

Germans to speed up pay reform

German bankers last night agreed to speed up the reform of rules on pay as pressure mounted on bonuses following the UK decision to apply a windfall tax, **writes James Wilson and Bertrand Benoit.**

Several of the biggest German banks including Deutsche Bank volunteered to agree new standards on bonuses drawn up by Bafin, the financial supervisor, which are closely based on recommendations published by the Financial Stability Board. But while Angela Merkel, chancellor, said the idea of a windfall tax on bonuses had "charm" and

would have salutary effects on bankers, it appeared unlikely Germany would follow suit, with Ms Merkel putting greater emphasis on a tax on financial activity. "We have committed ourselves to a transaction tax in the financial market. I think that would be a more sustainable solution to the problems," she said.

Wolfgang Schäuble, finance minister, and bankers gave details of the voluntary accord at a Berlin meeting of German financial sector representatives.

Full story:
www.ft.com/europe

