



# Italian Financial Transaction Tax

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STO Cyprus

## Implementation of the Italian Financial Transaction Tax

As of the 1<sup>st</sup> September 2013, STO will be withholding at source the Financial Transaction Tax (FTT) ["Tobin Tax"] imposed by Italy's Agenzia delle Entrate which is applicable to all Italian equity-linked derivative products including our CFDs on Italian Shares and the Italian 40 CFD, as required by Law. Please note the products included are subject to change without notice due to the change being outside our control.

The tax will apply to both sides of the trade, when buying or selling the applicable CFDs regardless of the location of the client and will be collected daily from your account [and become visible in your account balance daily] for payment to the authorities as and when required.

Please be aware that this will reduce your account balance, which may result in additional margin being required or the implementation of the automated stop out applicable on your account. It is your sole responsibility to monitor the amount of tax payable at the end of the day to ensure your account remains with sufficient margin.

The current rates applicable can be found below (as taken from The Stability Law for 2013 (Law 228/2012) Table 3, though are subject to change without notice due to the change being outside our control.

Notional value of the transaction in thousands of euros	0~2,5	2,5~5	5~10	10~50	50~100	100~500	500~1000	>1000
Tax in euros	0,25	0,5	1	5	10	50	100	200

### Examples:

Example 1:

On 11/06/2013 at 14:00 you buy 1,000 CFDs on ENI:

ENI share price = €18 - Gives a Notional amount =  $18 * 1,000 = €18,000$

The FTT applied will be €5, as the notional value of the position is between €10,000 and €50,000.

At 16:00 hours of the same day you close the position by selling 1,000 CFDs on ENI:

ENI share price = €19 - Gives a Notional value =  $19 * 1,000 = €19,000$

The FTT will still be equal to 5 €, since the notional value falls within the €10,000 to €50,000 range.

Overall, the FTT due on the trade will amount to €10 which will be deducted at the end of the day. Your profit will be  $€1,000 - €10 = €990$

### Example 2:

On 11/06/2013 at 14:00 you sell 2 lots CFDs on the FTSEMIB

FTSEMIB price = 16,850 – Point Value for 1 lots = €10\*

Notional Value = 16,850 \* €20 (point value for 2 lots) = €337,000 the FTT applied will be equal to €50, as the notional value of the position is between €100,000 and €500,000.

You close the position the same day by buying 2 lots CFDs on the FTSEMIB:

FTSEMIB price = 16,925 – Point Value for 1 lots = €10

Notional Value = 16,925 \* €20 (point value for 2 lots) = €338,500, the TOBIN TAX will still be equal to €50, since the notional value still falls within the €100,000 and €500,000 range.

Overall, the FTT due on the trade will amount to €100. Your loss will be €1,500 + €100 = €1600

\* the value of one tick for 1 lot on the FTSEMIB is €50. 1 tick is made up of 5 points, therefore 1 point = €10

### Example 3

On 11/06/2013 at 14:00 you buy 0.1 lots CFDs on the FTSEMIB:

FTSEMIB price = 16,850 – Point Value for 0.1 lots = €1\*

Notional Value = 16,850 \* €1 = €16,850 the FTT applied will be equal to €5, as the notional value of the position is between €10,000 and €50,000.

You close the position the same day by selling 0.1 lots CFDs on the FTSEMIB:

FTSEMIB price = 16,925 – Point Value for 0.1 lots = €1

Notional Value = 16,925 \* €1 = €16,925, the TOBIN TAX will still be equal to €5, since the notional value still falls within the €10,000 and €50,000 range.

Overall, the FTT due on the trade will amount to €10. Your profit will be €75 - €10 = €65

\* the value of one tick for 1 lot on the FTSEMIB is €50. 1 tick is made up of 5 points, therefore 1 point = €10

\*Please note: The amount of FTT payable on closing may be different from that payable on opening due to a change in notional value range and therefore please consider the impact of this prior to closing a position.