



Interview: Central Bank Governor Michael Bonello

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Greece backs austerity plan amid protests

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Brussels proposes EU VAT

Ivan Camilleri

The European Commission yesterday proposed new ways of collecting money from member states, with an EU value added tax and a financial sector tax that would replace the current system of sending part of a country's VAT proceeds to Brussels.

The formal EU budgetary proposals presented last night, for the period 2014-2020, raise the curtain on a battle that is expected to gather momentum over the next few weeks on who will pay what and who will gain from the seven-year financial plan.

Agreement has to be reached between the 27 member states and the European Parliament by the end of next year. The new methods of direct funding for the EU are expected to be among the most controversial proposals in the upcoming debate.

The budget includes spending appropriations of €1,025 billion over the seven-year period. Conscious of the fact that this is a time of austerity and many contributing member states are already demanding a freeze on the EU's budget, the Commission did not propose a massive increase. It said the whole financial perspectives will only amount to 1.05 per cent of the EU's Gross National Income (GNI).

The EU executive is also proposing a new category of member states, to be called "transition countries" which although no longer eligible to the highest EU aid possible, will still be net beneficiaries at the end of the seven years.

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'World war' in Marsa



Star and producer Brad Pitt in between takes of the movie World War Z in Marsa yesterday, as Prime Minister Lawrence Gonzi and Finance Minister Tonio Fenech paid a visit to the set. As many as 900 Maltese extras were involved in shooting, yesterday. » See also page 4
Photo: Darrin Zammit Lupi

BOV property fund

Finco takes offer but fights on

Mark Micallef

Finco Treasury Management, the firm that has been leading the protest against Bank of Valletta's handling of a foreign property fund that went bust, has accepted the bank's settlement offer on behalf of its clients. The Times has learnt.

The company's managing director Paul Bonello confirmed that he accepted the bank's offer in respect of the company's 72 original clients who will now be unable to sue BOV for damages.

Mr Bonello said that Finco's advice both to its original clients and those who joined after his company went public with its criticism of BOV was that the court

battle was not really worth it for small, individual investors because of the expenses and time a court case would take.

"While there is no doubt that BOV's offer is immoral and unjust, and is shameful for the bank, the regulator and the country, because of practical considerations... the court battle is not worth it for someone who has less

than, say 100,000 shares," he said.

Finco had about one million shares in its name on behalf of the 72 investors, which works to about 14,000 shares each. "Let's say those shares cost them €14,000 and that through BOV's offer they are being short-changed by about 30 per cent."

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