



IRISH
BANKING
FEDERATION

**SUBMISSION TO THE
COMMISSION ON TAXATION**

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1. Introduction

The Irish Banking Federation (IBF) welcomes the opportunity to provide input to the Commission on Taxation who have been charged with reviewing the structure, efficiency and appropriateness of the Irish taxation system.

The IBF is the leading representative body for the banking and financial services sector in Ireland. Our membership comprises banks and financial services institutions both domestic and international operating in Ireland. Our purpose is to foster the development of a stable, dynamic and innovative banking and financial services sector that contributes to the economic and social well-being of the country.

Wholesale banks and financial services operations provide corporate, investment, treasury, capital markets and international financial services. Wholesale banks are represented by the Federation of International Banks in Ireland (FIBI), which is affiliated to IBF. FIBI was established five years ago to ensure that the particular issues and challenges of the international banking community in Ireland are identified, prioritised and addressed. This was born out of recognition by the sector of the increasing competitive challenges we face in a global marketplace. FIBI today has over 50 members including 25 of the 50 largest banks in the world.

2. Guiding Principles

IBF proposes a set of general principles which it believes should guide the Commission as it seeks to establish an effective, efficient and economic approach to taxation in Ireland.

These principles are as follows:

- Taxation policy should contribute to the efficient and competitive development of the economy;
- Tax administration should be cost-effective;
- The tax system should be equitable with certainty of treatment, and should be operated in a manner which maintains public confidence.

The IBF recommends that any changes being considered by the Commission should be tested against the above principles.

3. Retaining Ireland's Corporate Tax Competitiveness

In order to maintain the competitiveness of the Irish tax regime, it is imperative that we monitor and influence developments at a European Commission level. In financial services, Ireland competes with countries both within and outside the EU for financial services projects. Therefore, we are pleased that the Government is committed to maintaining the competitiveness of the Irish corporate tax regime and we look forward to continue working with them to ensure that the international competitiveness of Ireland and the EU generally is not undermined by a Common Consolidated Corporate Tax Base (CCCTB).

The IBF are fully supportive of Ireland maintaining its current corporate tax regime of 12.5%. In fact, we would urge the Commission to investigate Ireland's tax competitiveness going forward in light of moves to alter corporation tax regimes in other European countries.

4. Reform of PRSI

4.1 Complexity of PRSI System

IBF recommends a complete review of the PRSI system as the system in its current form is extremely complicated:

- At present, there are 9 different classes of contribution and up to 30 sub-classes.

The rate structure is extremely complex:

- The employee's annual earnings ceiling (above which no social insurance contribution is paid) is €50,700;
- The threshold for employee PRSI is €352 a week.
- Health contributions are paid at a rate of 2% where income is above €500 per week. An additional 0.5% health contribution on earnings exceeding €1,925 a week (equivalent to €3,850 a fortnight and to €8,342 a month).

The complexity of the rate structure can lead to difficulties with regard to the calculation of PRSI. This could result in individuals paying higher than necessary contributions coupled with a lack of awareness with regard to reclaiming refunds of overpayments. In addition, the application of an incorrect rate/class in calculation of PRSI could have an adverse effect on an individual's claim to future benefits.

PRSI is a Tax

PRSI contributions come within the normal definition of taxes as compulsory payments to Government which are not directly related to benefits received.

- Credited (free) contributions confer entitlements under certain circumstances.
- It is possible for an individual to pay a relatively high amount in contributions and have a lesser entitlement to social insurance benefits than an individual who pays a lower amount of contributions.
- The health contribution element of PRSI confers no entitlement to health services.

4.2 Defects of PRSI System

- There are a number of defects with the PRSI rate structure. The first is that the system is regressive. The second is the anomalies that exist in the PRSI rate structure. For example:
 - If Employee Income goes from €352 to €353 the employee pays an extra €9.04;
 - If Employee Income goes from €500 to €501 the employee pays an extra €10.06;
 - If Employee Income goes from €356 to €357 the employer pays an extra €8.12.

Such an illogical rate structure does not support good compliance.

4.3 Reducing the Tax Wedge

The National Competitiveness Council (NCC) has drawn attention to the decline in the Irish tax wedge between 2000 and 2006 as an important positive development. Ireland's tax wedge is now less than half the OECD average. The tax wedge is a measure of the difference between labour costs to the employer and the corresponding net take home pay of the employee. A reduction in PRSI contributions would reduce the tax wedge.

IBF Proposals

The IBF proposes the following changes to the PRSI system:

- Recycle part of any revenue from carbon taxes to a reduction in employee PRSI;
- Rationalise the current PRSI Structure as follows:
 - Integrate remaining employee PRSI and health contributions with income tax;
 - Change employer PRSI into a flat payroll tax;
 - Maintain the existing contribution conditions for social insurance benefits on the basis of employer contributions. (This was also recommended by members of the Expert Working Group on Integrating Tax and Welfare in June 1996).

5. Simplifying the Taxation System

The taxation system in Ireland has increased in complexity and this complexity has placed increased administrative burden on business, specifically in terms of the reporting requirements associated with compliance.

5.1 Reporting & Collection Obligations

There has been significant growth in the number of reporting and collection obligations on financial institutions in recent decades and this has imposed significant administrative burden on banks and other financial institutions:

- Since 1986, financial institutions have been required to apply a **withholding tax** to all interest paid or credited to certain persons; to obtain and keep certain information on various classes of person exempt from the withholding; to file, twice yearly, reports on interest paid or credited from which tax was deducted and to make payment of such tax. They are also required to supply to the depositor, on request, a certificate of the interest paid/credited and of the tax deducted.
- In 1992, the reporting requirement and **stamp duty** payment obligation which had applied to credit cards and charge cards since 1981 was extended to cover cash cards. The new payment on account provisions will also apply to this duty.
- Also in 1992, the reporting obligations in respect of **deposit interest** paid without deduction of tax were made automatic. An annual report must be filed since then, without the issue of a notice by Revenue. [Sections 891 and 894 TCA]
- In 1999, a **Dividend Withholding Tax** was introduced. With multiple exceptions, which need to be administered and monitored, it applies to distributions made by any resident company, not just those in the financial services sector but it creates a significant amount of additional administration and/or costs for banks because they tend to have larger numbers of small shareholders than other companies.
- In 2001, **Special Savings Accounts** were introduced and extensive numbers were opened. The administration of this scheme involved a considerable amount of work, with monthly reports required over the life of the scheme and indeed for some months after its termination in April 2007.
- Since 2002, 'qualifying lenders' have been expected to operate a **Tax Relief at Source (TRS)** system in respect of interest payable on qualifying mortgage loans. Under this system they receive 80% only of the interest payments from borrowers and are dependent on payments from the Revenue Commissioners to make up the balance.
- In accordance with the terms of the **2003 EU Savings Directive**, in respect of interest paid on or after 1 July 2005 to a beneficial owner resident in an EU member state other than Ireland, the paying agent is required to make an annual return providing certain personal details on the beneficiary and the amount of the payment. There are certain exclusions from the obligation which require administration and monitoring.

- The Finance Act 2007 requires financial institutions to **collect and report additional information in relation to interest paid or credited** to certain qualifying depositors who are 65 years of age or more or permanently incapacitated and to trustees for certain incapacitated persons, including provision of the relevant person's PPS number.
- Under Regulations published in May 2008, the Finance Act 2006 legislation is now in operation and provides for financial institutions to report details of all “ **relevant payments**” (interest and other similar payments) made in 2005 and any later year and to provide a significant amount of personal details about the recipient.

IBF Proposal

All of these requirements have imposed significant administrative burden on financial institution and have been in addition to other more general reporting requirements that apply to all businesses (e.g. Form 46G).

IBF recommends that all new tax provisions are subject to rigorous Regulatory Impact Analysis (RIA) and a review of existing provisions should also be commenced.

5.2 Payment of Preliminary Corporation Tax

Section 58 of the Finance Act 2002 (as subsequently amended) introduced a change in the method of payment for Corporation Tax. In the intervening years, an increasing proportion of companies' corporation tax has been collected over one month before the end of the accounting period to which the taxation relates, so that companies in recent years have to pay 90% of their Corporation Tax as preliminary tax.

This has given rise to a number of practical problems which companies have in estimating corporation tax when a company has only at most 10 months of data, namely:

- the cost of calculating tax at least twice i.e. for preliminary tax, IFRS top-up and actual tax when filing the tax return;
- the need to use management accounts which will not be the same as the final financial statements as management accounts use a degree of estimation, while final financial statement must give a true and fair view;
- the difference between US GAAP financial statements and the statutory financial statements using Irish GAAP;
- the impact of trading in the final almost two months, particularly when markets are so volatile; and
- the need to ensure that all adjustments due to IFRS are appropriately included.

In the context of the interest due in respect of underpaid preliminary corporation tax, the basis for its remittance is unnecessarily punitive and inequitable, while there is effectively no interest paid on tax overpaid.

IBF Proposal

Companies should have the option of paying their preliminary corporation tax based on the corporation tax they paid for the previous period.

5.3 Capital Gains Tax (CGT)

The failure to update the CGT base date from 1974 is creating severe difficulties in accessing information when sale is made of an asset held for a long time. Also, information on enhancement expenditure carried out years ago can be particularly difficult to capture accurately. An updating of the base to a date around 1990 - well before the large increases in property prices commenced - would help a lot, at minimal cost to the Exchequer. It would also assist stock market investors who are currently expected to trace and capture information on bonus and rights issues going back to base or acquisition dates in order to compute a gain or loss accurately. A more generous initial exemption level (if necessary just to cover quoted investments) would be of considerable assistance, probably at minimal cost to the Exchequer.

The abolition of indexation for capital gains tax in 2002 effectively legislated for an increase in the rate of capital gains tax (nominally 20 per cent). The effect is quite arbitrary. Assets which are held for a long period and appreciate slowly face a substantial increase while speculative assets which appreciate sharply within a year face no increase. For example, if inflation is 5 per cent per annum and an asset increases by 7 per cent per annum, the effective rate of tax is in excess of 50 per cent if realised within 10 years of acquisition.

IBF Proposals

The IBF recommends:

- Updating the base date for CGT to a date around 1990;
- With a view to reducing the number of people who have to self-assess under CGT, examine either increasing the exemption limit or introducing a disposals limit, which would avoid the need for calculations in small cases to show no tax is due; and
- Restore indexation for capital gains tax.

5.4 Taxation of Dividends

A key issue in respect of the taxation of dividends is the administrative burden associated with the calculation of the taxation due. This issue arises for both individuals and companies as set out below and needs to be addressed.

5.4.1 Individuals

There are parts of the current tax system where the burden on taxpayers is disproportionately high relative to the benefit to the Exchequer. The issues with dividend income include the applicable tax rate (41% plus levies) and the difficulties in reporting it. For instance, dividend income and related credits, depending on the source, are reportable in up to 10 different boxes in the 2007 Form 11. The multiple boxes are needed to capture potentially different schedules (Sch F or Sch D Case III) and potentially different treatment of related tax credits. When the

difficulties in converting from foreign currencies are added, the reality is that these sections of the return cannot be completed accurately without professional advice and in many cases (e.g. small portfolio investors) the costs of compliance will easily exceed the value of any credits.

IBF Proposals

The IBF recommends:

- setting a single headline tax rate for all forms of income on savings and investments;
- introducing an initial exemption limit on dividend income;
- setting an exemption limit for foreign dividend income where foreign tax credits may be available if calculated; and
- completely abolishing encashment tax

5.4.2 Companies

The Finance Act 2008 amended the corporation tax rules for taxing dividends received from companies that are resident outside of the State in a country which is a member of the EU or has a tax treaty with Ireland. These amendments were welcomed by IBF as they improved the tax treatment of foreign dividends. The previous law which required such dividends to be taxed at 25% has made Ireland an unattractive location for holding / headquarter companies. The move to taxing foreign dividends, out of trading profits from other EU and tax treaty countries, at a rate of 12.5% was a welcome improvement. However a complete exemption of foreign dividends is what is needed to make Ireland an attractive location for holding companies.

Foreign companies considering establishing their EU holding company can choose any country within the EU. Most countries exempt dividends. We consider that Ireland's credit system is not as attractive as the exemption offered by other EU countries and therefore, Ireland will not succeed in securing the maximum number of holding companies and related activities that they typically attract.

The tax credit system leads to substantial administration and compliance costs as the calculations of the credits due and the split of income and credits between those taxed at 12.5% and 25% are complex. Companies operating in countries which exempt foreign dividends do not have to do these complex calculations and therefore can be certain of the tax consequences of paying dividends. The complexity and the uncertainty created by Ireland's tax credit system are very significant barriers to establishing holding companies in Ireland.

IBF Proposal

The IBF recommends a complete exemption of foreign dividends in order to make Ireland an attractive location for holding companies and related headquarter activities.

5.5 Encashment Tax

The encashment tax provisions are derived from legislation originally enacted in 1918, with some small modifications to the wording in the meantime. The provisions were intended to ensure that an Irish bank or stockbroker collecting investment income for its customers, in the form of dividend or interest coupons on foreign gilts, shares and securities, would withhold

income tax from the amount collected. The tax withheld is creditable against the income tax payable by the customer on the investment income.

However, there are a number of exceptions to the requirement to withhold this tax:

- No withholding is required where the owner is non-Irish resident and has provided a declaration of non-residence to the bank or stockbroker;
- No withholding is required where the coupon is collected on behalf of investment undertaking within the meaning of section 739B;
- Since 2005, it does not apply to a banker by virtue only of the clearing of a cheque, or the arranging for the clearing of a cheque, by the banker;
- The Revenue Commissioners have a broad discretion to give an exemption from withholding, where the investor based in Ireland, subject to any conditions which may appear to them to be necessary to ensure the assessment and payment of any income tax on the coupons. According to the FOI material, Revenue has used this discretion to exempt:
 - (a) approved charities,
 - (b) wholly exempt pension schemes,
 - (c) specified collective investment undertakings (SCIUs) in the International Financial Services Centre,
 - (d) qualified companies within the meaning of S.446 TCA 1997 (IFSC now expired).
- According to the FOI material, “encashment tax is not applied to sterling dividends of British commercial companies. However, dividends in respect of British Government Stocks are still subject to deduction of tax on encashment with the exception of 3.5% war loan stock.” This favourable treatment of UK securities is unlikely to be consistent with EU rules.

The language of this legislation is archaic and very difficult to apply to 21st century financial services transactions. It is wide enough to require operation of encashment tax where an Irish bank acts as agent for a syndicated loan to a non-Irish corporate borrower. The agent bank receives the interest payments from the borrower on behalf of the entire syndicate and distributes the appropriate amounts to the syndicate members. Where non-Irish banks are members of the syndicate, they can avoid the deduction of tax by providing the relevant non-resident declaration. Where another Irish bank is a member of the syndicate, it appears that withholding is required.

It is questionable whether there is any benefit in the continuation of the encashment tax scheme. The amount of tax collected through this scheme is not published. In the case of Irish investors, the tax withheld is creditable against the Irish tax liability. The scope of the scheme is such that it is very difficult for an institution which may collect interest or dividend income on behalf of customers or counterparties to achieve full compliance.

IBF Proposal

The encashment tax should be abolished.

5.6 Stamp Duty on Conveyancing

Listed in Schedule 1 of the Stamp Duties Consolidation Act, 1999 are instruments which are liable to stamp duty. The list includes “Conveyance or transfer on sale of any property...” This is a sweeping charge and can create a large administrative burden for taxpayers especially in the context of corporate restructurings involving transfer of all the assets of a business.

Also, under Stamp Duties Consolidation Act, 1999, where the property is deemed to be foreign property, then a stamp duty liability will arise if the instrument of transfer is executed in Ireland, but not if it is executed outside Ireland. This ensures that execution of the instrument will take place outside Ireland. We are not clear what public policy reason justifies this approach.

IBF Proposals

The Revenue Commissioners should be requested to estimate how much duty is collected under the heading “Conveyance or transfer on sale of any property...” and if it is very small then under a cost benefit analysis, this head should be removed from Schedule 1.

In relation to the transfer of foreign property, it should be possible to execute the relevant instruments in Ireland without creating a stamp duty charge.

5.7 CAT business relief and CGT retirement relief

Each of these reliefs is very important, particularly in allowing family businesses to transfer between generations, without incurring a significant CGT liability for the parent and a significant CAT liability for the child. Frequently, when one individual claims CAT business relief, another individual will also claim CGT retirement relief. However, the conditions to be satisfied are very different for each relief. Examples include:

- Different definitions in relation to how much of the proceeds are to be taken into account in determining the amounts qualifying for the relief where there is a gift of unquoted shares. For example, this means that if there is any non-qualifying property in the company, the method of adjusting for this is completely different for the two reliefs and each must be calculated;
- Period of ownership of the asset: For CGT retirement relief, the period of ownership is a much longer 10 years;
- Working director: To satisfy some of the conditions for CGT retirement relief, the individual must have been a working director for 10 years;
- Certain trades do not qualify for CAT business relief.

IBF Proposal

Consideration should be given to how the CGT retirement relief and the CAT business relief can be amended so that similar conditions apply where appropriate.

6. Improve Legislative and Consultative Process

The current legislative and consultative process for taxation changes is subject to wide variation with no apparent standard consultative principles or process in place. For example the removal of the remittance basis was initiated without any prior notice. The consultation on proposed changes to VAT on property was welcomed by IBF members but the resulting effective deadline of 1 July 2008 was regarded as challenging. Preparation of legislation is frequently rushed which can lead to flaws and ambiguity. This compares unfavourably with the UK system where a standard consultative process is in place and legislation is published in plain English.

The current process of preparing the annual Finance Bill does not allow sufficient time for proper consideration and scrutiny of technical legislation.

IBF Proposal

Technical legislation should be published sufficiently in advance of enactment to allow proper consideration and scrutiny by both tax practitioners and the legislature.

Advance Rulings Regime

An important sign of a mature and business friendly tax regime is one that has a formal, comprehensive and user friendly process for providing advance rulings on the tax treatment of transactions and business structures. Ireland does not have such a facility at present and in this respect it is viewed unfavourably by the international business community.

7. Territorial Scope of Legislation

There is a need for greater clarity and practicality in terms of the territorial scope of legislation.

7.1 Technical liability to Irish tax for non-EU/treaty recipients of Irish interest

While certain interest paid by financial institutions is subject to DIRT, under section 246 TCA 1997, banks are allowed to pay interest tax free to many clients, particularly in the corporate sector. This is important, particularly for raising funding internationally. However, there is no similar exemption from the charge to tax on the recipient of this interest. While investors may be able to avail of an exemption from a charge to tax on this interest as they are resident in another EU member state or a country with which Ireland has a tax treaty, there are investors from many countries who cannot satisfy either of these criteria. While Revenue has commenced negotiations to conclude tax treaties with a number of countries, it can be a difficult and slow process to get the actual treaty finalised and approved by the relevant parliament in the other jurisdiction. In the absence of such a tax treaty, the interest is technically liable to Irish tax even though it is exempt from withholding tax – the normal collection mechanism used where income is received by a non-resident who has no presence in Ireland. However this technical liability has not been pursued by Revenue and this is noted in prospectus documentation.

The exemption from withholding tax clearly shows that the income should not be taxed in Ireland. However, Ireland's reputation is not enhanced by the need to include a clause in say an Asset Covered Security prospectus or any other funding document, effectively stating that this technical charge to tax is never enforced. It is difficult to measure how frequently this technical charge causes people not to provide funding, but it is clear that it is not helpful that there needs to be a clause in funding documents about this issue.

This leaves non-resident investors in an uncertain position and can result in a decision that such potential investors would not invest in Irish debt instruments. These types of uncertainty make such Irish debt instruments unattractive for these people from non-treaty countries.

In due course there is a high probability that IFRS will follow US GAAP and require disclosure of uncertain tax positions along the lines of FIN 48 in the US. Such a change in accounting rules will make this issue more serious and would impact Irish securities.

IBF Proposal

IBF recommends the removal of the technical charge to tax by expanding the exemption under section 198(1) (c)(iii) to apply to interest received by all non-residents.

7.2 Interest paid to connected parties in non-EU/ treaty countries

The change in tax law in the Finance Act 2007 provided for a relaxation of the rules in respect of interest payable to group companies in foreign countries. It had the benefit of allowing tax payers to elect for interest paid to group companies to not be treated as a distribution. This meant that interest previously disallowable would become tax deductible. However, where the interest

would be paid to a recipient that is not resident in another EU or tax treaty country the interest would be subject to a WHT of 20%. This means that the effective tax goes from 12.5% to 20% on such interest payments. This is a strong disincentive to setting up global financial services companies in Ireland.

IBF Proposal

IBF requests that a tax deduction is granted for, and withholding tax is abolished on, all ordinary interest payments.

7.3 Stamp Duty on payment cards

Stamp duty, at different levels, is levied on cash, combined and debit cards as well as credit cards. The law charges this duty where the cardholder has an address in the State. Therefore, where an individual who lives in Lithuania, for example, has a credit card and moves to work in Ireland, then technically the Lithuanian bank is required under the law to charge Irish stamp duty in respect of that card and pay it to Revenue.

IBF Proposal

This technical charge should be removed for banks which make no effort to market to Irish consumers.

8. Stamp Duty on Payment Cards

The over-dependence on cash and cheques for payment purposes in Ireland and the economic costs it imposes is well recognised by the Government, the financial services sector, the Central Bank & Financial Services Authority of Ireland and The Financial Regulator and business and consumer groups. Ways through which such dependence can be reduced are under examination by the National Payments Advisory Group which is broadly representative of all interest groups. The resolution of the issues involved has become more urgent with the three year programme to create a Single Euro Payments Area (SEPA) which came into operation from 1 January 2008.

An efficient payments system is essential for the efficient operation of a modern economy. Action is required to address the relative over-dependence in Ireland on cash and cheques for payment transaction purposes. Stamp duty on payment cards is a significant barrier to the move to a cashless society. This duty represents a strong disincentive to the use of cards for payment purposes and is a barrier to competition in the sector. Its retention in the context of the Single Euro Payments Area (SEPA) from 2008 places the banking sector in Ireland at a competitive disadvantage with card issuing bodies elsewhere in the EU.

Ireland remains almost at the bottom of the EU countries for card issuance at less than one card per capita against an EU average of nearly 1.5 and the UK with over 2.25. As innovation in other countries sees the rollout of new card-based products such as prepaid and contactless cards, Ireland's Government stamp duty on cards appears to be stifling the creation of new products in the cards business. It also seems that it is resulting in a less competitive market place for cards as consumers appear to be reluctant to take up competitor card products, or indeed in many cases, take up a card at all.

In the domestic market there has been a trend towards no fees for personal current account transactions. Consumers are more likely to use their debit card to make purchases if they are confident that they will not be paying a marginal fee for each transaction. The recent Government decision to halve the debit card stamp duty to €5 is very welcome and should help encourage take-up and usage. International developments, such as the recent launch of contactless cards in the UK, should lead to similar developments in Ireland. There is no evidence to suggest that credit card trends are likely to change significantly. Despite the welcome reduction of stamp duty in Budget 2008, the annual charge of €30 is likely to continue to influence most consumers to remain with just the one service provider - a scenario that appears to discourage new entrants to the business.

IBF Proposal

Stamp duty on payments cards should be removed.

9. Tax environment to attract and retain key talent

As Ireland transitions to an economic development model in which traded services become a new and powerful dynamic for economic growth, financial services will be at the heart of such growth. The nature of the sector, is, however, changing rapidly. Many countries in the EU and beyond have identified the financial services sector as a powerful engine of growth for their economies. Innovation, speed-to-market and efficiency within the sector will be the hallmarks of its success. The talent and skills of the people who work in the sector will determine its international competitiveness within individual countries. Such talent and skills are in short supply and there is strong international competition to attract the best people to the sector in individual countries.

In this context, the removal of the remittance basis of taxation in respect of non-Irish/non-UK income earned in respect of duties carried out in Ireland, from the start of 2006, was a retrograde step. It has made it more difficult to retain and attract those people to the financial services sector in Ireland who are critical to its growth and development. A solution to the “brain drain” problem that has emerged is urgent. Without the talent it is very difficult to attract the high value-added financial services projects which are necessary in a highly developed economy.

A number of countries have incentives for attracting foreign personnel to work in their country. For example, the Netherlands offers an attractive tax regime for foreigners working there. To qualify for the favourable tax treatment, the key condition is that the foreign individual must have specific expertise and/or experience that are scarce or absent in the Netherlands. If this and other conditions are satisfied, the individual is entitled to a deduction of 30% of employment income i.e. the individual is taxable on 70% only. This tax position lasts for 120 months.

Sweden operates an incentive somewhat similar to that of the Netherlands. The key differences are that the exempt amount is just 25% of gross salary, the exemption is available for the first 3 years only and the European Commission has approved the arrangement as not constituting a state aid.

Also, the rules for dealing with people transferring to Ireland should be examined with a view to having a fully integrated system for ensuring that all aspects of the tax system make Ireland an attractive location for key talent. The rules for when a foreign individual is liable to PRSI, CGT and CAT are all different. From our perspective the key issue is that they operate in such a manner that Ireland is an attractive location for key talent to work.

IBF Proposal

The IBF believe there is a need to introduce a new tax incentive for attracting and retaining key talent and the rules for dealing with people transferring to Ireland should be examined with a view to having a fully integrated system for ensuring that all aspects of the tax system make Ireland an attractive location for key talent.