

Bill Gates backs Robin Hood tax on bank trades

Microsoft founder to tell G20 to back the tax which could raise \$48bn a year for aid and development

Larry Elliott, economics editor
guardian.co.uk, Thursday 22 September 2011 20.15 BST

A [larger](#) | [smaller](#)



Bill Gates is to call on the G20 to back the financial trade tax, aka the Robin Hood tax. Photograph: Jonathan Brady/EPA

Bill Gates is throwing his weight behind French efforts to put a small tax on financial trades as a way of boosting spending on development, finance ministers from the G20 group of developed and developing countries will learn on Friday.

Despite Britain's insistence that such a levy would have to be globally agreed to be workable, draft proposals from the Microsoft founder argue that a tax would be feasible for a group of like-minded countries who decided to go it alone.

Gates was asked by President Nicolas Sarkozy to come up with proposals for new forms of financing for development for this autumn's meeting of the G20 in Cannes. Draft proposals, to be presented to G20 finance ministers in Washington, suggest that Gates has been won over to the idea of a financial transaction tax, which is strongly supported by development charities but opposed by the City.

European sources said the UK had been lobbying hard for Gates to water down his draft report, which says that the tax could raise hundreds of billions of dollars a year and that Britain's stamp duty is an example of a levy on finance that works without the need for universal adoption. "If G20 members or some other set of countries (eg within the EU), can agree on the outlines of a financial transaction tax, Bill's report is likely to argue it could generate substantial revenues," the note to the G20 says. "For example, some modelling suggests that even a small tax of 10 basis points on equities and two basis points on bonds would yield about \$48bn on a G20-wide basis, or \$9bn if confined to larger European economies. Some FTT proposals offer substantially larger estimates, in the \$100-250bn range, especially if derivatives are included.

"If a substantial part of the revenues could be allocated to development, this would be a useful addition to resources – and would be additional help to some donor countries to meet their aid commitments in the current environment."

Max Lawson, spokesman for the Robin Hood Tax campaign, said Gates's backing for a transaction tax meant it was "game on". He added: "The Germans and French moving

ahead to implement the tax. "George Osborne needs to support this tax and show us he is on the side of the poor and the needy, not the banks and the greedy."

© 2011 Guardian News and Media Limited or its affiliated companies. All rights reserved.