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HOME ● PAGE 3

TENSION MOUNTS IN SON BANYA



WORLD ● PAGE 22

DEMOCRATS TRUMP THE PRESIDENT



SO WHO IS THE SEXIEST MAN IN THE WORLD? CENTRES

Spain to force banks to pay mortgage stamp duty

● Prime Minister Sanchez said yesterday that a Royal Decree will be approved "so that Spaniards will never pay this tax again."

● The Spanish government moved to counteract a court ruling that would have forced customers to pay mortgage stamp duty, pledging yesterday to swiftly pass a law to oblige banks to pay the tax instead.

The law will come in to effect tomorrow once it is published in the Official Bulletin, Spain's Socialist Prime Minister Pedro Sanchez said.

On Tuesday, the Supreme Court said that customers and not banks had to pay the tax, reversing a ruling in mid-October in which the court upset the status quo by declaring that lenders were legally responsible for it.

Yesterday, Prime Minister Sanchez said that a Royal Decree will be approved "so that Spaniards will never pay this tax again."

The surprise ruling by the

15 billion euros is how much it could cost Spanish banks if law is changed.

Supreme Court on Tuesday prompted the government's anti-austerity party Podemos, the main partner of the minority PSOE government, and other consumer organisations to call for public demonstrations.

Asked about potential appeals before European courts, Sanchez said that customers were within their right to do so.

The Supreme Court ruling spared banks from poten-

tially having to pay back billions of euros to borrowers who for years have paid the tax themselves.

This could have cost them more than 15 billion euros collectively, analysts and ratings agencies, such as Moody's and DBRS, estimated. Regulation and financial stability director at the Bank of Spain, Jesus Saurina, yesterday said that because the ruling reversed the situation to before 18

October, it was no longer a risk for the Spanish banking sector.

"The Supreme Court's decision to maintain the ruling has removed a tail risk and restored the much-needed legal security for the banks to continue operating in the long-duration business of mortgage loans," the broker Alantra said, adding however that litigation risks were "here to stay". **See page 6**



Maroto wished Brexit was not happening.

HOME ● PAGE 4

GOVERNMENT HELPING BUSINESSES PLAN FOR BREXIT

● The minister for industry, trade and tourism, Reyes Maroto, spoke on the final day of the World Travel Market yesterday about trade relations between Spain and the UK after Brexit.

Maroto acknowledged her respect for the decision taken at the referendum but said that she wished that Brexit was not happening.

As it is, her department is

establishing mechanisms to minimise the uncertainties for Spanish businesses.

Upbeat

She observed that only a third of companies have contingency plans in the event of there being no deal between London and Brussels and stressed the need to be prepared for "any scenario".

The government is providing information about

Brexit that will be of particular use for smaller businesses, which are likely to be the least prepared.

A website will be available shortly that will give guidance for business decisions.

In an upbeat tone, she hoped that the uncertainty can become an opportunity for strengthening ties between the two countries. "What will be will be," she said.

"The single objective is

that businesses will be able to derive benefits from opportunities in both markets."

Positive

Referring to the World Travel Market, she stated that her visit had been "very positive".

Maroto met various operators and she expressed her optimism in there being "continuity" in spite of Brexit.