Executive summary

In his 2017 Budget proposals (released 11 October 2016), the Irish Minister for Finance announced the appointment of an independent expert, Seamus Coffey, to review the Irish corporate tax code (the Expert Review) in light of the current international tax environment.

Detailed discussion

Background

The Government announced its decision to appoint an independent expert on 2 September 2016, the same day it announced its decision to appeal the EU Commission’s findings in the State aid case against Ireland. The Government considers the review a good practice given the rapid pace of change in the international tax environment. The Government’s international tax strategy was developed in 2014, and although it has been subject to annual review by policymakers, an independent review should bring some fresh perspective.
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Terms of Reference
The Terms of Reference (i.e., the goals) of the Review are reproduced in full below:

- “[A]chieving the highest international standards in tax transparency, including in the automatic exchange of information on tax rulings with other relevant jurisdictions, having regard to benefits which may accrue to developing countries from enhancing global tax transparency;
- “[E]nsuring that the corporation tax code does not provide preferential treatment to any taxpayer;
- “[F]urther implementing Ireland’s commitments under the Organisation for Economic Co-operation and Development’s Base Erosion and Profit Shifting (BEPS) project to tackle harmful tax competition and aggressive tax planning;
- “[D]elivering tax certainty for business and maintaining the competitiveness of Ireland’s corporation tax offering; and
- “[M]aintaining the 12.5% rate of corporation tax”

The independent expert
The independent expert, Seamus Coffey, is a lecturer in Economics at University College Cork. He focuses on the performance of the Irish economy and has written extensively on the economic aspects of taxation issues.

Timing and consultation
The Government has given Mr. Coffey until the end of June 2017 to conduct the Expert Review and submit his recommendations to the Department of Finance.

As part of the Expert Review, the Government may consult taxpayers through the Department of Finance. At this stage, however, no information is available on the scope or timing of that consultation.

Next Steps
EY proactively engages with the Department of Finance and other key stakeholders on important policy matters.

Specifically on this consultation process, EY is engaging directly with Mr. Coffey and the Department. Bold moves may be required to maintain Ireland’s competitiveness in the medium and long term. We look forward to assisting in bringing forward suggestions in this area and to assisting clients with their input into this process.

For additional information with respect to this Alert, please contact the following:

Ernst & Young (Ireland), Dublin
- Joe Bollard +353 1 2212 457 joe.bollard@ie.ey.com
- Kevin McLoughlin +353 1 2212 478 kevin.mcloughlin@ie.ey.com
- Aidan Meagher +353 1 2211 139 aidan.meagher@ie.ey.com
- David Smyth, FSO +353 1 2212 439 david.smyth@ie.ey.com

Ernst & Young (Ireland), Cork
- Frank O’Neill +353 21 4805 718 frank.oneill@ie.ey.com
- Seamus Downey +353 21 4937 615 seamus.downey@ie.ey.com

Ernst & Young LLP, Irish Tax Desk, New York
- James Burrows +1 212 773 6125 james.burrows1@ey.com

Ernst & Young LLP, Irish Tax Desk, San Jose
- Karl Doyle +1 408 947 4977 karl.doyle@ey.com
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