

Recovery and Resilience: The Path Ahead - UPDATE

From 5th July, the following measures will apply:

- Numbers permitted at outdoor events can increase as planned, to a maximum of 200 attendees for the majority of stadia, and to 500 for stadia/venues with capacity greater than 5,000, with appropriate protective measures.
- No limit on numbers of people that can visit together once they are all fully protected by vaccination or have had COVID-19 infection in the previous 9 months.
- Weddings with 50 guests can proceed.
- Working from home should continue.

For a full list of changes to the plan and the extension of supports, please see [here](#).

The OECD Corporation Tax Agreement - what does this mean for Ireland?

Negotiations at the OECD to agree a global framework to govern the taxation of company profits have been gathering pace in recent months, with an agreement reached between the G7 countries at a meeting on 5 June 2021.

OECD Secretary-General Mathias Cormann [welcomed](#) the ground-breaking [agreement by G7 Finance Ministers](#) on key elements of international tax reform designed to address the tax challenges of the digitalisation and the globalisation of the economy. This decision adds important momentum to the coming discussions among 139 member countries and jurisdictions of the [OECD/G20 Inclusive Framework on BEPS](#), where the OECD will seek a final agreement ensuring that multinational companies pay their fair share everywhere.

This discussion can be divided into two strands or pillars. Pillar One of the OECD's proposal addresses how the tax base should be determined and Pillar Two deals with the imposition of a global minimum effective rate of corporate tax. [The full impact of the reforms on Ireland's economy](#) is largely dependent on the rate of tax that is agreed as part of the negotiations on Pillar Two. In this regard, the G7's agreement of a rate of at least 15% signals that the Irish Government's goal to retain its 12.5% rate of corporate tax has become an increasingly challenging task.

Oireachtas Business and Key Updates

Bills and Acts recently debated - Dáil Éireann

- [Sale of Tickets](#) (Cultural, Entertainment, Recreational and Sporting Events) Bill 2021 – Second Stage.
- [Residential Tenancies](#) (No. 2) Bill 2021 – Second Stage.
- [Planning and Development, Heritage and Broadcasting](#) (Amendment) Bill 2021 - Second stage.
- [Planning and Development](#) (Climate Emergency Measures) (Amendment) Bill 2021 – Second Stage.
- [Maritime Jurisdiction](#) Bill 2021 – Second Stage.
- [North-South Interconnector Review Group](#) Bill 2021 - Second Stage

Bills and Acts recently debated - Seanad Éireann

- [Climate Action and Low Carbon Development](#) (Amendment) 2021 – Second Stage.
- [Planning and Development](#) (Solar Panels for Public Buildings, Schools, Homes and Other Premises) (Amendment) B Bill 2021 – Second Stage.
- [Gender Pay Gap Information](#) Bill 2019 – Fourth Stage.
- [Maritime Jurisdiction](#) Bill 2021 – Committee and Remaining Stages.
- [Affordable Housing](#) Bill 2021 – Fifth Stage.
- [Planning and Development](#) (Amendment)(No. 3) Bill 2021 – Third Stage.
- [Organisation of Working Time](#) (Reproductive Health Related Leave) Bill 2021 – Third Stage.

-All recently considered Bills and Acts can be accessed [here](#)

-All Parliamentary Questions can be browsed [here](#)

-All committee meetings can be found [here](#)

Bills recently signed into law by President Higgins

- [Personal Insolvency](#) (Amendment) Act 2020.
- [Planning and Development, Heritage and Broadcasting](#) (Amendment) Act 2021.
- [Loan Guarantee Schemes Agreements](#) (Strategic Banking Corporation of Ireland) Act 2021.



The Irish Government will hope that the OECD negotiation process, which aims to conclude a final deal by October 2021, will allow Ireland to reach an agreement on international tax reform that preserves the principle of tax competition as a lever for generating growth in smaller economies. The success of the OECD negotiations depends on the ability of its members to reach a compromise in the coming months.

Quick Updates

- The Irish language is on track to reach [full status](#) the EU Institutions by 1 January 2022.
- The UK has requested that the European Commission [extend the grace period](#) (from 30 June 2021 to 30 September 2021) concerning the movement of chilled meats from GB to NI, agreed within the context of the Protocol on Ireland/Northern Ireland.

European Semester Spring Package: Paving the way for a Strong & sustainable recovery

The European Commission recently presented the [European Semester Spring Package](#), which provides fiscal guidance to Member States as they continue the process of gradually reopening their economies.

Fiscal policy needs to remain supportive in 2021 and 2022. The Commission are encouraging Member States to avoid a premature withdrawal of support and make full use of the Recovery and Resilience Facility funding.

The implementation of investments and reforms within the RRF will help to support the economic recovery, foster higher potential growth and employment, reduce imbalances and improve public finances.

In 2022, national fiscal policies should become increasingly differentiated, while all Member States should preserve investments to support the recovery. Once conditions allow, Member States should pursue policies to ensure fiscal sustainability in the medium term. to maintain supportive fiscal policies this year and next, preserving public investment and making the most of the funding from the Recovery and Resilience Facility to boost growth.

A sound mix of expenditure - focused on investments while keeping other expenses under control - will facilitate the return to more prudent positions in the medium-term, which will be especially important for high-debt countries.

Upcoming Consultations

- Consultation on the [Renewable Electricity Support Scheme \(RESS 2\) – Auction Design and Implementation](#).
- Consultation on [Enterprise Ireland's Vision 2030](#).
- Consultation on the [mid-term review of the National Peatlands Strategy](#).
- Consultation on the [National Research and Innovation Strategy](#).
- Consultation on the [SEA's Environmental Report for the Climate Action and Low Carbon Development \(Amendment\) Bill 2021](#).
- Consultation on [Artificial Intelligence - ethical and legal requirements \(European Commission\)](#).
- Consultation on the [Gender Pay Gap \(European Commission\)](#).

EU proposes a strong multilateral trade response to the COVID-19 pandemic.

On 4 June the EU submitted [its proposal](#) seeking the commitment of WTO members for a multilateral trade action plan to expand the production of COVID-19 vaccines and treatments, and ensure universal and fair access.

With this proposal to the WTO, divided in two communications, the EU underlines the WTO's central role in the response to the COVID-19 pandemic and urges fellow WTO members to agree on a set of commitments, including on intellectual property rights.

The EU [calls](#) the Government to:

- Ensure that COVID-19 vaccines, treatments and their components can cross borders freely;
- Encourage producers to expand their production, while ensuring that those countries most in need of vaccines receive them at an affordable price, and;
- facilitate the use of compulsory licensing within the WTO's existing Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The [TRIPs Agreement](#) provides this flexibility, which is a legitimate tool during the pandemic that can be used swiftly where needed.

European Legislative & Union Updates

EU Digital COVID Certificate: EU Gateway goes live

The European Commission proposed an [update](#) to the [Council Recommendation](#) on the coordination of free movement restrictions.

As the epidemiological situation is improving and vaccination campaigns are speeding up all over the EU, the Commission is proposing that Member States gradually ease travel measures, including most importantly for the holders of the [EU Digital COVID Certificate](#). The Commission has also proposed to update the common criteria for risk areas and to introduce an 'emergency brake' mechanism, to address the prevalence of new variants of concern or interest.

The proposal also includes specific provisions on children to ensure unity of travelling families and a standard validity period for tests.

EU and UK reach agreement in principle on fishing opportunities for the remainder of 2021

The EU and the UK [concluded negotiations](#) an agreement in principle setting out catch limits for jointly managed fish stocks for 2021. This closes the first ever annual consultations on fishing opportunities between the EU and the UK under the terms of the EU-UK Trade and Cooperation Agreement.

The [agreement](#) establishes the total allowable catches (TAC) for 75 shared fish stocks for 2021, as well as for some deep-sea stocks for 2021 and 2022. It also provides clarity on access limits for non-quota species. The signing of the agreement will also enable both parties to engage in quota exchanges.

Preliminary deal on €5 billion fund to mitigate the effects of Brexit

A €5bn fund to overcome the consequences of the UK's withdrawal came a big step closer to adoption after the Council and the European Parliament reached a [preliminary agreement](#) the draft regulation.

The deal means that funding from the Brexit adjustment reserve can begin to be disbursed before the end of the year. The reserve is designed to support all EU Member States, while focusing on the most affected regions and sectors.

Trade breakthroughs boost renewal of EU-US partnership

The EU-US summit on 15 June marked the beginning of a renewed transatlantic partnership and set a joint agenda for EU-US cooperation in the post-pandemic era.

[Key summit deliverables](#) include three major new trade initiatives. Leaders agreed to resolve long-standing disputes regarding [aircraft](#), discuss measures on steel and aluminium, and set up a Trade and Technology Council. They also discussed Covid-19 vaccines, ensuring a sustainable recovery, protecting the planet and cooperating on foreign and security issues.

The full statement following the summit can be accessed [here](#).

Quick Updates

- The European Commission launched the [European Tax Observatory](#): a new research laboratory to assist in the EU's fight against tax abuse.
- Commission launches [new initiative](#) to address EU skills shortages and improve migration cooperation with partner countries
- Commission to [invest €14,7bn](#) from Horizon Europe for a healthier, greener and more digital Europe. More on this [here](#).