



**CHAMBERS
IRELAND**
IN BUSINESS FOR BUSINESS

**Chambers Ireland's submission to the Department of Jobs, Enterprise and Innovation on review of
the time provided for under Section 279 of the Companies Act 2014
16th September 2016**

Chambers Ireland is the largest business network in the State. With members in every geographic region and economic sector in Ireland, we are well positioned to understand the concerns of Irish businesses and represent their views. Chambers Ireland welcomes the work of the Department of Jobs, Enterprise and Innovation and this consultation on the time period of Section 279 of the Companies Act 2014. We are pleased to have the opportunity to inform this consultation process and look forward to further engagement with the Department in the future. This submission has been formulated in correspondence with our Chamber Network and national policy councils, which represent the Chambers and their member companies across a variety of industry sectors in all regions, and including businesses of all sizes.

Chambers Ireland recommends that the Department offer a long-term extension of Section 279 of the Companies Act 2014, until 2030. The rationale for this extension is outlined below.

Firstly it is important to highlight that an extension of the relief provided for under Section 279 for the affected companies would be tax neutral, having no effect on Ireland's GNI, tax receipts or the exchequer. Failure to allow for an extension of this relief measure will however result in significant costs for the companies affected as they will be forced to produce their global financial statements under two systems (the US GAAP and the IFRS).

The importance of the companies affected, largely US MNCs with operations in Ireland, is significant for Ireland's economy. The companies that stand to be affected by this extension are large employers with highly mobile international operations. These companies are located throughout the State and are major contributors to both local economic development and regional employment. Ireland must demonstrate that we value these companies as contributors to our economic growth. The employment benefits, tax income and local economic development which these companies bring to Ireland must not be overlooked and should be recognised through offering this relief measure.

The long-term extension of Section 279 is important for maintaining Ireland's international competitiveness as a location for FDI and also demonstrates our support for the companies already located here. There are a number of other countries with similar exemptions in place such as the UK, where companies from outside the EEA that are listed on the London Stock Exchange may apply a GAAP that is equivalent to IFRS, such as U.S. GAAP, as well as similar reliefs in place in France and Germany. Given how highly mobile many of these companies are we must make continuous efforts to provide an attractive and practical environment in which to do business. In the wake of the recent Brexit referendum result the importance of our international competitiveness has become even more pronounced and it is essential that Ireland continues to be an inviting location for international business.

Chambers Ireland hopes that the Department will take into account the points listed above and will recognise the need for a long-term extension of Section 279, until 2030.