

“Get FCUKTT”



Article 1 - Taxation

Where the money really is!

In 2013 a financial transaction tax of just 1% would have raised the following revenue:

At least £1.840 trillion [1.84e15]

You are told that there is:

No alternative to increasing VAT to 20%?

No alternative to slashing public services?

No alternative to making hundreds of thousands of people redundant and cutting pensions?

The Solution for You and England is...

The Financial Commercial UK Transaction Tax

So please tell your MP to go and

“Get FCUKTT!”

“The case to replace all taxation measures within the UK by substituting them with one simple Financial Transaction Tax of 1%”

*It's the time of year when I like to have a look at how financial transactions were doing in 2013. Many of the key players are quite keen to boast about just how much activity they are handling.

The idea is really simple, and I have a great deal of difficulty in believing that no-one has thought of it before. Essentially, it is based on the observation that if you take all the financial transactions for 13 major economies, you get a mind-blowing total of \$9000 trillion dollars (that's \$ 9000 000 000 000). If you add up all the tax revenues for the same 13 countries, you get \$9 trillion. That's 1000 times less. This means that if you imposed a 1% flat rate transaction tax, you would get 10 times more government revenue that they currently obtain. I seriously think that the vast majority of citizens would vote for a scheme in which all taxes (income tax, VAT and sales taxes, and even taxes on profits) are abolished and replaced by a simple to implement 1% fee on all transactions. Some examples follow:

CLS group \$1250 trillion - 2013

For example, CLS group has a report saying that it handled an average of [\\$4.99 trillion a day in 2013](#), up from \$4.89 trillion a day in 2012. With roughly 250 trading days in a year, that would total \$1250 trillion.

NYSE Liffe €474 trillion in 2013

As I reported yesterday, NYSE Liffe (which does something like 99% of its trading through its London Office) has reported handling [€474 trillion in 2013](#).

LCH.Clearnet \$507.8 trillion - 2013

LCH.Clearnet Ltd has [a graph on its web site](#) showing monthly notional volumes for its SwapClear trading arm.

By clicking on the histograms for each month I found that the total for 2013 added up to an impressive \$507.8 trillion. Interestingly, the numbers for the start of 2014 are looking particularly strong, with \$61.6 trillion in January and \$49.8 trillion in February.

LCH.Clearnet Ltd's [Fixed Income's website](#) reports the "key fact" that it handles €11.8 trillion repo trades per month based on nominal values. Over 12 months that would suggest that it handled €141.6 trillion in 2013.

CHAPS in 2013 was £70.1 trillion - 2013

The [CHAPS Co Website](#) has the following graph showing monthly volumes and values.

And you can read that "The total value transmitted in CHAPS in 2013 was £70.1 trillion, an average of £277 billion daily."

The BACS system 4.2 trillion - 2013

The BACS system, which is used to process many direct debit and account transfers in the UK published [a bulletin in January 2014 entitled "Record breaking year for BACS"](#) in which it said that " Direct Debit continued to grow, topping 3.5 billion across the course of the year, with a total value of £1.1 trillion. With Bacs Direct Credit payments, that made for a combined 5.7 billion items processed in 2013, worth almost £4.2 trillion."

TOTAL = at least £1843 trillion in UK-based transactions for 2013

Adding in the numbers, together with some other figures that I have for things like London Stock Exchange and the London Metal Exchange and older figures for other payment systems from the BIS, I get the following table showing at least £1843 trillion in UK-based transactions for 2013. This compares with the [figure of £1760 trillion that I generated two years ago](#). Clearly the financial markets have not been too seriously hit by the recession.

Barclays £7.5 trillion - 2013

Note added 15th April 2014 : I've just found a website where Barclays says that [their Bar-X platform handles \\$50 billion a day](#). With roughly 250 trading days a year, that means that we can add in an additional £7.5 trillion at least. But I found another site that says [that the Barclays system handles up to 1000 trades a second](#). I suspect that the £7.5 trillion may be conservative.

UK transactions updated	Currency trillions	£ trillions
CLS 2013	\$1250	787,50
NYSE Liffe 2013	€474	393,42
LCH.Clearnet Ltd SwapClear 2013	\$507	319,41
LCH.Clearnet Ltd Fixed Income 2013	€142	117,53
Other payment systems 2012		77,50
CHAPS Sterling 2013		70,10
CREST 2012		47,86
LCH.Clearnet SA (EUR) 2012	€15,00	12,45
London Metal Exchange 2011	\$15,4	12,32
BACS : Total transactions 2013		4,20
LSE 2013		1,13
Total		1843,42
UK Tax Revenue		0,564
FTT needed to replace current taxes		0,031%

The table also compares the amount of transactions with the total tax revenues for the UK government - namely £564 billion (nicely plotted in a very recent [pie chart on the Guardian's](#)

[web site](#)). The ratio between transactions and tax (over 3260:1) suggests that you could actually get rid of every UK tax and replace the whole lot with a single flat-rate FTT on all financial transactions of 0.031%. Those who follow my blog will know that I have pushing this possibility since october 2010.

But even the £1843 trillion number must be an underestimate. For example, I have no idea how much trading is being done by Barclay's [Bar-X](#) platform. And LCH.ClearNet Ltd has a number of other business streams for which I have not been able to find numbers, in addition to SwapClear and Fixed Income. Specifically:

- [ccCFDs](#)
- [Commodities](#)
- [Credit Default Swaps](#)
- [Derivatives](#)
- [Energy](#)
- [Equities](#)
- [Freight](#)
- [Foreign Exchange](#)

If anyone knows how to find the value of the transactions in these areas, do let me know.

Bank of England Figures - 2011-01-16 19:37

Not long ago I was complaining about the fact that neither the Bank of International Settlements nor the World Federation of Exchanges seems to have complete data about the levels of financial transactions in the UK. Well, I've just found a whole pile of statistics provided by the Bank of England on its website. There's enough stuff there to keep me busy for weeks. As usual, you can't find a place where it says Total UK Financial Transaction = £XX. Indeed, the site provides literally scores of different excel data sheets that you can download.

Among the more impressive ones, have a look at table C3.2 that details External business of monetary financial institutions operating in the UK. That one totals \$23,508,170 million (\$23 trillion).

There's also a very interesting Bank of England report that you can find here. It's the BIS Triennial Survey of Foreign Exchange and Over-the-counter interest rate derivatives in April 2010. Apparently, they only do this once every three years. It says "**Net average daily turnover during April 2010 in the UK foreign exchange market was \$1,854 billion per day**". I guess that means we can multiply the figure by 250 working days to make something like \$463 trillion over a full year.

Then we learn that "In the UK, average daily turnover in OTC interest rate derivatives increased ... to \$1,235 billion. That's another \$309 trillion a year.

Finally, here's another Bank of England table you can download here. Table 6 shows Global Over the Counter interest rate derivatives to be running at \$2,083 billion per day - about 521 trillion in a year. But it also slips in a figure for Exchange-traded derivatives of \$8,142 billion per day - **over \$2000 trillion for a year.**

The BIS Triennial Report and its implications - 2011-01-19 09:27

I've just found the full report from the Bank for International Settlements entitled "Triennial Central Bank Survey: Report on global foreign exchange market activity in 2010". You can download the full

report that was published in December 2010 here, and there's an excel summary file that you can download here.

This is the report, generated every three years, that provides pretty comprehensive figures about daily trading during the month of April. The figures are eye-watering. **Global foreign exchange market turnover was running at \$4.0 trillion per day.** I'm still not sure how this scales up over a year, but I think that we can assume that it will be about 250 times that value - let's say \$1,000 trillion (that's a one with 15 zeros after it).

The report notes that **"Banks located in the United Kingdom accounted for 37% of global foreign exchange market turnover,** followed by the United States (18%), Japan (6%), Singapore (5%), Switzerland (5%), Hong Kong SAR (5%) and Australia (4%)". I guess that this means that we can assume that foreign exchange turnover for the UK alone would be around \$370 trillion over a year.

The report also provides details of activity in the global interest rate OTC (over the counter) derivatives market. This was running at \$2.1 trillion a day in April - let's call it a round \$500 trillion over a year. Again, the UK wins hands down: **"The United Kingdom continued to be the most active location with a share of 46% of worldwide trading, followed by the United States with a share of 24%, slightly down from 2007."** Can I call that about \$230 trillion for the UK alone over a year?

People of Britain! We need to get the UK government to unilaterally impose a flat rate financial transaction tax and simultaneously abolish all other taxes (VAT, income tax, corporation taxes etc). A 1% tax should generate at least \$5 trillion dollars of revenue in the first year (1% of \$360 trillion in foreign exchange, and 1% of \$230 trillion in the interest rate derivatives market).

SOLUTIONS FOR EVERYONE

Peter of England

<https://www.youtube.com/user/PeterOfEngland>

CREDITS:

***Thanks to Simon Thorpe for all the above work: "Saving the world"**

<http://simonthorpesideas.blogspot.com/2017/08/saving-world-by-fixing-economy-all-800.html>