Fri Sep 9, 2011 9:22am EDT

* Germany, France urge EU Council to pursue tax

* Letter says tax should be introduced in EU or internationally (Adds quotes, background)

BERLIN, Sept 9 (Reuters) - Europe should press ahead with the introduction of a tax on financial transactions despite the absence of a broader international consensus on the issue, the German and French finance ministers said in a letter sent to the European Commission on Friday.

German Finance Minister Wolfgang Schaeuble and his French counterpart Francois Baroin urged in the letter seen by Reuters that the European Council presidency put the issue on its agenda in the coming months.

"Although the Toronto G20 meeting demonstrated that a global agreement is very difficult to achieve, we strongly believe that the implementation of a financial transaction tax (FTT) at the European level would be a crucial step on the path to reaching a global consensus in a way that does not affect European competitiveness," the letter said.

EU member Britain, home to Europe's biggest financial centre, opposes the introduction of such a tax. **Schaeuble has said in the past that he favours pressing ahead with it within the 17-nation euro zone, but the letter made no mention of that, urging that it be put in place "internationally or within the European Union".**

The letter said that finalising how to allocate funds raised by such a tax should not be a precondition for agreement to pursue it.

"The tax base should be broad and cover all financial transactions related to financial instruments such as equities, bonds, currency transactions and derivatives," the letter said.

A preliminary outline of the FTT that was attached to the letter said over-the-counter transactions should fall within the tax.

"We stress that difficulties in implementation should not be used as an excuse to reject the financial transaction tax."

Efforts to push through such a tax at the G20 level have floundered, prompting European countries to consider acting alone. But British opposition has been a major stumbling block.

The outline of the tax said that the burden should be shared equally between EU resident counter parties.

"When one of the transaction counter parties is not located in the EU, the party established in the EU should be responsible for the payment of the whole amount," it read.

"However, EU residents should be authorised to pay only half the tax rate on transactions with counter parties that also impose an FT, subject to a fiscal cooperation agreement." (Reporting by Noah Barkin)