The Currency Transaction Levy

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The Leading Group

- Landau report -> AAHP
- Paris, 2006 - UNITAID/IFFIm
- Doha, UN FfD
- High Level Task Force on Innovative Financing for Health Systems
Global Financial Crisis – impact on health, poverty, hunger

- HLTF - $30 billion needed for health, above ODA commitments

- UN – 104 million will be pushed into hunger in 2009 – total: 1 billion

- Global Fund to fight HIV, TB and Malaria funding gap: $4-8$ billion
What the CTL will deliver?

- Revenue: $33 billion pa
  Prof. Rodney Schmidt – UN Report

- Intelligence Capital (London) - 0.005% rate
  President: Avinash Persaud (Stiglitz taskforce)

- Currency – foreign exchange - FX:
  
  1973: $4 trillion pa; mid-80s: $40 tr. pa
  2004: $500 tr. pa = $1.9 tr. per day
  2007: $800 tr. pa = $3.2 tr. per day
  2008: $1,000 tr. pa = $4 tr. per day
Why it is Feasible?

- Real Time Gross Settlement
- Continuous Linked Settlement Bank
- SWIFT messaging
- Automated payment – collection through central banks
- UNITAID – important precedent: solidarity levies, nationally collected, internationally disbursed
Precedent & progress

- Financial transaction taxes including bonds and stocks - applied in many countries: UK, USA, China, India, Colombia

- UNITAID – resolved legal issues

- Legislation:
  France (2001); Belgium (2004)
Make it happen

- CTL – solidarity levy to follow UNITAID
- Implementation Group
- Historic opportunity