American Chamber of Commerce Ireland

Pre Budget 2016 Submission to the Department of Finance

28 July 2015

Executive Summary

The American Chamber of Commerce Ireland believes that an internationally competitive and certain tax policy is a necessary part of Ireland's Foreign Direct Investment (FDI) offering. Our priority is that Ireland remains a unique transatlantic trade and investment gateway and a location of choice for US FDI into Europe. Following extensive consultation with FDI leadership within the Chamber, this submission highlights some key priorities for Budget 2016 with a focus on:

- Innovations in the Income Tax Code focused on retaining, rewarding and attracting specialist skills and leadership talent critical to winning investment, driving job creation and encouraging productivity by reducing the marginal tax rate and improving the tax treatment of share based income.
- Changes to the R&D Credit Regime legislation to enhance its competitiveness as a potent tool in winning research and development-led FDI investment by giving greater operational certainty that business expenditures incurred for the purposes of research and development qualify for the relief.
- Continued support for resourcing the Competent Authority within Revenue to deal with other jurisdictions' enquiries in a speedy and comprehensive manner.
- Reducing the complexity and resulting administrative burden for business associated with the calculation of the 'Irish Measure of Income' in a move to enhance the competitiveness of Ireland's Double Taxation/Withholding Tax Regime.
- Sustaining Ireland's current offering for Treasury and Financing related operations.

The Chamber believes that if the measures and strategy suggested in this submission are implemented, in part or in full, it will help drive growth by making Ireland more attractive for future inward investment.

Introduction

The priority for the American Chamber of Commerce Ireland is that Ireland remains a global location of choice for US foreign direct investment (FDI) into Europe. Ireland is a unique transatlantic gateway; in 2014 Ireland became the largest European recipient of US FDI, and investment flows from the US to Ireland since 2000 have been 6 times larger than those to China. Today, over 140,000 people are directly employed in over 700 US firms in Ireland, accounting for over 70% of all IDA supported employment. Collectively US companies have US $310bn in foreign direct investment in Ireland, representing over 10% of all US investment in the EU.

This investment remains instrumental in helping to create and develop a world class labour force; critical in dispersing technology and innovative capabilities across the economy; and key in expanding the global reach of indigenous firms. The move by the UK to reduce its rate of corporation tax to 18% shows that Ireland was ahead of its time in recognising the importance and attractiveness of a single low rate of corporation tax across the economy. Ireland's sustained FDI performance is attributed to Ireland's track record of delivery, flexibility and innovation in a secure and business friendly environment.

Ireland's 12.5% corporate tax rate is the bedrock of our business tax framework and its certainty is essential. This internationally competitive and certain policy is a necessary part of Ireland's offering, but it is by no means sufficient. Ireland must build its international reputation for the availability of talent and as a source of innovation as these factors are becoming increasingly important in FDI decision making for high-value activities.

Nevertheless, tax policy has not lost its potency as a critical lever to win FDI investment which in turn has resulted in high value employment, the development of a supply and technology base, the emergence of a research and development base, and at its heart the creation of growing clusters in ICT, Pharma, Digital Content, Medical Devices, Nutritional Foods, and Financial Services here in Ireland.

To enhance Ireland's competitiveness there are certain aspects of our tax system that need attention if the country is to continue to compete successfully for inward investment opportunities. The American Chamber's comments and concerns on these areas are set out below.

Personal Tax and Talent

The Marginal Personal Income Tax Rate with its low entry threshold is significantly damaging Ireland's ability to retain and attract leadership talent and specialist skills, dampening productivity and placing upward pressure on labour costs.

The American Chamber welcomes the Government's commitment to lower personal taxation rates – a key recommendation of the Chamber in recent years, and one that will send a positive signal that Ireland seeks to reward talent and ambition, not penalise it. In last year's Budget the reduction in the marginal income tax rate was a welcome change for those at work on incomes up to €70,000. However, for the critical talent that is driving our members' ability to manage and direct international centres of excellence and innovation, Ireland's high marginal income tax rate has been a dissuasive factor in the retention and attraction battle for advanced skills and experience. Ireland must remain sensitive to the fact that this vital talent pool is in short supply globally and both employees and potential recruits are being attracted to jurisdictions where their total income tax and national insurance burden is lower – often significantly so.

The current higher marginal income tax rate of 52%, when one includes PAYE/PRSI and USC, is among the highest when compared with countries that Ireland currently competes with for investment. The relatively early entry point that income is exposed to the highest marginal personal tax rate is especially uncompetitive for a traded economy reliant on a highly open labour market within Europe. This is important as our member companies are of the view that the personal tax burden (income tax, PRSI and USC combined) on skilled workers is now at a level which is making it challenging to retain critical technical and leadership talent within the jurisdiction. In addition, the current position also continues to impact our members' ability to attract talent to take up open positions in companies. Senior leaders in our member companies are deeply concerned about the persistently high personal tax burden in Ireland and are uniformly of the view that it should be lessened.

Hence the Chamber recommends that;

1. The marginal rate of personal taxation should be reduced, with a clear roadmap to 2018 to reduce it to a rate below 50% with the aim of retaining and attracting specialist and leadership talent.

2. The point at which employees hit the marginal tax rate should be increased to boost average employees take home pay.

3. Consideration should be given to a review of the benefits which are not exempt from the BIK provisions with a view to enhance the options available to employers in this area to encourage employee productivity and reward exceptional effort.

The cost to the employer of employing people has a direct bearing on employment numbers, hence we must ensure that labour costs are competitive both from the employee and employer perspective. The Chamber continues to call for the extension and broadening of the qualifying criteria for existing PRSI reliefs and exemptions with a view to lower Employers PRSI being used as an effective tool to drive additional headcount in existing companies.

In addition, in order to enhance the ability of companies to retain and attract key individuals, our members are of the view that the Department should consider amendments to the taxation of various share schemes. With the exception of Approved Profit Sharing Schemes, the overall climate for employee share incentives in Ireland is generally unfavourable. Gains from share based remuneration are liable to income tax, USC and PRSI at a marginal rate of 52% and the tax is payable immediately on receipt of the shares. This combination of a high marginal tax rate and early payment limit the attractiveness of share based remuneration and forces those employees who participate to take a short term view. This runs counter to the proposition that employee share schemes should encourage longer term alignment of employee and shareholder interests'.

Therefore, the Chamber recommends the following amendments:

- Improve the tax treatment of Approved Share Schemes by removing Employee PRSI and the USC on broad based employee share schemes. This would lead to direct take home pay benefits to all workers in such schemes, enhancing their attractiveness and reducing the administrative complexity for business/employers.

- Enhance the tax treatment of shares acquired under Unapproved Share Option Schemes by removing the income tax charge on the acquisition/granting of share options in favour of a capital gains charge on the realisation of the share based income to the individual. Hence, move the marginal charge from today's 51/52% marginal income tax, PRSI and USC liability to a capital gains tax (CGT) of 33% for share-based remuneration based on the capital appreciation of the share value (if any) from acquisition to disposal.

Assignees and Attracting Back Irish Talent from Overseas

It should be recognised that one of the key factors of the success in establishing Ireland as a world leader in the IT and pharmaceutical industries during the 1990s was the ability to attract Irish nationals who had been living abroad, and who had acquired valuable skills and experience, to return here. Many of these returning Irish went on to take up senior leadership positions in some of the largest FDI companies established in Ireland and have since been influential in attracting further investment here. Accordingly, the Chamber recommends that, in a move to encourage Irish domiciled individuals with key skills who are working and living overseas to return, returning workers should, subject to certain conditions, be allowed to avail of the Special Assignee Relief Programme ("SARP") for a period of three years upon arrival back into the jurisdiction. In order to facilitate this, the required period of residence outside the State should be reduced to three years, and the requirement to have been employed by the same entity overseas, or an associated employer of that entity, should also be removed. The

existence of the €75,000 earnings floor would help to ensure that the incentive would be focussed on the kind of high quality jobs which the relief aims to encourage and create.

Reforms to the SARP regime announced in Budget 2015 confirm Ireland's ambition to have a best-in-class programme making a tangible contribution to economic growth. In addition to the above, the Chamber would also make the following recommendations in relation to the current SARP regime:

- The relief should be extended to USC to make the regime internationally competitive.
- The relief should be simple to administer, especially in the context of the many other issues that assignees need to consider when moving to Ireland. In this regard our members believe that the current process of having the individual seeking approval in relation to making a claim be abolished, with the responsibility to administer the relief resting with the employer in line with the self-assessment regime that applies to all other taxes. The proposed change to a scheme which is administered by the employer is consistent with the existing provisions which allow SARP relief to be granted at source through payroll, and can be underpinned by reporting obligations if necessary. It is also underpinned by the treatment of the claimant as a Chargeable Person, thereby ensuring that a statutory claim for the relief is filed with their annual tax return.
- The Chamber also recommends that the obligation for the employer to certify within 30 days of the assignees arrival that the employee is a 'relevant employee' should be removed. This condition was introduced in Finance Act 2015 and is proving problematic to administer, while not adding anything to the operation of the relief. When an assignee arrives in Ireland there will usually be many pressing business matters that will require attention; this is particularly true of senior executives. By imposing the 30 day deadline for notification, there is a risk that these individuals will be denied the relief entirely for the duration of their assignment. The Chamber believes that such a strict administrative approach would be inconsistent with the broader policy objectives that SARP seeks to achieve and should therefore be removed.

Pensions Policy

The Chamber welcomed Government's commitments last year to end the pension levies in 2015. This will positively affect members of a retirement benefit pension scheme, a retirement annuity contract, a trust scheme and a Personal Retirement Savings Account (PRSA) and should encourage further pension provision by our members' employee base.

It is of the utmost importance that pension policy changes do not adversely impact upon the sustainable competitiveness of doing business in Ireland. The views of the Chamber in relation to pension policy remains that the Standard Fund Threshold ("SFT") should be maintained at its current

level, recognising it has significantly decreased in recent years. In addition, our members are wholly opposed to any change which would give rise to a restriction in the age-based thresholds and annual earnings cap which determine the maximum pension contribution of an individual qualifying for income tax relief. Any such amendment would only serve to further dis-incentivise individuals from contributing to the funding of their future pensions.

Therefore the Chamber recommends that:

1. The pension levy should cease in Budget 2016 as promised.
2. The individual's Personal Fund Threshold and the Standard Fund Threshold should be increased in line with the Consumer Price Index (CPI) and this indexation should henceforth occur automatically each year.

R&D Tax Credit Regime

The Chamber believes that Research and Development (R&D) is fundamental to growing the Irish economy. Global competition has intensified within the EU in recent years. This is mirrored on a global scale with the likes of Israel and Singapore establishing themselves as technological hubs for international companies.

It is well established that the location of R&D activity has a significant impact on economic growth as it helps anchor related manufacturing and service activities in the State (i.e. the exploitation of the intellectual property created by R&D). Our members recognise and welcome that the legislation underpinning the R&D credit regime has constantly been enhanced since its introduction in 2004 and the announcements in Budget 2015 including the removal of the base year restriction were very positive.

Ireland's R&D Credit Regime is intended to be best-in-its class. However, it is the Chamber's very considered assessment that the regime requires urgent targeted reform. Following extensive consultation with FDI leadership, it is clear that a "mis-match" has emerged between the principles underpinning the Regime and its promotion, and its implementation. The Regime needs to be clear and consistent if it is to be effective. As such, it needs to reflect the overarching policy, as outlined by Government and the Department of Finance, to be strategically focussed on reducing the business cost of undertaking R&D in Ireland.

To remove a level of uncertainty within member companies which is not conducive to winning new / further R&D-led investment the Chamber recommends the following enhancements:

1. Section 766 TCA 1997 should be amended to delete the term "wholly and exclusively in the carrying on….of research and development" and replaced with "for the purposes of research and

development." This is a broader test and is more aligned with the aim of reducing the business cost of undertaking R&D in Ireland. It is also more in keeping with the broader Revenue interpretation previously outlined in pre-December 2013 Guidelines.

2. The R&D legislation should be amended to ensure that certain costs incurred in undertaking a qualifying R&D activity under the general framework of S.766 TCA 1997 should be allowable notwithstanding that they may be capitalised as a component of the valuation of an IP asset and potentially come within the ambit of S.291A TCA 1997.

3. In order to support global R&D projects the regime needs to become more flexible in allowing Irish subsidiaries engage with connected parties (i.e. parent companies in the US). Therefore the territoriality and connected parties restrictions contained in S.766 TCA 1997 need to be relaxed to allow Irish subsidiaries' collaborations to be catered for in the legislation.

4. The regime while remaining based on the OECD Frascati model needs to evolve to expand the qualifying fields of science to emerging areas (e.g. such as the interaction between technology and human behaviour). This can be done by amending Statutory Instrument No.425 of 2004 and in particular Appendix 2 that outlines categories of activity that are not research and development activities.

5. The concept of 'scientific or technological advancement' contained in S.766 TCA 1997 needs to be more aligned to the specific requirements of a small island economy like Ireland. International R&D regimes have different novelty requirements, the most common being "new to the company" rather than the more stringent "new to the world" approach. Typically the "new the world" approach is difficult to administer and is unlikely to capture the very significant 'D' that is undertaken in Ireland as it focuses more specifically on the pure 'R'. We would recommend that the level of novelty required to be sought in the Irish regime is clarified to reflect conditions on the ground and to allow Irish companies continue on the path from 'D' to 'R' over time.

6. More broadly, it is essential that there is joined-up thinking across the entire Irish R&D ecosystem and therefore expenditure incurred by FDI in stimulating and investing in the Irish ecosystem should be incorporated into the tax credit regime, including collaborative investments made in Irish research centres.

Further Innovations to the Credit Regime

- At present Ireland markets the benefits available in respect of R&D investment as an effective 37.5% benefit, being a 25% R&D credit and a 12.5% corporate tax deduction for qualifying expenditure.

A further potential innovation which would be welcomed by the Chamber would be an election option for the R&D Credit regime to allow claimants with a tax base to forgo corporate tax deductions and take the benefit foregone by way of R&D credit.

Such an election would lead to a 50% increase in the potential "above the line" benefit. This increase in "above the line" R&D credits would make Ireland significantly more competitive when competing for mobile R&D investment.

The denial of a corporate tax deduction at 12.5% on the qualifying R&D expenditure means that the proposal is a cost neutral one from the Exchequer perspective, and will result in the same level of overall tax being payable as is presently the case under current legislation. We are conscious that without an appropriate restriction, a loss making company could claim an unintended benefit but believe that this could be avoided by building appropriate safeguards into the legislation.

- In addition, reframing Ireland's suite of innovation tax policy instruments, including the R&D tax credit system, as well as re-examining the use of other incentives such as Scientific Research Allowances for direct RDI emoluments, will require a broadening of the RDI investment definition from a tax perspective. The Irish tax code needs to extend its reach beyond a traditional definition of 'research and development' to recognise new sources of knowledge capital and innovation underpinning economic growth and in doing so include the application of technology resulting in service, process and product innovations.
- Genuine incentives to encourage successful inventors, innovators, entrepreneurs and enterprise investors to reinvest in the pursuit of an expanding RDI system, are necessary. The current **Capital Taxation Regime** is a disincentive to successful entrepreneurs seeking to re-invest and is thereby reducing the investment capacity. This will be further exacerbated if personal tax causes professionals with experience to be attracted away from Ireland.

We would be pleased to explore these innovations in more detail with the Department.

Intellectual Property (IP)

In Budget 2015 and as specifically detailed in the 'Competing in a Changing World – A Road Map for Ireland's Tax Competitiveness' document, Government sent out a clear statement that Ireland is committed to maintaining the most competitive tax offering that confirms with good practice. In particular, it was stated that "making Ireland an attractive location for the development of intangible assets should be a priority" and that the development of a best in class 'Knowledge Development Box',

together with the continued enhancement of the IP amortisation regime, should be key goals in this context.

The Chamber believes that the continued enhancement of Ireland's IP offering is critical from an Irish tax policy perspective in order to create an environment where Ireland can compete for mobile IP related investment.

Knowledge Development Box ("KDB")

The Chamber has been a key contributor to the consultation process initiated thereafter to consider the creation of a 'Knowledge Development Box' (KDB) regime for Ireland. Specifically, the Chamber has previously provided detailed comments in relation to the proposed introduction of a KDB in our submission *"American Chamber of Commerce Ireland, The Knowledge Development Box, Response to Public Consultation Paper"* dated 13 April 2015.

The Chamber will continue to provide input and feedback on the design of the KDB under separate cover of the coming months, however we wish to reiterate that our members are generally of the view that that there is a significant risk that a KDB which is significantly based on a modified nexus approach will attract little or no US MNC investment into Ireland.

IP amortisation regime

The Government and Department of Finance have stated that they regard Ireland has having a suite of offerings from an IP perspective. The Irish IP amortisation regime (included in Section 291A TCA 1997) is one of these offering we believe that amendments to this regime should be considered in order to continually enhance its attractiveness.

The Chamber welcomes the enhancements that were made to the regime in Finance Act 2015. However, there are a number of areas where we believe further enhancement should be made in order to attract further IP related investment. These recommended enhancements, which we believe are critical to ensuring that Ireland has a competitive IP regime, are:

1. Amendments to provide that there is no claw-back of IP amortisation allowances previously claimed.

2. Provide further guidance (potentially certain "safe harbour" tests) in relation to what activities should be regarded as trading in an IP context.

3. Amend the definition of "specified intangible asset" to include goodwill where such an amount is amortised for accounting purposes.

4. Remove the interest payable on funds borrowed to acquire IP from the current Section 291A calculations and allow a full tax deduction for such interest payments.

5. Amendments which would allow for the "revaluation" of allowances available in the scenario where the company has incurred significant expenditure and has had significant input into the ongoing development of the IP. The requirements of what is regarded as "significant input into the development of the IP" could be defined and could include provisions whereby the company must incur the R&D costs of the relevant IP, must have economic ownership of the IP developed, and that the employees of the company/related Irish group companies involved in the development, maintenance and exploitation of the IP would be in line with value of the IP, etc. Other options are discussed in the Chamber's submission to the Department on the OECD BEPS Project in the Irish Context (25th July 2014). We would be pleased to develop our suggestions further with the Department.

6. The current requirement included in Section 291A to regard the income and expenditure from qualifying IP as a "separate trade" from an Irish tax perspective causes a number of practical issues for some of our members. In this context, we would recommend that the impact of this requirement is fully considered in conjunction with any potential costs that would be associated with removing this requirement with a view to ascertaining whether the removal of the "separate trade" calculation could be a worthwhile enhancement to Section 291A. We would be happy to discuss this issue in more detail as required.

Double Taxation / Withholding Tax Regime

It is vitally important that Ireland can offer a competitive regime for dealing with withholding taxes suffered on inbound royalty payments. It is also important to at least maintain our current regime for granting relief for withholding tax on outbound royalty payments. Both are critical to ensuring that Ireland can compete internationally and be a hub for highly mobile, IP rich global operations.

While Ireland has implemented various attractive measures to compete for international business, our current withholding tax regime for inbound royalties is not competitive compared with other jurisdictions. This significantly impacts upon our members decisions to do business from Ireland with certain countries. The *Irish Measure of Income* regime is now extremely complex and burdensome for companies. Despite efforts to simplify it the opposite is in fact the case for a lot of tax payers.

Furthermore, the view that a deduction cannot be claimed for withholding tax under general trading principles is very unsatisfactory. All withholding tax should be deductible as a business expense on the basis it is incurred wholly and exclusively for the purposes of the company's trade and Ireland falls behind several other competitor jurisdictions that allow this. The lack of clarity in this area is of

concern for taxpayers, and creates uncertainty. The Chamber recommends that consideration be given to simplifying and streamlining the regime.

In order to address the concerns outlined above, and ensure Ireland competes effectively for mobile IP rich foreign direct investment, we strongly urge consideration be given to improving the double taxation relief afforded on tax suffered on inbound royalty payments. Improvements to this area are key to ensuring Ireland is competitive internationally to win global mandates:

1. With effect from 1 January 2016 there should be a removal of the requirement for Irish taxpayers to estimate the Irish measure of income limitation for foreign withholding taxes on a formula based approach – one size simply does not fit all. For example, consideration could be given to enable the taxpayer, particularly with different margins on products in different markets, to calculate based on actual net income from each foreign source. It should also be clarified that a full deduction for unrelieved or excess foreign withholding tax (WHT) should be permitted where credit is unavailable or limited.
2. Unrelieved or excess foreign WHT should be deductible under general tax principles (on the basis withholding tax is an expense of business incurred "wholly and exclusively" for the purposes of a company's trade), if it is not otherwise deductible under specific WHT provisions.
3. Clarification needs to be provided such that unilateral relief for withholding taxes under paragraph 9DB, Schedule 24, applies to income which under Irish tax rules would not typically be considered to be royalty income, but which certain foreign jurisdictions view it as being subject to withholding tax. For example, companies suffer withholding tax on certain service fees including payments for software services / technical services, which are currently not included under the provisions of 9DB creating additional complexities to calculate the deduction for WHT. Therefore, extending the provisions of 9DB to include such services would be welcomed by the members.

It will be important to consider the interaction of withholding tax credit relief rules with capital allowances available on certain intangible property (under Section 291A Taxes Consolidation Act 1997) where intellectual property is on-shored in Ireland. Relief for withholding taxes on income arising from the exploitation of assets eligible for relief under Section 291A is currently ring-fenced against tax on income from those assets. As the operation of the allowances regime reduces the taxable measure of income and the amount of current tax payable, companies which invest in assets in Ireland face a further limitation on their ability to utilise withholding tax credits. This could potentially impact any decision to move intellectual property to Ireland. Ideally an enhanced regime would facilitate use of credits against tax on other income in order to minimise any loss of credit or deduction relief.

A key feature of a competitive offering in terms of tax relief for withholding taxes is the ability to pool surplus tax credits. Currently, in contrast to other areas of the Irish tax legislation (for example

dividends, foreign taxes suffered on branch profits), no pooling is available for withholding taxes suffered on royalty income. This is a significant disadvantage and renders Ireland uncompetitive in this area. However recognising that there may be cost implications to the introduction of the full scope pooling of credits, it may make sense to introduce this on a phased basis over the next 2/3 years.

However, if it was determined to phase it in, this would need to be clearly expressed and delivered within an appropriate timeline.

Tax Treaty Network

We would stress the importance of continuing to develop Ireland's Tax Treaty network. As noted, Ireland has made positive steps in this area but we urge continued efforts with countries such as China and Japan as noted in past submissions. It is crucial for Ireland to continually improve on its competitiveness to attract and retain business into the future. In this regard, we would draw attention to other countries (e.g. the Netherlands and the UK) which have succeeded in developing very extensive treaty networks while also offering broad-based withholding tax relief. As noted, Ireland is lacking treaties with many key trading partners, and in many instances where treaties are in place the level of withholding taxes remains high.

Sustain Ireland’s Competitive Position for Treasury Operations

Ireland has historically been a well-known and attractive jurisdiction for treasury and financing operations (for financial services and non-financial services multinational corporations). Ireland has taken many steps to ensure that it is an attractive jurisdiction for treasury services companies (FS) with requisite substance. Artificial debt push downs are not permitted, and in fact Ireland has gone further than some countries in relation to interest deductibility generally.

Given the importance of this industry it is critical that we do not make it less competitive for attracting and retaining FS investment. Genuine FS companies employing treasury experts, and carrying on bona fide commercial operations, should not be impacted by future BEPS actions. Accordingly an important objective for Ireland would be to hold on to what currently works, in particular our corporate tax rate of 12.5%, the Section 110 regime, no CFC rules, no thin capitalisation rules, the quoted Eurobond and commercial paper withholding taxation exemptions, and the excellent treaty network.

Resourcing the Competent Authority within Revenue

One of the consequences of the Global Financial Crisis has been a focus by Revenue Authorities around the world on increasing the tax yield from Revenue audits. One element of such audits in a cross border group situation is to examine the supply of goods and services between group companies and in particular the transfer pricing arrangements that are in place to ensure these are at arm’s length and thus fair to the Exchequers of both countries.

Hence we greatly welcomed the Government’s commitment in the last Budget to strengthen the capacity of the Revenue Commissioners to enable them to deal with any queries raised by other jurisdictions in a speedy and comprehensive manner. This is not just dealing with the speed of such responses, but also with pushing back on the demands of other countries and to preserve, as far as possible, Ireland's corporation tax position and its tax base.

In Budget 2016 we strongly encourage Government to make a strong statement regarding the extra resources committed to this year and its plans to continue to do so in 2016.

Concluding Remarks

The American Chamber of Commerce Ireland promotes policies that enhance Ireland's competitiveness to be the location of choice for US foreign direct investment into Europe. Ireland remains a unique gateway for US investment into Europe and EU-US policies that advance transatlantic trade and investment will retain and attract further investment and jobs here.

Competition for FDI remains intense as investment, rather than trade, emerges as the key driver of the global economy in this century. Hence it is vital that an environment that supports the retention and growth of foreign direct investment continues to be fostered. While opportunities persist, Ireland must remain nimble and responsive to the evolution of industrial and tax policy in other jurisdictions or investment will be diverted away from Ireland and the EU.

We believe that if the measures and strategy suggested in this submission are embraced they will help drive growth by making Ireland more attractive for future inward investment.