvia	A flat rate tax (0.036%), levied on adjusted liabilities; in effect since January 2011. The tax goes into a financial stability fund.
Hungary	Tax on interest subsidies for mortgage loans. The tax is 5% of the interest revenues from subsidised mortgage loans. The tax has been in effect since January 1, 2007 and it goes into the general budget.
	Tax on financial institutions. A bracketed tax levied on financial institutions' 2009 adjusted total assets. The tax rate is: 0.15% for the part of the tax base up to HUF 50 billion and 0.53% above HUF 50 billion; in effect since July 1, 2010. The tax goes into the general budget.
	A 0.1% financial transaction levy on conventional payment transactions; effective from January 1, 2013. The tax is goes into the general budget.

Contunion table 1

Germany	A bracketed tax, levied on total liabilities less Tier 1 capital and non-bank deposits. (Brackets: EUR 300 Mn, EUR 10 bn, EUR 100 bn, EUR 200 bn, EUR 300 bn; tax rates: 0.02%; 0.03%, 0.04%, 0.55%, 0.06%); in effect since January 1, 2011. The tax goes into a financial stability fund.
	A capped tax, levied on the nominal value of off-balance-sheet derivatives. (The tax rate is 0,0003%, not to exceed 20% of net income). The tax goes into a financial stability fund.
Italy	A tax levied on bonuses greater than the base pay. The tax rate is 10%, the tax has been in effect since July 2010. The tax goes into a financial stability fund.
	Tax on production activities. It increases banks' corporation tax by 0.75%. The tax goes into the general budget.
Portugal	A flat rate tax (0.05%) levied on total liabilities less Tier 1 capital and insured deposits. The tax goes into the general budget.
	A tax levied on the nominal value of off-balance-sheet (non-hedge) derivatives and the net value of trading derivatives. The tax rate is 0.00015%
Spain	An autonomous regional tax levied on deposits. The tax rate varies between 0.3% and 0.57%. The tax has been in effect since 2001. The tax goes into the budgets of the autonomous regions.
Sweden	A flat rate tax (0.036%), levied on total liabilities less equity and subordinated debt. The tax goes into a financial stability fund.
Slovakia	A flat rate tax (0.4%), levied on total liabilities less equity, insured deposits and subordinated debt; in effect since January 1, 2012. A part of the tax goes into the general budget, another part into a financial stability fund.
Slovenia	A tax levied on total assets less loans to non-financial companies. The tax rate is 0.1%. The tax liability may be reduced by 0.2% of the stock of loans granted to non-financial companies. The tax has been in effect since August 2011. The tax goes into a financial stability fund.

Source: EBF Executive Committee:

Report on Other Regulatory Priorities, June 22, 2012.

The table was compiled by Péter Vass (Hungarian Banking Association)

As shown by Figure 2, the bank taxes applied in the various member states are of three types. The most widely used one (applied in 15 countries) is a tax levied on balance sheet items. Financial Transaction Taxes and Financial Activity Taxes are imposed in three countries, each. Some countries apply a combination of these tax types. Two countries (Hungary and the UK) have introduced two, France applies all three types of taxes. The wide use of taxes on balance sheet items is probably due to the fact that the revenues from these taxes are the easiest to plan.

The ways in which bank taxes are used vary: in some countries, they are used to create special financial funds, in some others they are used to maintain budget equilibrium, some countries combine the two purposes. The use of bank taxes in the various member states is shown in Figure 3. The figure reveals that in those countries considered as risky, the revenues from bank taxes are entirely used for balancing the budget. The less indebted and more stable countries use the bank taxes to build financial stability funds for the future.

### Bank taxes in Hungary

Following the 2010 elections, the second Orbán government took office in a difficult economic time. However, with a strong two-thirds mandate in Par-

liament, it has launched comprehensive reforms in almost all areas, including, inter alia, waging war against overspending and debt and giving priority to addressing the situation of foreign currency debtors in distress and job creation. For these comprehensive reforms, the government has used a wide range of crisis management tools (often referred to as unorthodox), which have been followed closely by the international organisations and a number of governments. Some of the EU member states (in particular, Slovakia)<sup>1</sup> are increasingly following these measures as examples (MTI, 8:59, August 2, 2012. augusztus 2.), while the rest of the member states and the international institutions regard them as the questioning of the current European and international legal system and models of investor protection, predictability and growth. (ECB, August 4, 2010) (Deák, 2012).

Several key sectors have been hard hit by the government's measures. The biggest burden has been put on the banking sector.

<sup>1</sup>After Hungary, Slovakia has introduced a similar bank tax (several times higher than the EU average).

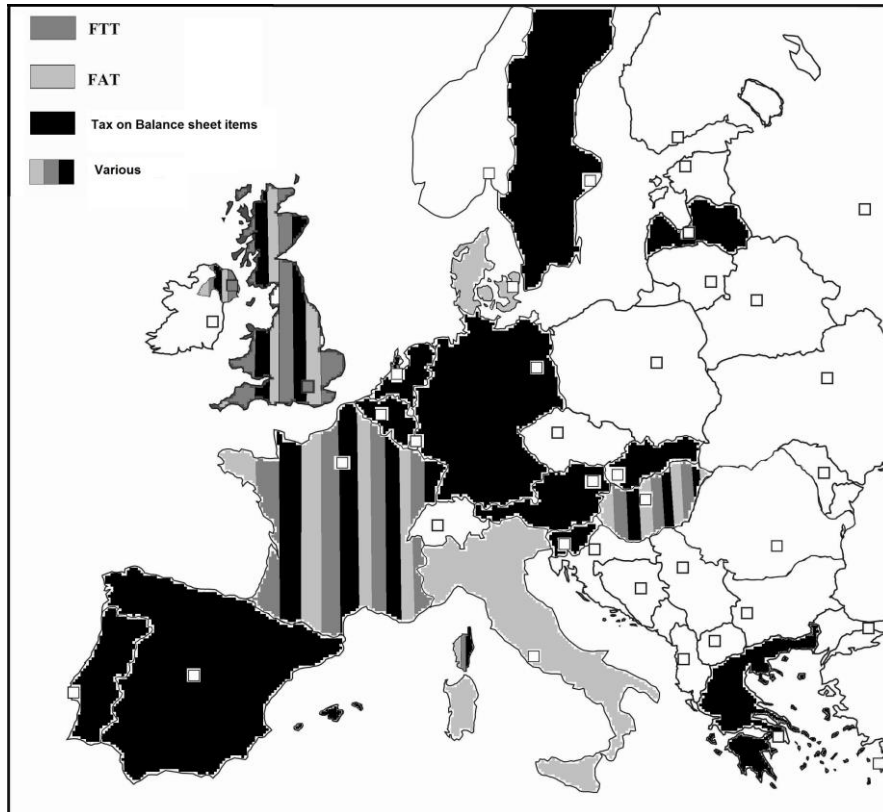


Figure 2 – Types of bank taxes in the European Union

Source: EBF Executive Committee: Report on Other Regulatory Priorities, June 22, 2012

Figure edited by: Márk Fenyő (University of Miskolc)

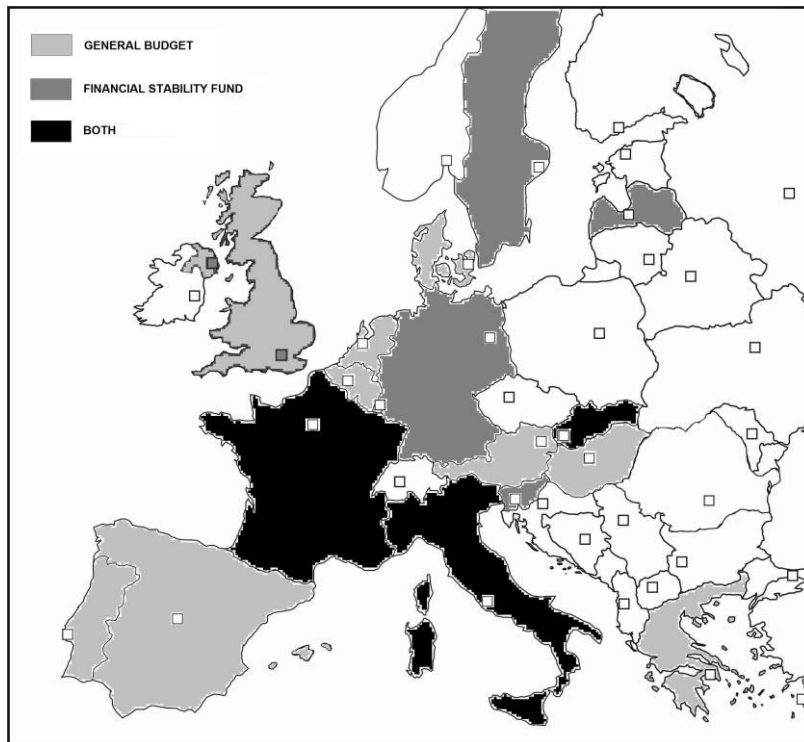


Figure 3 – Use of Bank Taxes in the European Union

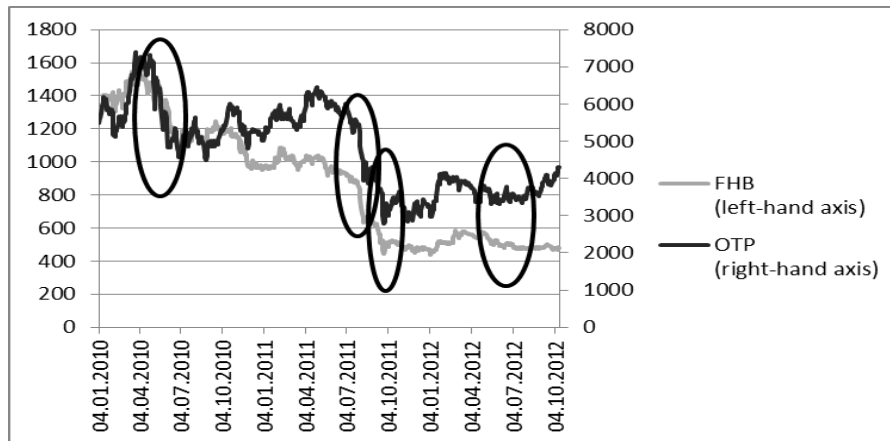
Source: EBF Executive Committee: Report on Other Regulatory Priorities, June 22, 2012

Figure edited by: Márk Fenyő (University of Miskolc)

The first type of bank tax (still in effect) was introduced in Hungary in 2008. This is levied on the interest income on subsidised forint mortgage loans. The tax rate is 5% and the revenues from this tax are around HUF 11 billion. It follows from the type of this tax that it is paid proportionately by banks involved in retail mortgage finance.

The second type of bank tax was introduced within the framework of active crisis management measures in 2010. The base of this tax is the 2009

adjusted total assets. The tax rate is 0.15% up to HUF 50 billion and 0.53% above HUF 50 billion in total assets. The revenues from this tax are around HUF 120 billion annually. This tax, paid by all banks, particularly adversely affects those banks focused on corporate lending: the usual margin on corporate loans cannot bear this extra half percent tax. In the case of start-up banks, small banks and savings cooperatives, the impact of this tax is moderate.



**Figure 4 – Changes in OTP's and FHB's share prices (in HUF) as an effect of the Overflow Account Facility, the Early Repayment Scheme and bank taxes**

Source: Budapest Stock Exchange

The profit-reducing effects of bank taxes, the Overflow Account Facility for foreign currency debtors<sup>2</sup> and the Early Repayment Scheme<sup>3</sup> were immediately included by investors in the share prices of banks on the stock exchange, as soon as they were announced. The share prices of OTP and FHB fell between 10 to 15 percent on each announcement (although the size of the fall was also influenced by the mood of international investors). In assessing investor decisions, it should also be noted that investor confidence in the legal system has been shattered by the retroactive changing of laws.

Bank taxes and overregulation have also adversely affected banks' lending activity. The growth rate of banks' exchange-rate-adjusted total assets dropped after the outbreak of the crisis. Despite its declining trend, it had still showed growth until the extra bank tax was announced in 2010. Then, it went down into the negative range. (Kovács, *A magyar bankrendszer helyzete és kihívásai*, 2011-12). This

<sup>2</sup>Due to the low interest shown by customers, it is not the direct costs, but the indirect costs related to the implementation and operation of this facility that were significant!

<sup>3</sup>In addition to the immediate loss of several hundred billions of forints, this has led to losing the best customer base and the profits from the best loan portfolios!

trend was further aggravated by the strengthening of banks' capital requirements in the EU.

Starting out from the idea of a Tobin-tax and the needs of the budget, but also mindful of potential EU objections, the Hungarian Parliament passed the Act on Financial Transaction Levy in the summer of 2012. The financial transaction levy is imposed not on speculative money and capital investments, but on ordinary bank and postal payment transactions. The tax base is wide and its rate is 0.1%, subject to a cap of HUF 6000 per payment. The expected budget revenue is HUF 130 billion. The final burden will ultimately be determined by the cost-bearing capacity and market plans of the individual banks. Accordingly, we expect that the burden will be shared between banks and customers in different proportions, depending on customer and product type. In the case of the financial transaction levy, the taxation purpose is different from that of a Tobin tax. A Tobin tax is aimed at reducing speculative transactions and volatility. The financial transaction levy is aimed at raising revenues, and obviously, not at reducing financial transactions, although at the end of the day it may have such an effect. (ECB, *Opinion on the financial transaction levy*, July 24, 2012.).

In addition to bank taxes and extra burdens, banks' profits were even more adversely affected by



the deterioration of the loan portfolio due to the crisis and the weakening of the forint and the costs entailed by overregulation. As a combined result of all these factors, ROE in the banking sector fell to 1% in 2010 (Csillik, December 2011). The combined impact of corporate and retail loan impairments, bank taxes and the Early Repayment Scheme was a severe negative ROE of 10.5% in 2011. The first half of 2012 shows a more encouraging picture, and even with some existing uncertainty factors, there is hope for this trend to reverse.

#### Closing thoughts

By global comparison, the European banking sector is operating conservatively, and as a result, safely and predictably, sticking to the conventional and standard models. At the same time, its response to new challenges is slower and takes a more judicious process than in some other sectors. Nevertheless, it is safe to say that the crisis has fundamentally changed the sector's approach to its role and its risk taking and responsibility acceptance attitude. In the relationship system between banks and the political elite, the political elite, after a long time, has regained its superiority (Patai, September 30, 2011). Accordingly, it implements its ideas freely, paying less attention to the classic economic and financial

correlations, and sometimes perhaps overly influenced by short-term political objectives. In many cases, it imposes new regulations and bank taxes without assessing and analysing the impacts and consequences.

In a modern economy, the banking sector is the engine of economic growth, and since the industrial revolution, which at that time generated enormous demand for capital, the banking sector has been the driver of the economy. Lending keeps the economy running, the creation of credit money has contributed to the well-being of mankind for more than three centuries. The banking sector is an integral part of today's economy and is closely interdependent with it. Accordingly, the banking sector is prepared to shoulder any burden that helps the economy as a whole, or sets the economy on a new growth path, while it protests against any extra burden that suppresses the economy.

This principle is reflected in the agreement made between the Hungarian government and the Hungarian Banking Association on December 15, 2011 and the subsequent documents, in which the parties have made mutual commitments with a view to burden sharing, stability, predictability and growth.

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### Анотація

Уряди країн визнали серйозний негативний вплив світової фінансової кризи на банківський сектор, а також кризу довіри до банківського сектора, що дуже небезпечно, враховуючи ту роль, яку банки відіграють в економіці. Зараз йде активне обговорення можливостей створення банківських фондів з метою їх потенційного застосування у разі подібної кризи у майбутньому без використання грошей платників податків. Політично популярним рішенням цього може стати введення банківського податку. Деякі політики Європейського Союзу виступають за загальноєвропейські податки на фінансові операції. 17 країн – членів Євросоюзу вже ввели податки на фінансові операції банків, їх прибутки та статті балансу. Це дослідження в першу чергу розглядає очікувані наслідки введення банківського податку.

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## СУЧАСНІ ТЕНДЕНЦІЇ ЦІНОУТВОРЕННЯ НА КРЕДИТНІ ПОСЛУГИ ВІТЧИЗНЯНИХ БАНКІВ

*У статті досліджено особливості сучасного ціноутворення на кредитні послуги вітчизняних банків, визначено основні складові ціни банківських кредитів та способи їх врахування.*

*Ключові слова: банківська послуга, ціноутворення на банківські послуги, кредит, ринок банківських послуг*

**Постановка проблеми.** Розвиток вітчизняного ринку банківських послуг протягом останніх років супроводжується певними негативними тенденціями: від’ємний сукупний фінансовий результат в цілому по банківській системі (2009 р. – 31,5 млрд грн.; 2010 р. – 13,0 млрд грн.; 2011 р. – 7,7 млрд грн.); значний діапазон коливань цін на банківські послуги (у 2012 р. середньозважена вартість кредитів у національній валюті без врахування овердрафтів коливалась від 12–15,8% у квітні до 18,1–28,2% у листопаді); значна дисперсія цін на одні й

ті ж банківські послуги у різних учасників ринку (у III кварталі 2012 р. відсоткові ставки українських банків на депозити для фізичних осіб строком на 3 місяці у національній валюті коливались від 15% в ОТП Банку та Ощадбанку до 23% у банку “Форум” та ВАБанку). Дані тенденції у сукупності відображають нестабільність вітчизняної банківської системи в цілому та процесів ціноутворення на банківські послуги зокрема.

**Аналіз останніх досліджень і публікацій.** Серед вітчизняних дослідників питання банківського маркетингу в цілому та ціноутворення на банківські кредитні послуги зокрема досліджували у своїх роботах О. В. Дзюблюк [3],

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