An Roinn Airgeadais
Department of Finance

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Annual Report
2022

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ANNUAL REPORT 2022

An Roinn Airgeadais
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Executive Summary

The *Public Service Management Act 1997* requires an annual progress report to be presented to the Minister on the implementation of the objectives set out in the Department's Statement of Strategy.

Following the re-appointment of the Minister for Finance, Paschal Donohoe T.D. in June 2020, a new *Statement of Strategy 2021-2023* for the Department of Finance was prepared and subsequently published in January 2021. Seán Fleming T.D. was the Minister of State with responsibility for Financial Services, Insurance and Credit Unions.

With the rotation of the Taoiseach and Tánaiste in line with the Programme for Government, the Department saw the rotation of Finance and Public Expenditure Ministers within a Government coalition for the first time with Minister Michael McGrath T.D. replacing Minister Donohoe in December 2022 and the appointment of Jennifer Carroll MacNeill T.D. as Minister of State with responsibility for Financial Services, Insurance and Credit Unions.

This report relates to activity in 2022 whereby the Department's performance is benchmarked against the key outputs and performance indicators set out in its *Statement of Strategy 2021-2023*. The information in this report pre-dates events that have occurred during 2023. Having said that, in certain places account is taken of later events. For a more complete and up to date assessment of current events, Departmental publications such as the Stability Programme Update provide a more conjectural assessment.

Our Mission

The mission of the Department of Finance is to lead in the achievement of the Government's economic, fiscal and financial policy goals, having regard to the goals set out in the Programme for Government – *Our Shared Future*.

Strategic Goals

In pursuing our mission in 2022, the Department worked toward the achievement of the following Strategic Goals:

- Balanced, sustainable economic recovery
- Sound public finances
- Well regulated, sustainable banking and financial sector
- International leadership in economic, fiscal and financial decision making
- Promoting environmentally sustainable progress

The Department is managed by the Executive Board and at end-2022 was organised into a number of Divisions and Units as follows:

John Hogan	Secretary General and Accounting Officer	
Des Carville	Lead Specialist	Shareholding and Financial Advisory Division
Oliver Gilvarry	Assistant Secretary General	Banking Division
Emma Cunningham	Assistant Secretary General	Tax Division
John McCarthy	Assistant Secretary General	Economic Division
Michael J. McGrath	Assistant Secretary General	Financial Services Division (incl. Legal Unit)
Paul Ryan	Director	International Finance & Climate Division
Gary Tobin	Assistant Secretary General	EU & International Division
Colm O'Reardon	Head of Division	Strategic Economic Development Division Commission on Taxation and Welfare

Corporate Affairs and Human Resources report directly to the Secretary General and the heads of both units are ex-officio members of the Executive Board:

Niall O'Ceallaigh	Principal Officer	Human Resources
Scline Scott	Principal Officer	Corporate Affairs (incl. Facilities Management Unit)

Human Resources

At end-2022, the Department had a total workforce of 357 staff (351.40 FTE), 320 based in Dublin and three in Tullamore. thirteen members of staff were on Career Break, while five members of staff were seconded to other Government Departments.

A small number of staff members are based externally in a range of EU and International Institutions. At end-2022, four staff members worked in Ireland's Permanent Representation to the EU in Brussels; five staff members worked as Seconded National Experts in the European Commission; two staff members worked in the Irish Embassies, one each in Berlin and London; one worked in the EBRD in London; and three worked in the Canada, Ireland and the Caribbean Constituency Offices, one at the World Bank and two at the IMF in Washington. One worked in Ireland's Asian Development Bank Constituency Office in Manila. The addition of staff in certain bilateral missions gives the Department a presence in the capitals of key economic partners. The Department has a well-developed, long standing staff exchange and dual arrangement with the Department of Foreign Affairs.

Key Administrative Statistics

In 2022, the Department supported the Minister for Finance in his Oireachtas and Ministerial obligations by processing 2,866 Parliamentary Questions, 6,084 Ministerial Representations and 1,166 Ministerial submissions. The Department also dealt with 272 Freedom of Information requests, prepared 96 Statutory Instruments and 6 pieces of Primary Legislation (enacted).

In fulfilling our mission, the Department carried out a broad range of activities in 2022 as well as participating in a large number of EU and international events. Senior officials[1] regularly attend a large number of external events spanning a broad range of policy areas, and in 2022 attended approximately 500 such events. While not an exhaustive list, these included EU and OECD Committees and Working Parties, Expert & High Level Groups, EU and International Conferences/Seminars, International Board meetings and Bilateral meetings in the areas of financial services and banking (120), economic and taxation policy (103), economic, fiscal and financial strategy development at EU and international level (206) and management of Ireland's relationship with International Financial Institutions and the Department's role in climate action (68).

We have seen continued momentum in foreign travel and physical meetings, with higher levels than pre-pandemic. Minister Donohoe attended the Eurogroup and ECOFIN meetings physically in Brussels on 9 occasions throughout the year. He travelled to Washington DC twice and to other European countries a total of 12 times. The Minister attended two physical G7 meetings in Bonn and Washington, 43 Government meetings and 33 Cabinet Committee meetings. He participated in 75 media engagements and over 250 external meetings and events, as well as approximately 150 meetings with Department officials.

Following his appointment in December, Minister McGrath attended a Government meeting before the end of the year and undertook a variety of media engagements.

In 2022, Minister of State Fleming's diary included approximately 160 meetings relating to insurance, credit unions and the financial services sector. He hosted several internal meetings and events each week which included briefings on private members bills, legislation and Budget preparations.

[1] Secretary General, Assistant Secretary, Director and Principal Officer

Strategic Goal 1 | Balanced, sustainable economic recovery

In terms of advancing the Department's Strategic Goal No. 1, the Statement of Strategy 2021-2023 set out the following objectives on which we seek to make progress:

- Balanced and sustainable pace of economic growth that contributes to equality of opportunity
- Reduction in public and private indebtedness

Following the full relaxation of Covid-19 related restrictions in the first quarter of 2022, economic activity rebounded strongly, with little, if any, evidence of permanent scarring effects on the economy. This recovery is most clearly evident in the labour market, with more than 2½ million in employment in the fourth quarter of 2022. This recovery has been facilitated by a growing participation amongst female and youth workers particularly, owing to cyclical, and structural factors such as the flexibility afforded by remote working opportunities.

However, Russia's invasion of Ukraine in February 2022 triggered massive upheaval in the global economy. Russia's weaponisation of gas supplies left global energy markets in flux with almost all advanced economies grappling with multi-decade high inflation rates as a result. In Ireland, consumer price inflation averaged just over 8% in 2022, compared with around ½% over the previous decade.

Given the elevated and broad based nature of inflationary pressures, central banks began tightening monetary policy in 2022. By December, the ECB had raised interest rates by a cumulative 2½ percentage points - the fastest pace of tightening in the history of the single currency. This has resulted in higher debt service costs for households, businesses as well as the Government.

The rise in consumer prices over the course of 2022 also had knock-on effects on the domestic economy, with rising prices eroding household incomes and weighing on consumer spending in the second half the year. At the same time, firms were faced with the simultaneous headwinds of slowing domestic demand, tightening financing conditions and continued economic uncertainty.

On the external front, exports continued to make a significant contribution to economic growth. Growth in goods exports continued, supported in particular by the strong performance of the pharmaceutical sector. Robust growth was also seen in exports in the employment rich food and beverage sector. Services exports showed continued year-on-year growth, particularly in the transport, tourism and travel sectors and in computer services. The effect of inflationary pressures was evident, particularly with respect to imports, with the value of fuel imports increasing significantly over the year, in line with increased wholesale prices on the back of Russia's invasion of Ukraine.

The Department continued publishing its quarterly Economic Insights series in 2022. The papers provide analysis on topical issues, including notes on high-frequency indicators post-Covid and rising construction costs, GNI* growth and the post-Covid labour market[2].

The Department also published two complete sets of macroeconomic forecasts during 2022, to inform Government and relevant stakeholders regarding emerging developments. Both sets of projections were endorsed by the Irish Fiscal Advisory Council in line with legal obligations. In addition, in the intervening period between the spring and autumn forecasts, the Department published the Summer Economic Statement. This document set out the Government's medium-term budgetary strategy and outlined the fiscal parameters ahead of Budget 2023.

On the fiscal front, in February 2023 the Department published the Annual Report on Public Debt in Ireland 2022.[3] The report highlights that public debt increased to €226 billion by the end of 2022, up from €203 billion just prior to the pandemic. Notwithstanding the increase in public indebtedness, the debt-income ratio has been returned to a downward trajectory, with the 2022 figure equating to 86% of GNI* - 10 percentage points lower than the pre-pandemic level. Furthermore, the structure of Irish public debt insulates the public finances from the changing interest rate environment in the short-term. Approximately three quarters of gross national debt is currently at rates below 2%, while maturities remain relatively elongated. Nevertheless, the public finances face a number of vulnerabilities and long-term challenges, in particular the potential for a shock to corporation tax receipts. In order to highlight this such vulnerability, in September 2022, the Department published a research paper entitled *De-risking the Public Finances – Assessing Corporation Tax Receipts*, which estimated that €4 to €6 billion of last year's corporation tax receipts could be windfall in nature.[4]

The Department has continued to make progress on developing and embedding the new well-being framework into the policy-making system, including through its role as a joint sponsor and member of the Interdepartmental Working Group. The Second Report on *A Well-being Framework for Ireland* was published in June 2022[5]. In addition, the Framework was discussed at the National Economic Dialogue and progress updated in the *Summer Economic Statement*[6]. Moreover, the Department introduced a new Budget day publication: *Budget 2023: Beyond GDP – A Quality of Life Assessment*[7]. The report discusses the new Well-being Framework and provides an updated assessment of the well-being dashboard. It also presents an examination of the distributional impact of the Budget 2023 and Cost of Living packages. Complementary chapters assess the progressivity of the Irish tax system in comparison to other OECD countries, and provide an update on equality budgeting, including a distributional impact of the age tax credit. Finally, the Department's green budgeting tax analysis, which assesses

[2] The *Economic Insights* series are available at: https://www.gov.ie/en/collection/e2c12-economic-insights/
[3] Available at: https://www.gov.ie/en/publication/cb74e-annual-report-on-public-debt-in-ireland-2022/
[4] Available at: https://www.gov.ie/en/publication/b838d-de-risking-the-public-finances-assessing-corporation-tax-receipts/
[5] Available at: https://www.gov.ie/pdf/226076/?page=null
[6] Available at: https://assets.gov.ie/229031/b187a27c-26c8-4740-aba5-b0653ebead46.pdf
[7] Available at: https://assets.gov.ie/239782/1d0d20e3-bf66-453b-b31b-a006c9707e8a.pdf

existing tax and incremental budgetary measures from a climate perspective, concludes the report.

Cost of Living

In March 2022, in the context of energy price inflation, the Government provided for excise duty reductions for petrol, diesel and Marked Gas Oil. The reductions of 21 cent per litre on petrol, 16 cent on diesel and 5 cent on Marked Gas Oil, were extended on Budget day 2022 to 28 February 2023. In addition, the VAT rate on gas and electricity was moved on a temporary basis from 13½% to 9% from 1 May 2022 and was scheduled to end on 31 October 2022. In recognition of the ongoing difficulties experienced by households and businesses with the increasing cost of energy, this measure was also extended on Budget day 2022 to 28 February 2023.

Temporary Business Energy Support Scheme

The Temporary Business Energy Support Scheme (TBESS) was introduced in Finance Act 2022 as part of a suite of Government measures to counteract the impact on businesses of increased energy costs over the winter months which arose as a result of the invasion of Ukraine by Russia. TBESS is a support available to tax compliant businesses experiencing significant increases in electricity or natural gas costs. The scheme provides a direct payment to eligible businesses in respect of energy costs. TBESS was legislated to run from 1 September 2022 to 28 February 2023 with the option to extend by Ministerial Order. The scheme operates on a self-assessment basis and is administered by the Revenue Commissioners, who publish detailed statistical reports on the scheme on a weekly basis. It is compliant with EU Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia.

Covid-19 related support schemes

The Covid Restrictions Support Scheme (CRSS) was a targeted support for businesses significantly impacted by restrictions introduced by the Government under public health regulations to combat the effects of the Covid-19 pandemic. The scheme was introduced with effect from 13 October 2020 and ended on 31 January 2022. Some €727 million was paid under the scheme in direct payments in respect of over 25,600 business premises since its introduction (€706 million to end-December 2021).

The Debt Warehousing Scheme allows certain debts, mainly VAT and PAYE (Employer) debts, incurred by businesses during the period of restricted trading caused by Covid-19 to be ‘parked’ on an interest free basis for 12 months following the resumption of trading. At the end of the 12-month interest free period, the warehoused debt may be paid in full without incurring an interest charge or paid through a phased payment arrangement at a significantly reduced interest rate of 3% per annum. This compares to the standard rate of 8-10% per annum that would otherwise apply to such debts. At end-2022, over 68,000 individual customers were availing of the Debt Warehousing facility with €2.371 billion tax liabilities warehoused. In

October 2022, Revenue announced an important and significant extension to the Debt Warehousing scheme in light of the challenging economic situation that businesses continue to face. Under the scheme, most businesses with warehoused debt were due to enter into an arrangement with Revenue to commence repaying that debt by the end of 2022. This timeline has been extended to 1 May 2024.

In recognition of the unprecedented challenges which the hospitality and tourism sector faced as a result of Covid-19 restrictions, Finance Act 2020 had provided that the 9% rate of VAT would apply from 1 November 2020 to 31 December 2021. The reduced rate was applicable to supplies of certain goods and services which primarily related to the hospitality and tourism sector and which were then subject to a VAT rate of 13.5%. However, this provision was extended to 31 August 2022 in the Finance (Covid-19 and Miscellaneous Provisions) Act 2021. A further extension of this measure was provided for in the Finance (Covid-19 and Miscellaneous Provisions) Act 2022.

Brexit

The EU-UK Trade and Cooperation Agreement (TCA) prevented a disorderly Brexit and provided for an orderly end to the transition period on 31 December 2020. The Department's focus in 2022 continued to be on the implementation of the TCA and the Ireland/Northern Ireland Protocol, and on identifying and monitoring developments, which might impact on Ireland’s economic and financial interests. Close coordination continued internally between relevant policy sections, and externally with stakeholders including the Central Bank, Revenue and the NTMA. As discussions continued between the EU and the UK on the Protocol, the Department’s Brexit Unit also remained closely engaged in structured cross-government engagement, including with the Permanent Representation in Brussels, and with the Department of the Taoiseach, the Department of Foreign Affairs and other Government Departments.

The Department continued to closely monitor UK-Ireland trade throughout the year with a view to assessing the economic impact of Brexit on Ireland. As a result of the UK postponing the full introduction of further import controls for Irish goods to the end of 2023, the full impact of Brexit will not be evident for some time. While the disruption to the domestic economy from Brexit is playing out more slowly than the fast-moving shocks we have experienced in recent years, the Department will continue to monitor these impacts with the aim of ensuring that the disruption from Brexit on the economy is minimised to the greatest extent possible.

Strategic Goal 2 | Sound Public Finances

In terms of advancing the Department's Strategic Goal No. 2, the Statement of Strategy 2021-2023 set out the following objectives on which we seek to make progress:

- Trajectory towards a balanced budget once allowance is made for the economic cycle
- Sustainable, growth-friendly, efficient and equitable tax system
- Enhanced international tax reputation including corporate taxation
- A supportive taxation environment for enterprise and employment
- Maintain market access on favourable terms

On the fiscal side, Government has intervened to shield households and businesses from two economic shocks: the Covid-19 pandemic and, over the last year, the rising cost of living. During the pandemic, Government made available approximately €48 billion in support, enabling a robust economic recovery when the pandemic receded at the beginning of last year.

In response to the cost of living challenge, Government has acted on multiple occasions to help to absorb some of the impact of rising prices. *Budget 2023* was a 'cost of living Budget', focussed on mitigating inflationary pressures and building on support announced by Government throughout the year. Further cost of living measures announced by Government in February 2023 brought the total fiscal support provided by Government to almost €12 billion.

The economic recovery from the pandemic has been evident in the public finances, with a headline general government surplus of c. €8 billion recorded last year, driven by growth in tax revenues and a decline in pandemic-related expenditure. Income tax receipts were up by 15% on 2021, reflecting the ongoing recovery in the labour market, while, reflecting the rebound in consumption, VAT receipts were up by over 20% and are now €3½ billion above their pre-pandemic position.

However, the public finances remain vulnerable: the headline surplus was driven by highly volatile windfall corporation tax, which could potentially be transient: corporate tax receipts in 2022 were almost 50% ahead of 2021 and, for the first time, overtook VAT to become the second-largest source of Exchequer tax revenue. To mitigate this risk, the Department published, as part of *Budget 2023*, a new metric, the underlying General Government Balance, which sets out the fiscal position if estimates of windfall or excess corporate tax receipts are excluded. This measure suggests there was an underlying deficit of almost €3 billion in 2022.

Government is acting to address this vulnerability. In 2022, €2 billion in excess corporate tax receipts were transferred to the *National Reserve Fund*, with a further €4 billion transfer made earlier this year. These receipts will help rebuild our fiscal buffers and reduce the risk of using potentially transient revenues to fund permanent expenditure.

In the *Summer Economic Statement* 2022, Government committed to a medium-term budgetary strategy that limits core current expenditure growth to 5% per year, broadly in line with the trend growth rate of the economy. This strategy was designed to meet the dual objectives of investing in the productive capacity of the economy while ensuring the public finances remain on a sustainable path.

In recognition of the cost of living challenge, *Budget 2023* temporarily departed from this strategy on a once-off, temporary basis, but future Budgets will return to the parameters set out in the medium-term strategy, decoupling expenditure growth from volatile corporation tax revenues and ensuring that the fiscal resources are available to address future challenges such as the climate transition and population ageing.

All International Rating Agencies have restored Ireland's Long-Term Foreign and Local Currency Issuer Ratings standing to "AA". This restoration reflects a consensus view that Ireland's performance in the face of difficult external developments points to enhanced macroeconomic resilience and that the Irish economy is on a path of solid growth.

With Government approval to join an international agreement to reform the international tax rules to address the challenges arising from the digitalisation of the global economy, the Department has continued to monitor and assess the impact of the international tax reform on the public finances.

Commission on Taxation and Welfare

The Commission on Taxation and Welfare was established on 19 April 2021 in line with the commitment under the Programme for Government. The Commission was tasked with the independent consideration of how best the taxation and welfare systems can support economic activity and promote increased employment and prosperity while ensuring that there are sufficient resources available to meet the costs of the public services and supports in the medium and longer term. "Foundations for the Future", the Report of the Commission on Taxation and Welfare, was published on 14 September 2022 by the Minister for Finance. The report contains over 500 pages and 116 recommendations regarding the future of our taxation and welfare systems.

Tax Strategy Group

The Tax Strategy Group (TSG) papers, which are prepared annually in advance of the Budget to facilitate informed discussion, were published on 10 August 2022[8].

Finance (Covid-19 and Miscellaneous Provisions) Act 2022

In response to the evolving public health situation and the re-imposition of certain public health restrictions in late December 2021, some further enhancements to the Employment Wage Subsidy Scheme (EWSS) were introduced by Government and provided for in the Finance (Covid-19 and Miscellaneous Provisions) Act 2022. Firstly, the scheme was re-opened for certain businesses who would not otherwise have been eligible for the scheme. Employers who previously availed of EWSS but who were no longer eligible, were afforded the opportunity to re-qualify for the scheme where they met certain conditions. Secondly, enhanced support was

[8] https://www.gov.ie/en/collection/d5b41-budget-2023-tax-strategy-group-papers/#:~:text=The%20Tax%20Strategy%20Group%20(TSG,Civil%20Service%20Departments%20and%20Offices.

provided for businesses that were directly impacted by the public health restrictions introduced in late December 2021, with such businesses receiving additional support through delayed step-down arrangements for the scheme. The EWSS ceased in May 2022 having supported 51,800 employers in respect of 746,000 employees during its lifetime at a cost of almost €8 billion.

This Act also provided for changes to, and extensions of the Covid Restrictions Support Scheme (CRSS), the tax debt warehousing scheme, and the application of the waiver of excise duty for special exemption orders for late licences from 26 January until 30 April 2022.

Finance Act 2022

The 2022 Finance Act gave legal effect to the taxation measures announced in Budget 2023 as well as introducing some necessary administrative and technical changes to the tax code.

Personal Tax

As announced in Budget 2023, a personal income tax package amounting to an estimated €1.13 billion in 2023 was introduced in the Act with an increase of €3,200 to the income tax standard rate band, as well as a €75 increase to the main personal tax credits (personal credit, PAYE credit and earned income credit) and a €100 increase in the home carer tax credit. An increase in the 2% band ceiling for USC in line with the increase in the National Minimum Wage and a further extension of the reduced rate of USC concession for full medical card holders earning less than €60,000 per annum were also provided in the Act.

Climate

The carbon tax increased to €48.50 per tonne CO2 emitted. This applied to auto fuels in October 2022 and will apply to other fuels on 1 May 2023.

Disabled Drivers and Passengers Scheme

Minister Donohoe committed to a comprehensive review of the Disabled Drivers and Passengers Scheme (DDS) as part of a broader review of mobility supports. In order to achieve this objective, the Minister for Children, Equality, Disability, Integration and Youth agreed in September 2021 that the National Disability Inclusion Strategy (NDIS) Transport Working Group (TWG) review of Government funded transport and mobility supports for those with a disability, would include a review of the DDS. The Department, as part of its engagement in this review process, established an expert information-gathering Criteria Sub-group (CSG) at the start of 2022. Five papers and a technical annex arising from the CSG work were transmitted to the Department of Children, Equality, Disability, Integration and Youth in July 2022 as inputs into the NDIS review. In addition, in response to a series of questions from, the NDIS, Minister Donohoe submitted a proposal from the Department that the DDS should be replaced with a new approach to vehicle-related support, namely a graduated scale of grant-aided direct financial support for specified vehicle adaptations.

Business

Tax expenditure reviews of the Research & Development tax credit and the Knowledge Development Box were undertaken, and amendments were introduced to both regimes in Finance Act 2022 to align with new principles arising from ongoing international tax reforms, including the OECD Two Pillar Agreement.

Following a cost benefit analysis in 2022, Finance Act 2022 provided for the extension of the section 481 film tax credit for a further four years, from end-2024 to end-2028. The early rollover of the relief recognises the long lead-time for the planning of audio-visual productions and allows for the necessary State aid approval to be obtained.

State aid approval was received in September 2022 for the new Tax Credit for Digital Games, and the relief was commenced with effect from 21 November 2022.

Ireland's Engagement on EU and International Tax Reform

In October 2021, Ireland, along with over 130 jurisdictions, joined a landmark international agreement to reform the international tax rules to address the challenges arising from the digitalisation of the global economy. There are two pillars to this agreement. Pillar 1 will see a reallocation of a proportion of profits to the jurisdiction of the consumer. Throughout 2022, Ireland contributed positively to the on-going technical work on Pillar 1 with regular, rolling public consultations issued by the OECD throughout the year. This work will continue in 2023 with a view to opening a Multilateral Convention for signature in July 2023.

Pillar 2 will see the adoption of a new global minimum effective tax rate applying to multinationals with global revenues in excess of €750 million. The EU Minimum Tax Directive, which will implement Pillar 2 in the EU, was negotiated through the early part of 2022 and agreed in December. Legislation will be brought forward to transpose the EU Minimum Tax Directive in Ireland in Finance Bill 2023.

Key Employee Engagement Programme

Finance Act 2022 extended the Key Employee Engagement Programme (KEEP) to the end of 2025. KEEP is a share option scheme, under which employees are given an option to acquire shares at a future date, at a fixed price. It is a focussed share option programme, intended to help SMEs attract and retain talent in a highly competitive labour market. While Finance Act 2022 reintroduced changes to the scheme from Finance Act 2019 which had not yet been commenced, it also contained a number of other changes which included permitting share buybacks. This means that shares acquired under KEEP can be expected to meet the conditions of the 'trade benefit' test which allows Capital Gains Tax treatment to apply to the gain in the value of the share options, as opposed to Income Tax. The Act also amended the definition of "qualifying company" to double the permissible market value of companies which qualify for KEEP from €3 million to €6 million.

Housing

In September 2021, the Government published “Housing for All”, a medium to long-term strategy to increase supply and affordability across the housing system. The overall objective is to increase housing output to 33,000 units per annum.

While the strategy is supported by significant public expenditure commitments (annual average investment of €4 billion), a number of key tax measures complement the overall approach. In broad terms, these measures aim to increase the supply of housing through incentivising societally beneficial behaviours, while discouraging harmful practices.

Finance Act 2022:

- extended the Help to Buy scheme in its current enhanced form for a further two years, to the end of 2024;
- Introduced a rent income tax credit of up to €500 per year (or up to €1,000 for jointly assessed couples) which may be claimed in respect of qualifying rent paid in 2022 and subsequent years to end-2025;
- provided for the deduction of certain retrofitting expenses incurred by landlords on rented residential properties in calculating their Case V rental profits;
- enhanced the deductibility of pre-letting expenses for landlords from €5,000 to €10,000 and reduces the vacancy period from twelve months to six;
- provided for a new Vacant Homes Tax;
- extended the Living City Initiative to the end of 2027 and provided for accelerated relief for owner-occupier claimants.

As set out in Housing Policy Objective 15.2 of Housing for All, the Residential Zoned Land Tax to activate vacant land for residential purposes, was enacted as a part of Finance Act 2021. The tax will be administered by Revenue from 2024 when it comes into effect. In advance of this, maps are being prepared by all 31 local authorities, with support from the Department of Housing, to identify the land in scope for the tax. The mapping process involves public notification of draft and supplemental maps, and a related national and local communications campaign took place over November and December 2022.

The local authorities published their draft maps on 1 November 2022. Landowners and interested parties made a total of 1,687 submissions to the local authorities by 1 January 2023. Local authorities have now assessed submissions and made decisions to retain or remove land from the maps. Local authorities subsequently notified land owners of their decision by 1 April 2023. Final maps will be published by 1 December 2023.

Following on from a commitment under Housing for All to collect data on vacancy with a view to introducing a vacant property tax, a new Vacant Homes Tax (VHT) was announced in Budget 2023. The measure aims to increase the supply of homes for rent or purchase to meet demand, rather than raise revenue. VHT is an annual tax that will apply to long-term vacant residential property and must be paid in addition to a property’s Local Property Tax. The first chargeable period for VHT commenced on 1 November 2022, and owners of vacant properties will be required to file a return in November 2023. Payment of the tax will be due on 1 January 2024.

Defective Concrete Products Levy

A new levy, the Defective Concrete Products Levy, will apply from 1 September 2023 at a rate of 5% at the point of first supply to a limited range of concrete and concrete products. It is provided for in section 99 of Finance Act 2022.

2022 Tax Expenditures Report

The Report on Tax Expenditures 2022 was published on Budget day (27 September 2022) and lists the tax expenditures currently in effect, and shows, where available, the revenue forgone and number of claims made in respect of each expenditure for the most recent two years for which data exists. The Report also includes an analysis of the tax expenditure data shown in its tables, as well as a short review of recent developments in the tax expenditure area in Ireland including work carried out by the Budget Oversight Committee and the Commission on Taxation and Welfare.

Five tax expenditure related reviews carried out in 2022 were included in the report:

- Cost Benefit Analysis of Section 481 Film Relief
- 2022 Evaluation of Ireland’s Research and Development (R&D) Tax Credit
- 2022 Evaluation of Ireland’s Knowledge Development Box (KDB)
- Report on the High Income Earners Restriction (HIER)
- Report on the Special Assignee Relief Programme (SARP)

Separate to the Tax Expenditures Report, as part of Budget 2023, the Help to Buy Scheme Review and a Review of the USC concession for Medical Card Holders were also carried out in 2022.

Tax Appeals Commission

An effective and efficient appeals process is an essential element of a fully functioning tax system. In 2022, five Temporary Appeal Commissioners were appointed. At end 2022, the Commission had 1,500 appeals on hand, a 45% reduction in the number on hand at the end of 2021, despite an additional 1,452 appeals being received during the same period. The quantum of tax under dispute reduced from €1.7 billion at the beginning of 2022 to €1.27 billion at end 2022.

Strategic Goal 3 | Well regulated, sustainable banking and financial sector

In terms of advancing the Department's Strategic Goal No. 3, the Statement of Strategy 2021-2023 set out the following objectives on which we seek to make progress:

- A competitive and resilient domestic and international banking, insurance and financial services sector
- Availability of sustainable credit union, bank and non-bank funding sources to extend recovery into the domestic economy and to respond to the needs of a changing economy

In advancing Goal 3, it is important to note that a significant volume of the financial services legislative and regulatory framework is developed at an EU level. In order to assist work in this area, a Financial Services Attaché and a Banking Attaché work in the Irish Permanent Representation in Brussels and these Attachés work closely with colleagues in the Department's Banking and Financial Services Divisions.

Domestically, officials work with the Central Bank of Ireland, other relevant Government Departments and Agencies as well as relevant stakeholders. In 2022, the Department worked closely with stakeholders across the banking and payments system to ensure that the migration of over 1 million current and deposit accounts from two exiting banks occured in an orderly manner and that customers continued to benefit from high levels of consumer protection throughout the process. By year end, 614,875 accounts at the two banks had closed and the number of accounts opened by the three remaining banks were almost twice the average number of openings in the previous three years.

A number of pieces of domestic legislation were enacted in 2022 to improve financial consumer protection. The Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022 was enacted on 11 April 2022 and commenced on 16 May 2022. The primary purpose of the Act is to increase the level of consumer protection associated with all credit, hire purchase and consumer hire agreements. In particular, the providers of those agreements to consumers will now fall within the regulatory remit of the Central Bank of Ireland and it will, therefore, be in a position to apply its relevant consumer protection codes and regulations to such entities.

The Consumer Credit (Amendment) Act 2022 was enacted on 29 June 2022 and commenced on 14 November 2022, following a comprehensive review of the moneylending sector in Ireland. The Act's main purpose is to restrict the total cost of credit on high cost credit agreements. The Act also included a range of measures to modernise and streamline the sector.

In progressing a competitive and resilient domestic and international banking, insurance and financial services sector, the Department, with the Central Bank, completed its engagement with the IMF in late 2022 on its Financial Sector Assessment Programme of Ireland. The analysis was subsequently published on the IMF website.

The Financial Stability Group (FSG), comprising senior representatives of the Department of Finance, the National Treasury Management Agency and the Central Bank, met on 8 occasions throughout 2022 to exchange information and consider future and current risks to financial stability. On current risks, new sub-groups were formed by the FSG in 2022 to monitor financial stability risks associated with the Ukraine war and the energy crisis.

EU Banking and Financial Services dossiers

During 2022, a number of policy files were advanced at EU level ranging from the ongoing deepening and strengthening of the EU's Banking Union, to making progress on specific sectoral banking and financial services files.

Banking Union is a key component of the EU's Economic and Monetary Union, it aims to ensure that the banking sector is safe and resilient. In 2022, work to complete the Banking Union continued with negotiations in a number of different EU fora. In June 2022, the Eurogroup invited the European Commission to bring forward legislative proposals during this cycle in order to progress the Banking Union by developing a proposal for an improved Crisis Management and Deposit Insurance Framework. This framework will ensure that the appropriate tools are in place to address the failure of all types of banks, including for small and medium-sized banks. It will include proposals for the broadened application of resolution tools in crisis management, the harmonisation of certain features of bank insolvency and further harmonisation of use of deposit guarantee funds in crisis management. This proposal was published on April 18th 2023.

The **Digital Operational Resilience Act** (DORA) was published as part of the European Commission's Digital Finance Package in September 2020. The aim of the DORA proposal is for participants in the financial system to have the necessary safeguards in place to mitigate cyber-attacks and other ICT related risks. This will be achieved by subjecting financial entities to operational resilience requirements. Trilogues between the co-legislators started on 25 January 2022 and ended in a provisional agreement in May 2022. The Regulation (EU 2022/2554) was published in the Official Journal of the European Union on 27 December 2022 and will apply from 17 January 2025.

In October 2021, the European Commission published its "**Banking Package**" which aims to transpose the Basel III finalisation proposals into EU law. One of these proposals is the "daisy chain" resolution proposal. This is a short technical file for bank resolution with targeted adjustments that will play a role in improving a credit institution's resolvability. The file was published in October 2022 and the domestic transposition process has begun and will be completed in advance of the transposition deadline of 15 November 2023.

In June 2022, the EU Council adopted its General Approach on the Commission's 2021 proposal to repeal and replace the 2008 **Consumer Credit Directive** (CCD). Trilogue negotiations began in October 2022. The purpose of revising the CCD is to modernise and enhance protection for consumers taking out credit in light of increasing digitalisation, emerging products and other developments in the market since the 2008 Directive was adopted.

In May 2022, the European Commission proposed to repeal the 2002 **Distance Marketing of Financial Services Directive** and insert a Chapter on financial services into the **Consumer Rights Directive**. The main objective of the proposal is to ensure a streamlined and future-proof framework for financial services concluded at a distance.

Capital Markets Union (CMU) aims to create deeper and more integrated capital markets across the EU by reducing market fragmentation, diversifying sources of finance, improving cross border capital flows and facilitating easier access to finance for businesses – overall strengthening the resilience of the financial system through providing a better balance between bank based and market based finance. In December 2022, the European Commission adopted new Capital Markets Union legislative proposals relating to clearing, insolvency and listing. These proposals contain measures which will help to make EU clearing services more attractive and resilient, to harmonise certain corporate insolvency rules across the EU, and to alleviate the administrative burden for companies of all sizes, in particular SMEs, so that they can better access public funding by listing on stock exchanges. The Department was actively involved in shaping the development of the CMU Legislative Package that was published in November 2021 and there has been a significant amount of progress on these files. The four legislative proposals were negotiated throughout 2022 and political agreement on one file was reached in December 2022 and the other three files are currently in trilogues.

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)

Irish anti-money laundering legislation is largely contained within the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended. This Act, and the legislation which has amended it, gives effect to the European Union’s Anti-Money Laundering Directives, the latest of which is Directive (EU) 2018/843, commonly referred to as the “Fifth Anti-Money Laundering Directive” or “5AMLD”. During 2022, the Department of Finance contributed to the overall transposition of 5AMLD by introducing the necessary legislation to provide for the establishment of the Central Mechanism for Information on Safe-Deposit Boxes and Bank and Payment Accounts as required by Article 32a. The Department also contributed, on provisions relevant to the extension of access to the aforementioned mechanism, to the Department of Justice-led transposition of Directive (EU) 2019/1153 which was progressed during 2022. Access will be extended to An Garda Síochána and the Criminal Assets Bureau as a result of this transposition. In addition, the Department of Finance introduced the required legislative provisions to extend access to the mechanism to the Revenue Commissioners as required under the 7th amendment to EU's Directive on Administrative Cooperation (DAC7) – an amendment to EU Directive 2011/16 on Administrative Cooperation in the field of taxation in the EU.

In July 2021, the European Commission published a new package of proposed anti-money laundering (AML) legislation, which will replace 5AMLD. This package consists of elements which are designed to address issues in the current EU framework. Throughout 2021 and 2022, Department officials have been intensively engaged in working parties with the Commission and other Member States over the detail of these proposals since their publication, with significant support from other members of the Anti-Money Laundering Steering Committee, which is chaired by the Department. The entire legislative package is expected to be finalised and passed by the European Parliament by the end of 2023.

Sanctions

Sanctions measures adopted by the UN Security Council and the EU through its own autonomous sanctions regime, both typically take effect in Ireland through EU measures such as Council Decisions and Council Regulations. Since EU Regulations are directly applicable in all Member States, the obligations they impose are automatically binding on EU Member States. However, as part of this process, Ireland is obligated to put in place penalties for sanction breaches and to take all necessary measures to ensure that these Regulations are enforced. While lead policy responsibility for sanctions negotiations lies with the Department of Foreign Affairs, the function of making Statutory Instruments (SIs) to give effect to penalties is discharged exclusively by the Minister for Finance and the Minister for Enterprise, Trade & Employment. In 2022, 63 such S.I.s in relation to sanctions were drafted and signed by the Minister for Finance, giving effect to penalties in respect of 19 sanctions regimes.

Retail Banking Review

Government approved the publication of the Retail Banking Review on 29th November 2022 and the implementation of its 34 recommendations, which are now Government policy. Each recommendation identifies the body or bodies responsible for delivery of that recommendation and in some cases contain timelines for delivery of the recommendation, where appropriate. It is for those bodies to consider and implement the recommendations addressed to them. The implementation of the recommendations that are directed at the Department of Finance and relevant authorities will be carried out for the most part as part of normal policy and legislative work.

Access to cash

The Retail Banking Review recommended the development of Access to Cash legislation and the preparation of Heads of a Bill in 2023. The Review also called on the Department to prepare Heads of a Bill to require ATM operators to be authorised and supervised by the Central Bank and to provide the Bank with powers to protect the resilience of the cash system including the authorisation and supervision of cash-in-transit firms in respect of their cash handling and financial services activities. One piece of legislation will be drafted to incorporate the three recommendations.

Credit Review Office

As a body under the aegis of the Department of Finance, the Credit Review Office (CRO) provides an independent review process for SMEs, sole traders and farm enterprises that have had credit applications of up to €3 million refused or indeed an existing credit facility withdrawn or amended by the participating bank.

Where the CRO supports the SME/farmer, 80-85% of the time the bank overturns its original decision. Since its inception in April 2010 to end December 2022, the CRO has supported 59% of businesses and farms that have appealed credit decisions. As a result of these recommendations, the banks have agreed to provide credit of €79.5 million, protecting or creating over 5,280 fulltime jobs in these entities.

The SME Credit Demand Survey has been conducted biannually since 2011, it is an invaluable evidence base that provides significant insight into the firm level performance and behaviour of Irish SMEs. The Survey provides the Department with data that is statistically robust through a national representative sample of 1,500 SME's with detailed information gathered on SME credit demand and related issues. The Survey provides a key insight into the SME credit market. It informs policy-making options and can help to identify market failures in relation to access to credit. The Survey's data set is an important resource used for research by a wide variety of stakeholders including the Central Bank of Ireland, the Economic Social Research Institute (ESRI), academic researchers and other stakeholders. In 2022, the Survey won the Marketing Society Research Excellence Awards from The Marketing Society of Ireland in respect of Supporting SME Credit Demand and Economic Growth.

Insurance

At EU level, an insurance legislative package was agreed at Council level in 2022 containing amendments to the Solvency II Directive, as well the new Insurance Recovery and Resolution Directive. Domestically, a key focus has been implementation of the pro-consumer Action Plan for Insurance Reform, with approximately 90% of the actions now completed or ongoing, including all those assigned to the Department of Finance. Achievements include:

- Publication, by the Central Bank, of National Claims Information Database Reports on Private Motor Insurance and, separately, Employer's Liability, Public Liability and Commercial Property Insurance;
- Continued work by the Office to Promote Competition in the Insurance Market, including over 110 stakeholder meetings and engagement with the IDA to provide greater clarity on the needs of the Irish market;
- The implementation of new Regulations by the Central Bank (the *Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Insurance Requirements) Regulations 2022),* to ban price walking in the motor and home insurance markets. These Regulations, which took effect from 1 July 2022, also strengthen the consumer protection framework in the areas of annual review and record keeping, and automatic renewals.

Separately, the consumer-focussed Insurance (Miscellaneous Provisions) Act 2022 was enacted in July 2022, and is fully commenced as of 1 January 2023, providing increased transparency.

Pensions

The Interdepartmental Pensions Reform and Taxation Group (IDPRTG) Report, published in 2020, makes a number of practical, focussed recommendations on reform and simplification of the existing supplementary pensions landscape. An IDPRTG implementation group is chaired by the Department of Finance to help oversee implementation of these.

The Group has made good progress in implementing a package of tax-related measures over the past two years. These largely technical changes represent a significant building block for a piece of long-term structural reform in the area of supplementary pension provision. Most recently, Finance Act 2022 addressed the differences in tax treatment between occupational pension schemes and Personal Retirement Savings Accounts. This represents a key tax policy change that facilitates a reduction in the number of occupational schemes which will further simplify and harmonise the Irish pension landscape. The Group is currently considering further items and may, in due course, make further legislative and non-legislative proposals.

The EU Pan-European Personal Pension Product (PEPP) Regulation was transposed into Irish law in August 2022. Finance Bill 2022 also grants the PEPP similar tax treatment to other pension products in the State. The aim of the regulation is to lay the foundation for a safer, more cost-efficient and transparent market in voluntary personal pension savings that can be provided on a pan-European basis.

Credit Unions

During 2022, the Department continued to hold extensive stakeholder engagement on proposals for the Review of Policy Framework which was completed, leading to the publication of the Credit Union (Amendment) Bill 2022 and progression of the Bill through the Seanad.

The latest data from the credit union sector indicates that as at 31 December 2022 total assets for the sector increased to €20.4 billion from €20 billion year on year. Over the same period, the total number of credit unions decreased from 212 to 203. In the wake of banking departures, credit unions have seen strong growth in current accounts. Over 100,000 credit union current accounts were opened in 2022 and 10% of all new current accounts are now with credit unions.

State's Shareholding in the Banking Sector

The Department manages the State's remaining investments in the banking sector. Government policy is to sell down these investments and to recover as much of the money that was invested in AIB, Bank of Ireland and PTSB as possible.

In September 2022, the State's remaining investment of its 13.9% equity stake in Bank of Ireland was fully divested thereby returning the bank to full private ownership. Almost €6.7 billion in cash was recovered by the State from its €4.7 billion investment in and support for Bank of Ireland over the 2009-2011 period.

During 2022, the State's shareholding in AIB reduced from c.71% to c. 57% as a result of the ongoing AIB share trading plan and also through two accelerated bookbuilds which were successfully transacted in June and November 2022. Throughout the trading plan and through both of the accelerated bookbuilds, the State sold into a rising share price environment. Therefore, while the State's shareholding in AIB reduced during 2022, whereby €1.05 billion was raised through the various disposals, the value of the State's shareholding was c. €1.5 billion higher at the end of 2022 than it was at the start of the year.

In November 2022, PTSB completed its acquisition of Ulster Bank assets and this has set the bank up well going forward. As part of the transaction, PTSB issued subscription shares to NatWest as partial non-cash consideration for the transaction, and as a result, NatWest now hold 16.66% of the issued share capital of PTSB which reduced the State's shareholding in the bank from 74.9% to 62.4%.

The Department continues to monitor the performance of the remaining two banks in which the State has a shareholding in through regular engagement as set out in the Relationship Frameworks which are available on the Department's website.

National Asset Management Agency (NAMA)

NAMA has transferred cash totalling €3.5 billion from its surplus to the Exchequer. During 2022, transfers totalling €500 million were completed and a further €1 billion will be transferred in the coming years. An additional €400 million in corporation tax has been paid since 2016, bringing NAMA's expected lifetime contribution to the State to €4.9 billion, subject to prevailing market conditions. NAMA's operations remain profitable, with profit levels reflecting the reduced size of the remaining portfolio.

During 2022, 600 residential units were delivered on NAMA-secured sites and by the end of 2022, it had facilitated the delivery of 28,000 residential units in total, 13,700 homes directly funded by it and 14,300 homes built on sites previously secured and funded by NAMA. NAMA has identified potential capacity for the delivery of almost 16,000 units on secured sites within its remaining portfolio post 2025. The delivery of housing on such sites is subject to planning, appropriate services and infrastructure, and updated local development plans.

NAMA retains a minority 20% shareholding in a development site within the Poolbeg West SDZ. The site has potential for 3,800 homes (10% Part V, 15% social and affordable) and over 1 million sq. ft. of commercial space. The sites in which NAMA originally held an interest in the Dublin Docklands have capacity for 4.2 million sq. ft. of commercial space and 2,183 residential units when fully developed. 99% of NAMA's original interests in the Docklands SDZ have now been completed or sold.

NAMA continues to deliver social housing from new residential developments. 2,693 social housing homes have been delivered or committed by NAMA, excluding those delivered under Part V arrangements on NAMA-funded residential developments.

Home Building Finance Ireland (HBFI)

HBFI was established to increase the supply of new homes for owner-occupiers, renters and social housing by providing funding on commercial terms to house builders for commercially viable developments throughout Ireland. It has an agile and flexible business model which can respond to disruptions to residential development finance by tailoring its offering towards those areas of the finance market where gaps emerge.

By the end of 2022, HBFI had approved total funding of €1.248 billion, an increase of 49% on the €835 million approved at the end of 2021. This funding is across 99 projects and can support the delivery of 5,717 homes. Of the 99 projects with funding approved, 60 projects were either under construction or completed by the end of 2022. These projects will support the delivery of 4,132 new homes. Non-urban areas continue to be a key area of focus and HBFI has approved projects in 21 counties across the State.

The first strategic review of HBFI was completed by the Department in May 2021, it concluded that HBFI is having a positive impact on the availability of development finance and should continue in operation at this time. The second strategic review of HBFI was completed by the Department of Finance in May 2023, which concluded that HBFI is having a positive impact on the availability of finance for residential development and should continue in operation at this time.

Strategic Banking Corporation of Ireland (SBCI)

The SBCI delivers financial supports to Irish SMEs and seeks to address failures in the Irish credit market. The SBCI began lending in March 2015 and, by the end of December 2022, had supported lending of €3.4 billion to over 53,000 Irish SMEs.

The €2 billion Covid-19 Credit Guarantee Scheme, the largest loan guarantee scheme in the history of the State, was launched in September 2020. This scheme assisted eligible businesses, including farmers and fishers, negatively impacted as a result of the Covid-19 pandemic. This scheme closed on 30 June 2022 due to the expiration of the EU Covid-19 Temporary State Aid Framework, which underpinned the scheme. To date, 9,857 loans to a value of €708.8 million have been drawn down.

The Brexit Impact Loan Scheme (BILS) was launched in October 2021, making up to €315 million in lending available to help businesses, including those engaged in farming and fishing, continue to respond to Brexit. In July 2022, the BILS was extended to include loans under a Covid Loan Scheme (CLS) which replaced the Covid-19 Credit Guarantee Scheme following its expiry on 30 June 2022.

As part of the Climate Action Plan, the Government launched the SBCI SME Energy Efficiency Loan Scheme on 11 July 2022. This €150 million guarantee scheme supports qualifying Irish businesses, including farmers and fishers, by providing access to affordable long-term finance, enabling them to invest in the energy efficiency upgrade of their enterprise.

Two loan guarantee schemes for SMEs were announced in Budget 2023, the Growth and Sustainability Loan Scheme and the Ukraine Credit Guarantee Scheme.

Individual Accountability Framework Bill

The Central Bank (Individual Accountability Framework) Bill was published in July 2022. The Bill is intended to drive greater accountability in the financial sector by raising and clarifying the standards of expected behaviour for individuals and firms, and enhancing the Central Bank’s regulatory powers. The legislation will make individuals in financial services firms more responsive and responsible by driving individual accountability in decision-making at all levels, and in particular at senior levels, in financial institutions.

Careful consideration has been given to the provisions of the Bill to ensure it can withstand legal challenge. This has involved lengthy engagement with both the Attorney General's Office and the Central Bank to ensure that the legislation is both effective and constitutionally robust.

The Bill was signed into law by the President on 9 March 2023. On 13 March, a public consultation process was launched by the Central Bank to provide an opportunity for industry and other stakeholders to engage with the Bank on its regulations and guidance on aspects of the new accountability regime (e.g. SEAR, conduct standards). Elements of the Bill not subject to this consultation process commenced in April 2023. The consultation phase will take three months, with a further three months needed for the Bank to analyse and consider the responses. It is intended that all parts of the Bill will be commenced before end 2023.

Transfer of Banking Business

Under section 33 of the Central Bank Act, 1971 (as amended) the Minister for Finance must give his approval for any transfer of authorised banking business in the State. The Minister must consult with the Governor of the Central Bank of Ireland on any proposed transfer of banking business, so as to be fully informed of the relevant regulatory, supervisory and prudential considerations.

On 23 June 2022, KBC Ireland (KBCI) and Bank of Ireland submitted to the Minister for Finance two Transfer Schemes providing for the proposed transfer of certain assets and liabilities of KBCI to Bank of Ireland under two separate schemes.

The Minister consulted with the Central Bank and the European Central Bank (as required by s.33 of the 1971 Act), and gave his approval for the transfer by two separate Orders. Statutory Instrument No. 620/2022 and No. 621/2022 gave effect to the transfer schemes on 1 December 2022.

Strategic Goal 4 | International leadership in economic decision making

In terms of advancing the Department's Strategic Goal No. 4, the Statement of Strategy 2021-2023 set out the following objectives on which we seek to make progress:

- Protecting and advancing Ireland's position in the EU and internationally
- Continued development of Ireland as a location of choice for investment for international foreign financial services firms
- Effective management of Ireland's relationship with, and shareholding in European and International Financial Institutions
- Lead cross-Departmental and cross-Agency International Financial Services Strategy efforts

The Department is responsible for the development and implementation of strategies at EU/euro area level and internationally in the areas of economic, fiscal and financial policy formulation. Finance Ministers met in Eurogroup and ECOFIN [Economic and Finance Ministers of the European Union] formations regularly during 2022, with two virtual and thirteen physical meetings.

Each year, the Minister for Finance has had an active programme of international engagements, with visits taking place across the EU and globally, in addition to incoming visits from his EU and international counterparts and other high-level delegations. This engagement, in addition to engagement at official level serves to promote Ireland's priorities across a range of policy areas, and to build alliances and enhance policy formulation. The Department has continued to utilise virtual engagements for the Minister and officials, which were initially part of the response to the outbreak of Covid-19 and associated restrictions. This virtual dimension complements in-person meetings and travel, and has proven to be a valuable means of maintaining and broadening international relationships with key partners.

In his role as President of the Eurogroup, Minister Donohoe led the coordination of national fiscal policies in response to higher energy prices and inflation, as a result of Russia's invasion of and war in Ukraine. At the meetings of G7 Finance Ministers and Central Bank Governors, which he attends as the representative of the euro area, the Minister was involved in key discussions on the response to Russia's war, including agreement of sanctions against Russia. In addition, his role involved him clearly articulating the strengths and opportunities of the euro area to European and International audiences and investors. In June, Minister Donohoe led the Eurogroup to an agreement for progress on Banking Union, which included inviting the Commission to bring forward legislation to improve the EU's Crisis Management and Deposit Insurance frameworks, within this institutional cycle.

The President of the ECB, Christine Lagarde, visited the Department of Finance in October. As well as a bilateral meeting with Minister Donohoe, she also met with staff from across the Department at an event at which the Department's Chief Economist gave a presentation on the Irish economy and President Lagarde gave an address.

In October, the Minister also convened a special Eurogroup meeting with US Treasury Secretary Janet Yellen in Washington D.C., on the margins of the IMF/World Bank annual meetings. In December, Minister Donohoe was unanimously re-elected for a second term as President of the Eurogroup.

The EU Strategy unit leads the Department's response to general economic issues raised at EU level, particularly in relation to the EU Semester (the framework for integrated surveillance and coordination of economic and employment policies across the EU). The 2021 Semester cycle was significantly altered to accommodate the impact of the Covid-19 pandemic and the implementation of the Recovery and Resilience Facility (RRF). However, for 2022 the Semester cycle returned to a more normal footing, bringing back Country Reports and Country Specific Recommendations (CSRs), while also incorporating the implementation of the RRF as a core priority. In February 2022, the Department coordinated comprehensive reporting to the European Commission on progress in implementing Ireland's CSRs. The Department was also responsible for representing the Irish position on the new CSRs (Spring 2022) and the Autumn Package (November 2022) during discussions at ECOFIN and its preparatory committees.

Following a bilateral mission from the IMF in April/May, which included a programme of meetings with officials from the Department of Finance, the Central Bank and other public and private sector representatives, Ireland's 2022 Article IV Review was approved by the IMF Executive Board and published in July 2022. The Review noted that while Ireland's economy had rebounded strongly from the pandemic, risks to the economic outlook remained as a result of the war in Ukraine and associated inflationary pressures.

The Bretton Woods Agreements (Amendment) Act 2022, which facilitates Ireland's adherence to the IMF's New Arrangements to Borrow (NAB), was enacted in November 2022. This legislation also provides a mechanism for grant contributions to Trust Funds yet to be established by the IMF or existing Trust Funds to which Ireland has not previously contributed.

In September 2022, Irish officials attended the launch of the twentieth cycle of the World Bank's International Development Association (IDA20) in Japan. Ireland had pledged a historically high contribution of over €105 million to IDA20. Consistent with Ireland's development priorities, the $93 billion IDA20 package was designed to assist low-income countries rebuild their economies in the face of overlapping crises—climate change, Covid-19, conflict, inflation, rising debt, and food insecurity—which are hitting the poorest people disproportionately harder.

In December 2022, the Minister, in his capacity as Ireland's Governor at the African Development Bank (AfDB), pledged €35 million on behalf of Ireland to the African Development Fund's sixteenth Replenishment (ADF-16). This was Ireland's first opportunity to contribute to African Development Fund, the concessional window of the AfDB, having become members of the Bank in 2020.

Ireland was represented by senior officials at the Annual Meetings of the Asian Development

Bank (ADB) in Manila, the Philippines, the African Development Bank (AfDB) in Accra, Ghana and the Asian Infrastructural Investment Bank (AIIB) on a virtual basis. Aside from the traditional governance focus of these meetings, the agendas also placed a heavy emphasis on the need for these institutions to consider their role going forward. Against a backdrop of both historic developmental challenges and those which have arisen as a result of the impacts of climate, Covid-19 and conflict, these meetings initiated a process of analysis of their vision, operations and financing.

The Department represented Ireland at the Paris Club throughout 2022. During this period, the Paris Club oversaw the implementation of the Common Framework for Debt Treatments beyond the DSSI (Debt Service Suspension Initiative), a successor to the DSSI which is intended to deal with insolvency and protracted liquidity problems in low-income-countries. In 2022, Chad became the first country to reach a debt treatment agreement with its creditors under the Common Framework.

Department officials continued to represent Ireland at the Council of Europe Development Bank (CEDB) Administrative Council meetings throughout 2022. Officials also participated in the Interdepartmental Group on the Council of Europe Presidency for Ireland, which ran from April to November 2022. Ireland hosted the Joint Annual Meeting of the Administrative Council and the Governing Board in July 2022. This Joint Meeting was hosted by the Ministers for Finance and Foreign Affairs, and was a key event during Ireland's Presidency of the Council of Ministers of the Council of Europe. At this meeting, the CEB approved Ukraine's accession to the Bank at zero cost to Ukraine, and approved five new loans worth €465 million. The loans were granted to projects in Germany, Lithuania, Spain and Ireland. The Minister also announced, on behalf of the Government of Ireland, that €1 million would be contributed to a new Ukraine Donor Fund at the CEB, initiated by Ireland. This Fund was formally established in December 2022.

Finally, the Department, as part of the Spain – Ireland – New Zealand Chair engaged closely with the Green Climate Fund throughout 2022, taking over as Alternative Board Member for the Chair during the year. Several important policies were agreed, including the private sector strategy, the simplified approval process, adaptation finance guidance and the accreditation strategy. The Department also ensured that Irish views and input was taken into consideration on both policy and project issues.

Ireland for Finance Strategy

Ireland for Finance is the whole-of-Government strategy for the further development of Ireland's international financial services sector. The *Update to Ireland for Finance* was launched in October 2022. The vision set out in the *Update* is to grow and expand Ireland, in a sustainable manner, as a premier European financial centre and a location of choice for specialist international financial services.

The *Update to Ireland for Finance* is implemented by means of annual action plans prepared in close consultation with key industry and public sector stakeholders, and progress is reported to Government. The strategy is set out under five themes:

- Sustainable finance;
- Fintech and digital finance;
- Diversity and talent;
- Regionalisation and promotion; and
- Operating environment.

At the end of 2022, the enterprise agencies IDA Ireland and Enterprise Ireland estimated that direct employment in the sector – the primary tool by which the strategy measures the benefit of the international financial services sector to Ireland – stood at around 56,000. This is an increase of over 3,000 in the numbers employed compared with at the end of 2021.

European Investment Bank

EIB Group operations in Ireland in 2022 came to a total of €968 million, which included the Celtic Interconnector linking Ireland with France, the Irish Community Nursing PPP of €100 million, and the €275 million SBCI SME and Climate Action Investment Platform among other projects.

The Minister for Finance hosted the annual EIB-Ireland Financing Group meeting in Dublin in June 2022, welcoming EIB Vice-President Christian Kettel-Thomsen and other EIB delegates. The Department also facilitated a number of bilateral meetings at Ministerial level with strategic departments, including the Department of Enterprise, Trade and Employment and the Department of Environment, Climate and Communications.

EIB Global was established on 1 January 2022 as the EIB's arm dealing with outside EU operations. It is governed by the newly established EIB Advisory Group on Global Operations, which met a number of times in 2022. Ireland is represented on this Group by the Department of Finance and the Department of Foreign Affairs.

Strategic Goal 5 | Promoting environmentally sustainable economic progress

In terms of advancing the Department's Strategic Goal No. 5, the Statement of Strategy 2021-2023 set out the following objectives on which we seek to make progress:

- Effective input of economic, fiscal and financial policy advice for the Government's Climate Action agenda at national and international levels in line with the Paris Agreement and its successors
- Ongoing growth of sustainable financial services sector in the context of EU and international policy developments

The Department is committed to contributing to the Government's Climate agenda. Throughout 2022, the Climate Unit continued to manage the Department's overall engagement on climate at national and international level, including supporting the Department's participation at the Cabinet Committee on the Environment and Climate Action, the related Senior Officials Group, the Climate Action Delivery Board, as well as inputting to the development of Climate Action Plan 2023, the programme carbon budgets and sectoral emissions ceilings. In 2022, the Department of Finance also established a Climate Economy Group to provide for climate-related policy development in the Department; chaired at Executive Board level, the group met on nine occasions during 2022.

In addition, the Climate Unit advised the Minister and Senior management in the Department and other Departments, including external institutions, on the macroeconomic and fiscal related impacts of climate change and related policy actions across a wide range of policies from energy efficiency and security to nature-based sustainability measures.

Sustainable Finance

During 2022, work continued on the EU regulatory package, guided by the EU's Strategy for financing the transition to a sustainable economy. The Department engaged constructively with the Commission and fellow Member States across several files, in particular on the Taxonomy and Green Bonds. Delegated Acts for the EU's Taxonomy on Sustainable Activities, covering adaptation and mitigation, were agreed and came into force from 1st January 2022. An additional delegated act covering Nuclear and Natural Gas power generation was agreed and applies from 1 January 2023. Negotiations continued on European Green Bond regulation which will set out the gold standard for green bond issuance.

Ireland's industry-led sustainable finance roadmap includes several measures carried out in 2022, including the launch of a world's first sustainable finance course for compliance officers led by Skillnet Ireland, and the launch of the Sustainable Finance Fintech Strategy, which will ensure Ireland can take advantage of emerging opportunities in the fintech ecosystem. The support by Skillnet for the development of an educational and training offering with the aim of building a strong compliance culture is a particular focus of state involvement in this field. 2022 also saw the launch of the International Sustainable Finance Centre of Excellence.

With regard to sustainable finance and its role in public policy, in July 2022 Minister Donohoe wrote to Government colleagues and Ministers of State asking them to consider the EU Taxonomy of sustainable economic activities as a guide when developing policy proposals and schemes generally, pointing out that, many companies and the broader economy is likely to align systems and data collection with the Taxonomy's requirements. The Department of Finance also held a third Public-Private Climate and Sustainable Finance Group meeting to share updates with industry and across Government Departments on progress in the climate and sustainable finance areas.

Climate Action Plan

In 2022, the Department of Finance inputted to the development of Climate Action Plan 2023, published in December 2022, which as the first statutory climate action plan under the Climate Action and Low Carbon (Amendment) Act 2021 provides a policy pathway for implementing the carbon budgets and sectoral emissions ceilings as adopted earlier in 2022.

Engagement on the Plan included the submission of proposed actions, and participation in various sectoral working groups as led by the Department for the Environment, Climate and Communications. The Department of Finance is the lead on a number of the Plan's actions under the areas of environmental taxation, financing and green budgeting, international engagement and sustainable finance.

In line with the increased focus and activity outlined herein, the Department is determined to play a full part in advancing environmentally sustainable economic progress both at home and in international settings. In this context, the Department attended and played an active role in the Government's and EU's team at COP27 in Sharm el Sheikh, Egypt, to support and influence finance-related negotiations.

Modelling and Analysis

The Department has engaged in a joint research programme with the Department of Public Expenditure, NDP Delivery and Reform and the Economic and Social Research Institute (ESRI). The key aim of this new research programme is to further develop the ESRI's I3E (Ireland Environment, Energy and Economy) macroeconomic-climate model to provide high-quality and policy-relevant research on the economic, fiscal and distributional impacts of climate policy in Ireland.

The Climate Unit is also undertaking a review of the potential impact on exchequer tax revenues as the economy transitions to less carbon intensive consumption patterns. This analysis will form an integral part of the Department of Finance's wider economic analysis of the effects of the green transition over the medium-term. Finally, as part of Budget 2023 (published by the Department last October 2022) the Climate Unit produced the Department's annual Green Budgeting analysis of taxation policy, so that the costs of financing Ireland's climate-related commitments and delivering a zero carbon economy are embedded in the wider budgetary framework.

In the context of engagement on the international stage, throughout 2022 the Climate Unit engaged with EU member States and institutions, and other international institutes and countries. This work included representing Ireland on the EC Experts Group on Green Budgeting, the Coalition of Finance Ministers for Climate Action working group, along with the OECD Paris Collaborative on Green Budgeting in relation to climate developments in the areas of green budgeting, and macroeconomic and fiscal issues in relation to climate action policy.

Sustainable Development Goals (SDGs)

The Department again underpinned its focus and commitment to achieving the SDGs, ensuring that they were embedded in the Department's Statement of Strategy.

The Department also continued to review, monitor and update the SDG Policy Map[9]. This important resource identifies operational and policy leads for each of the Goals and targets and maps national sectoral policies against the 17 SDGs and all 169 related targets. It enables stakeholders to track Ireland's implementation of specific SDGs and associated targets, and to assess Ireland's response to the SDGs for potential policy gaps. In addition, the Department contributed to the development of the Second SDG National Implementation Plan, which was launched as a whole of government initiative in October 2022. The new plan, which runs from 2022-24, sets out 5 strategic objectives and 51 actions, to increase Ireland's ambition and strengthen implementation structures to achieve the SDGs.

[9] Available here: https://www.gov.ie/pdf/?file=https://assets.gov.ie/134966/fde13b12-89b7-4a3e-a351-6f28690d1d6a.pdf#page=null

SECTION 2 >

Governance and Operations

Human Resources

The Department has adopted a progressive approach to the development and implementation of our Blended Working Policy, tailored to the Department's needs. A key premise of the policy is that we ensure business needs are met to the highest professional standards while allowing for the maximum amount of flexibility and personal choice for our staff in relation to their working arrangements. The Blended Working Policy is a positive addition and complements the suite of existing family friendly policies available to staff

To help inform and improve HR activities for staff, the Department undertook a "Pulse" Survey on the topic of Wellbeing. This is part of the Department's employee engagement initiatives where inputs are sought on how to shape and develop our HR programmes. The purpose of the survey, which was the first in our "Pulse" surveys, was to get staff views on our existing Wellbeing initiatives and to gather suggestions on new activities they would like the department to provide, to ensure our Wellbeing programme is relevant and meeting the needs of our staff. We also release a quarterly Health and Wellbeing Bulletin. These bulletins contain information regarding a number of key themes in wellbeing such as physical, mental health advice as well as suggestions to improve financial health.

The Department strives to be an inclusive, high performing, knowledge based, professional and learning organisation. Post-Covid-19, the traditional classroom-based delivery of learning and development has been replaced with more virtual learning facilitated by the OneLearning platform. In 2022, staff attended a total of 813 courses across a broad range of topics.

In addition, as the Department is cognisant of the need for targeted learning we continued to provide four In-house accredited programmes, a Diploma in Financial Services, a Diploma in Project Management, a Diploma in Tax Policy and Practice and a Certificate in Economics as well as programmes from certificate to PHD level through the Refund of Fees scheme.

Joint Research Programme

A Joint Research Programme on Macroeconomy, Taxation and Banking is a shared programme between the Department, the Revenue Commissioners, and the ESRI. The Programme was launched in 2015 to focus on a range of macroeconomic and taxation concerns in Ireland, with the programme later expanded in 2017 to include research on banking and financial stability issues. The programme was originally planned to run for a three-year period, although it has been renewed annually since its formation.

The Programme has undertaken and published research on a broad range of policy-relevant macroeconomic topics including the analysis of shocks to the Irish economy, SME investment trends in Ireland, modelling the Irish banking sector, and examining the responsiveness of different types of tax revenues to taxable income. Notably, the research programmes analysis on corporation tax revenues has been integrated into the Department's tax forecasting methodology, fulfilling recommendations of the 2019 Tax Forecasting Methodology Review Group. Other projects which focus on the economic impact of the war in Ukraine, population ageing, and the climate transition are also likely to be completed over the near term.

Gender and Pay

Under the Gender Pay Gap Information Act 2021 the Department published information on Gov.ie for the 12-month reporting period up to 24 June 2022 for employees on the Department of Finance payroll. The Median Gender Pay Gap is 3.08% and the Mean Gender Pay Gap is 12.28%, both in favour of male employees.

The Departments gender pay profile is primarily driven by gender differences by grade. There is no pay inequality in the Department of Finance as all staff, regardless of gender, are paid on the same salary scale for the same grade.

The gender balance at higher grades (senior management) can in part be explained by the makeup of the main promotional grade (Administrative Officer), whose gender profile is largely reflective with the next grade up (Assistant Principal). The majority of Department of Finance recruitment is via Open and Interdepartmental competitions operated by the Public Appointment Service (PAS). As such, the Department is assigned the next successful candidate from PAS panels on the Order of Merit, without regard to gender.

All competitions in the Department, including promotional competitions, comply with the Commission for Public Service Appointments (CPSA) Code of Practice. Appointments are made on merit, and the selection process does not provide unjustifiable advantage or disadvantage to any particular candidate or group of candidates. The Department ensures there is female representation on all Selection and Interview Boards, for both internal and external competitions. All Interview Boards are fully briefed prior to competitions and this includes awareness on unconscious bias.

The Department has undertaken efforts to build awareness and understanding of diversity and inclusion across the organisation over the last number of years, including unconscious bias and diversity training. In 2022, we joined the '30% Club', a global campaign committed to achieving better gender balance at leadership levels and throughout the organisation. The Department held a networking event for staff, and has hosted a number of webinars over the year. The 2023 Business Plan focuses on further equality, diversity and inclusion initiatives.

Organisation Structure

The Department is organised into a number of Divisions/Units supported by corporate functions. In 2022, the Department established a new division specifically to consider some of the long-term issues facing the Irish economy. The health of the economy is dependent on a range of factors, only some of which are within the scope of Irish policy makers. A better understanding of these issues will assist in more effective policy making and developing a more resilient, sustainable economy. The Strategic Economic Development Division is responsible for enhancing analysis and understanding of such matters which will include, in the first instance, Housing Policy and Climate Action including Sustainable Finance. Attention to these issues is in line with the Department's objective of promoting environmentally sustainable and well balanced economic progress.

Corporate Governance

In line with reporting requirements under Section 22 of the Protected Disclosures Act, 2014, there were no protected disclosures made to the Department in 2022.

Section 42 of the Irish Human Rights and Equality Commission Act 2014 places a positive duty on public sector bodies to have regard to the need to eliminate discrimination, promote equality, and protect human rights, in our daily work. Given the nature of its role, the Department does not generally provide services directly to the general public or businesses. Nevertheless, the Public Sector Duty obligations impact on the Department's functions. Specifically, this is evident in our strategic planning processes, annual review of the Governance Framework, ongoing training offered by HR and in assessing impacts as part of our policy development. The Department's Statement of Strategy includes, under Strategic Goal 1, the following action:

"In embedding our Public Sector Duty obligations, continue to develop the process of budget and policy proofing as a means of advancing equality, reducing poverty and strengthening economic and social rights".

In line with the Programme for Government, the Department of Finance continues to participate in the Equality Budgeting Advisory Group and the Interdepartmental Network, both of which are led by the Department of Public Expenditure, NDP Delivery and Reform. The work of both Groups seeks to advance the Equality Budgeting initiative to best international standards. The Department is also a joint sponsor of the ongoing work on well-being measurement, with the goal of creating a broader context for policy-making, inclusive of aspects such as equality and human rights. In line with the Programme for Government, the Department of Finance continues to incorporate equality and well-being considerations in policy formulation and published alongside Budget 2023, an assessment of how the annual Budget contributes to wider societal goals, in particular enhancing equality, supporting climate action and improvements in quality of life *"Beyond GDP: A Quality of Life Assessment"*.

The Department continued to implement its Risk and Compliance monitoring frameworks in 2022. These frameworks play an important role in good corporate governance, facilitating the identification, assessment and treatment of risks and monitoring of compliance obligations.

Bodies under the Aegis

There are a broad range of bodies under the aegis of the Department (see Appendix D). Due to differing corporate governance structures, the oversight relationship between the Department and each body under its aegis varies widely. Under the Code of Practice for the Governance of

State Bodies, a number of these bodies are subject to Periodic Critical Review (PCR); the Department has recently completed a PCR of the Financial Services and Pensions Ombudsman.

A total of 8 State Boards operated under the aegis of the Department of Finance over the course of 2022. In this period, 9 appointments (including 4 reappointments) were made, of which 67% were male and 33% were female. A Chairperson (female) was reappointed to one Board. The average gender balance in the serving membership of these State Boards as at 31 December was 57% male and 43% female. Overall, 6 of the boards had met the Government target of 40% representation of each gender in the serving membership of each State Board. Appointments to all of the Boards continue to be undertaken in cognisance of the 40% gender balance target.

Climate Action Roadmap

The Climate Action Plan 2021 (CAP) committed that public sector bodies would complete Climate Action Roadmaps. The mandate requires public sector bodies to show leadership in Climate Action by progressing, and reporting on, the actions of the mandate based on four key pillars: Our Targets, Our People, Our Way of Working; Our Buildings and Vehicles.

The Department has completed its first Climate Action Roadmap, which requires public bodies to focus most attention on their plans for reducing total energy related emissions and fossil fuel related emissions from their operations in line with the targets in the CAP; this plan is focused on the organisational-level actions the Department could take to meet this mandate.

The Department has appointed a Climate and Sustainability Champion, who is responsible for implementing and reporting annually on the Public Sector Mandate in the Department. The Department's Energy Performance Officer will also play a role.

Quality Customer Service

The Department's Customer Action Plan and Charter 2021-2023 outlines the Department's commitment to the principles of quality customer service and to the provision of the highest quality service to all our customers. This document is available on the Department's website, and lists contact details for specific functions, including Access Officers. The Department has further developed its customer service processes to support the commitments as outlined in the Plan and Charter.

Facilities and ICT

The Department is committed to providing environmentally safe, secure and productive accommodation in facilities shared with the Department of Public Expenditure, NDP Delivery and Reform. Facilities Management Unit (FMU) manages the conservation and curation of historic buildings the Department occupies through proactive cooperation with the Office of Public Works (OPW) to maintain the space and fulfil staff needs.

The Covid-19 pandemic led the Department to undertake a number of operational changes in the ICT sphere to enable it to respond effectively, and to continue to provide a comprehensive and professional service. Such changes encompassed the provision of devices to staff to enable them to work off-site/from home, the associated provision of peripherals to assist staff in creating as productive and comfortable a work-space as possible in their homes, and the procurement and roll-out of a wider suite of software to facilitate ongoing engagement with agencies and bodies, both national and international.

The *Covid Response Management Group (CRMG)* subgroup, comprised of staff from Corporate Affairs Unit, Facilities Management Unit and Human Resources continued meeting through to Q1 2022, and continued to support the Department's operations by:

- Coordinating the response to maintaining staff health and safety
- Ensuring that appropriate equipment and software was available for staff whilst working from home and on site particularly in light of the establishment of the Department's Blended Working Policy during the year

On-site video-conferencing facilities continued to be provided, this enabled both onsite and blended meetings to be held as required. The Office of the Government Chief Information Officer (OGCIO) continued to provide services to the Department in line with the Civil Service Renewal Plan, and in support of the strategic objectives of the Public Sector ICT Strategy, with a key focus on building and maintaining a robust ICT infrastructure, and continuing to facilitate efficient work practices and communications.

While the Department does not comment on operational security, it worked closely with the National Cyber Security Centre and the OGCIO throughout the year in relation to ICT security measures.

Communications

A defining feature of the communications work of the Department in 2022 was the return to in-person events following the end of public restrictions. The production of annual events such as the National Economic Dialogue and Climate Finance Week retained significant online elements, which allowed for interaction with a greater number of stakeholders while retaining the benefits of social interactions.

A notable production during the year was the Retail Banking Review Dialogue which took place in Tullamore in May. The event was intentionally delivered in a regional location to allow for greater participation from stakeholders directly impacted by the policies under consideration. Other notable additions to the annual calendar of events during 2022 was the successful gala dinner for Climate Finance Week.

Our website continues to provide information about the Department's work, policy initiatives, press releases, publications, and public consultations. The website had over 779,626 visitors in 2022, peaking on 27 September 2022 for Budget Day with 142,412 hits to the related page. The Department has increased its social media presence, with almost 21,080 followers on Twitter and over 26,610 on LinkedIn at the end of 2022.

Centenary of the Department

As 2022 was the centenary of the Department of Finance, a programme of events were held to commemorate the anniversary under a banner identity of Finance 100. These included a dedicated event for staff who retired during the period of restrictions and a comprehensive plan to position and launch the second volume of the history of the Department. The book, which covers the period from 1959 to 1999 was written by Dr Ciaran Casey, under a fellowship with the Irish Research Council. The official launch was held in Dublin Castle and has been very well received with strong reviews in leading national newspapers and specialist publications.

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Appendices

Appendix A

An Excerpt of Department of Finance 2022 Publications

	Publication	Publication Date
	Fiscal Monitor - December 2021	January 2022
	Minister Donohoe's response to the Irish Fiscal Advisory Council's Fiscal Assessment Report	January 2022
	SME Financial Distress and the Macroeconomic Recovery	January 2022
	Fiscal Monitor - January 2022	February 2022
	Ireland for Finance Action Plan 2022	February 2022
	SME Credit Demand Survey April - September 2021	February 2022
	Annual Report on Public Debt in Ireland 2021	February 2022
	Fiscal Monitor - February 2022	March 2022
	Action Plan for Insurance Reform Second Implementation Report - March 2022	March 2022
	Housing and Property Sector Chartpack March 2022	March 2022
	Economic and Financial Impacts of War in Ukraine	March 2022
	Fiscal Monitor - March 2022	April 2022
	Stability Programme Update 2022	April 2022
	Economic and Financial Impacts of War in Ukraine - April 2022 Update	April 2022
	Economic Insights – Spring 2022	April 2022
	Fiscal Monitor - April 2022	May 2022
	Analytical Exchequer Statement April 2022	May 2022
	The nature of outbound flows of direct investment income from Ireland	May 2022
	Sustainability in the Irish Well-being Framework: A Review	May 2022
	Fiscal Monitor - May 2022	June 2022
	Annual Report on Ireland's Transactions with the EU in 2019	June 2022
	Ireland for Finance 2021 Progress Report	June 2022
	Economic Impact of the Pandemic - A first look through the prism of the sectoral accounts	June 2022

	Fiscal Monitor - June 2022	July 2022
	Housing and Property Sector Chartpack June 2022	July 2022
	Summer Economic Statement 2022	July 2022
	Economic Insights – Summer 2022	July 2022
	Fiscal Monitor - July 2022	August 2022
	Monthly revenues and expenditures of all subsectors of general government for July 2022	August 2022
	Historic forecasts of taxation revenue	August 2022
	Tax Strategy Group Papers	August 2022
	Fiscal Monitor - August 2022	September 2022
	Annual Taxation Report September 2022	September 2022
	Budget 2023: Budget Publications	September 2022
	Department of Finance Annual Report 2021	September 2022
	Fiscal Monitor - September 2022	October 2022
	Defective Concrete Products Cost Report	October 2022
	Annual Report on Ireland's Transactions with the EU in 2020	October 2022
	Responses to the Public Consultation on a Territorial System of Taxation	October 2022
	Fiscal Monitor - October 2022	November 2022
	Central Bank of Ireland – Access to Cash Report	November 2022
	Retail Banking Review - November 2022	November 2022
	Retail Banking Review Technical Paper - International Comparison	November 2022
	Fiscal Monitor - November 2022	December 2022
	OECD Economic Surveys: Ireland 2022	December 2022
	Economic Insights – Winter 2022	December 2022
	Department of Finance Gender Pay Gap Report 2022	December 2022

Appendix B

Legislation published, and/or enacted, by the Department of Finance in 2022

No.	Title	Published	Bill Number	Act Number	Date enacted
1	Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022	23 June 2021	91 of 2021	5 of 2022	11 Apr 2022
2	Consumer Credit (Amendment) Act 2022	7 Mar 2022	27 of 2022	13 of 2022	29 June 2022
3	Finance (Covid-19 and Miscellaneous Provisions) Act 2022	4 Mar 2022	26 of 2022	9 of 2022	2 June 2022
4	Insurance (Miscellaneous Provisions) Act 2022	1 Apr 2022	40 of 2022	11 of 2022	27 June 2022
5	Bretton Woods Agreements (Amendment) Act 2022	14 Mar 2022	32 of 2022	36 of 2022	1 Nov 2022
6	Finance Act 2022	20 Oct 2022	101 of 2022	44 of 2022	15 Dec 2022

Appendix C

Statutory Instruments signed by the Minister for Finance in 2022

SI No.	Title
6	European Union (Markets in Financial Instruments) (Amendment) Regulations 2022
16	European Union (Restrictive Measures concerning Mali) Regulations 2022
17	Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities Associated with the ISIL (Da'esh) and Al-Qaida Organisations) Regulations 2022
29	Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities Associated with the ISIL (Da'esh) and Al-Qaida Organisations) (No.2) Regulations 2022
30	European Union (Restrictive Measures concerning Yemen) Regulations 2022
35	European Union (Indices used as Benchmarks in Financial Instruments and Financial Contracts or to Measure the Performance of Investment Funds) (Amendment) Regulations 2022
39	Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities Associated with the ISIL (Da'esh) and Al-Qaida Organisations) (No.3) Regulations 2022
46	European Union (Anti-Money Laundering: Central Mechanism for Information on Safe-Deposit Boxes and Bank and Payment Accounts) Regulations 2022
69	Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities Associated with the ISIL (Da'esh) and Al-Qaida Organisations) (No.4) Regulations 2022
70	European Union (Restrictive Measures concerning Afghanistan) Regulations 2022
71	European Union (Restrictive Measures concerning Mali) (No.4) Regulations 2022
72	Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities with a view to Combating Terrorism) Regulations 2022
81	European Union (Restrictive Measures concerning Ukraine) Regulations 2022.
82	European Union (Restrictive Measures concerning Ukraine) (No.2) Regulations 2022
89	European Union (Restrictive Measures concerning Belarus) Regulations 2022
90	European Union (Restrictive Measures concerning Ukraine) (No.3) Regulations 2022
92	European Union (Restrictive Measures concerning Ukraine) (No.4) Regulations 2022
94	European Union (Restrictive Measures concerning Ukraine) (No.5) Regulations 2022
95	European Union (Restrictive Measures concerning Libya) Regulations 2022
96	European Union (Restrictive Measures concerning ISIL (Da'esh) and Al-Qaeda and natural and legal persons, entities or bodies associated with them) Regulations 2022
97	European Union (Restrictive Measures in respect of Myanmar/Burma) Regulations 2022
98	European Union (Restrictive Measures concerning Somalia) Regulations 2022
100	European Union (Restrictive Measures concerning Ukraine) (No.6) Regulations 2022
101	European Union (Restrictive Measures concerning Belarus) (No.2) Regulations 2022
105	European Union (Restrictive Measures concerning Ukraine) (No.7) Regulations 2022
116	European Union (Restrictive Measures concerning Belarus) (No.3) Regulations 2022
117	European Union (Restrictive Measures concerning Ukraine) (No.8) Regulations 2022
133	Finance Act 2021 (Section 62) (Commencement) Order 2022
142	Finance Act 2020 (Section 16(1)) (Commencement) Order 2022

168 European Union (Restrictive Measures concerning Ukraine) (No.9) Regulations 2022
170 European Union (Restrictive Measures concerning Iraq) Regulations 2022
171 European Union (Restrictive Measures concerning Yemen) (No.2) Regulations 2022
172 Al Qaida (No.5) Regulations 2022
177 08-04-22 Ukraine (No.10) Regulations 2022_print
178 08-04-22 EU Restrictive Measures Concerning Belarus 2022 (No.4) print
197 25-04-22 Ukraine (No.11) Regulations 2022_draft
207 EUROPEAN UNION (RESTRICTIVE MEASURES IN RESPECT OF MYANMAR/BURMA) (No.2) REGULATIONS 2022
208 European Union (Restrictive Measures concerning Iraq) (No.2) Regulations 2022
229 Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022 (Commencement) Order 2022
232 European Communities (Electronic Money) (Amendment) Regulations 2022
262 European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2022
267 European Union (Restrictive Measures concerning Iraq) (No.3) Regulations 2022
271 European Union (Restrictive Measures concerning ISIL (Da'esh) and Al-Qaeda and natural and legal persons, entities or bodies associated with them) (No.2) Regulations 2022
275 Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities Associated with the ISIL (Da'esh) and Al-Qaida Organisations) (No.6) Regulations 2022
277 European Union (Restrictive Measures concerning Ukraine) (No.12) Regulations 2022
278 European Union (Restrictive Measures concerning Belarus) (No.5) Regulations 2022
297 European Union (Restrictive Measures concerning ISIL (Da'esh) and Al-Qaeda and natural and legal persons, entities or bodies associated with them) (No.3) Regulations 2022
302 European Union (Investment Firms) (Amendment) Regulations 2022
303 European Union (Investment Firms) (No. 2) (Amendment) Regulations 2022
304 European Union (Markets in Financial Instruments) (Amendment) (No. 2) Regulations 2022
346 Insurance (Miscellaneous Provisions) Act 2022 (Commencement) Order 2022
363 European Union (Markets in Financial Instruments) (Amendment) (No. 3) Regulations 2022
369 European Union (Crowdfunding) (Amendment) Regulations 2022 22/07/2022
371 European Union (Restrictive Measures concerning Belarus) (No.6) Regulations 2022
372 Criminal Justice (Terrorist Offences) Act 2005 (Section 42) (Restrictive Measures concerning Certain Persons and Entities with a view to Combating Terrorism) (No.2) Regulations 2022
373 European Union (Restrictive Measures concerning Ukraine) (No.13) Regulations 2022
410 European Union (Restrictive Measures concerning Libya) (No.2) Regulations 2022
411 European Union (Restrictive Measures concerning Ukraine) (No.14) Regulations 2022
435 European Union (Pan-European Personal Pension Product) Regulations 2022
436 European Union (Restrictive Measures concerning Ukraine) (No.15) Regulations 2022
441 European Union (Restrictive Measures concerning Iraq) (No.4) Regulations 2022
442 European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) (No.2) Regulations 2022
443 European Union (Markets in Financial Instruments) (Amendment) (No. 4) Regulations 2022
445 European Union (Anti-Money Laundering: Central Mechanism for Information on Safe-Deposit Boxes and Bank and Payment Accounts) (Amendment) Regulations 2022
455 European Union (Restrictive Measures concerning Ukraine) (No.16) Regulations 2022

456 European Union (Restrictive Measures concerning Libya) (No.3) Regulations 2022
465 European Union (Restrictive Measures concerning Ukraine) (No.17) Regulations 2022
476 Credit Union Fund (Stabilisation) Levy Regulations 2022
477 Credit Institutions Resolution Fund Levy (Amendment) Regulations 2022
498 European Union (Restrictive Measures concerning Ukraine) (No.18) Regulations 2022
507 European Union (Restrictive Measures concerning Ukraine) (No.19) Regulations 2022
508 European Union (Restrictive Measures concerning Yemen) (No.3) Regulations 2022
509 European Union (Insurance and Reinsurance) (Amendment) Regulations 2022
527 European Union (Restrictive Measures concerning Ukraine) (No.20) Regulations 2022
532 European Union (Restrictive Measures concerning Yemen) (No.4) Regulations 2022
547 European Union (Recovery and Resolution of Central Counterparties) Regulations 2022
567 Bretton Woods Agreements (Amendment) Act 2022 (Commencement) Order 2022
568 European Union (Restrictive Measures concerning Mali) (No.3) Regulations 2022
569 European Union (Restrictive Measures in respect of Myanmar/Burma) (No.3) Regulations 2022
571 Finance Act 2021 (section 33(1)) (Commencement) Order 2022
575 Consumer Credit (Amendment) Act 2022 Commencement Order
576 Consumer Credit Act 1995 (Section 98A) Regulations 2022
578 European Union (Restrictive Measures concerning Ukraine) (No.21) Regulations 2022
581 General Government Secured Borrowings Order 2022
620 Central Bank Act 1971 (Approval of Scheme of Transfer Between Kbc Bank Ireland Public Limited Company and the Governor and Company of the Bank of Ireland) Order 2022
621 Central Bank Act 1971 (Approval of Scheme of Transfer Between Kbc Bank Ireland Public Limited Company and the Governor and Company of the Bank of Ireland) (Residual Balance Assets and Residual Balance Liabilities) Order 2022
639 European Union (Restrictive Measures concerning Ukraine) (No.22) Regulations 2022
653 European Union (Sustainability-related Disclosures in the Financial Services Sector) (Amendment) Regulations 2022
656 European Union (Restrictive Measures concerning Ukraine) (No.23) Regulations 2022
657 European Union (Restrictive Measures concerning Mali) (No.4) Regulations 2022
665 Value-Added Tax Consolidation Act 2010 (section 46(5)) Order 2022 12/12/2022
684 Finance Act 2022 (Sections 100, 101 and 102) (Commencement) Order 2022
695 National Treasury Management Agency (Amendment) Act 2014 (Commencement) Order 2022
704 European Union (Access to Anti-Money Laundering Information by Tax Authorities) (Amendment) Regulations 2022
706 European Union (Administrative Cooperation in the Field of Taxation) (Amendment) Regulations 2022
707 European Union (Restrictive Measures concerning Ukraine) (No.24) Regulations 2022
711 Finance Act 2022 (Section 29(1)) (Commencement) Order 2022
712 Finance Act 2022 (Section 30(1)) (Commencement) Order 2022
713 Finance Act 2022 (Section 73(1)) (Commencement) Order 2022
714 Finance Act 2022 (Section 97(1)) (Commencement) Order 2022
715 Finance Act 2022 (Section 48(1)) (Commencement) Order 2022
721 Finance Act 2022 (Section 42(1)) (Commencement) Order 2022
742 European Union (Restrictive Measures concerning Libya (No.4) Regulations 2022

Appendix D

Bodies under the aegis of the Department of Finance

There are 17 Bodies under the aegis of the Department of Finance. In delivering on its mission, the Department works closely with these Bodies regarding their specific mandates. Brief details on each of the 17 Bodies is set out below:

Body	Main Role
Central Bank of Ireland	The Central Bank of Ireland serves the public interest by safeguarding monetary and financial stability and by working to ensure that the financial system operates in the best interests of consumers and the wider economy.
Credit Review Office	The Credit Review Office provides a credit review and appeals process for business owners who have been refused credit from participating banks.
Credit Union Advisory Committee	The Credit Union Advisory Committee (CUAC) advises the Minister for Finance on the improvement in the management of credit unions and other matters relating to credit unions.
Credit Union Restructuring Board	The Credit Union Restructuring Board (ReBo) was established to oversee and facilitate a restructuring programme for the Credit Union sector. ReBo has completed its work and the President signed the Credit Union Restructuring Board (Dissolution) Act 2020 on 6 December 2020. The Act provides for the dissolution of ReBo and transfers certain functions to the Minister for Finance. Following completion of its accounts, the Minister for Finance will formally dissolve ReBo.
Disable Drivers Medical Board of Appeal	The Disabled Drivers Medical Board of Appeal is an independent body set up to review individuals whose application for a Primary Medical Certificate is unsuccessful at local HSE level.
Financial Services and Pensions Ombudsman	The Financial Services and Pensions Ombudsman (FSPO) is an independent service that helps resolve complaints with pensions providers and regulated financial services providers.
Home Building Finance Ireland	Home Building Finance Ireland (HBFI) was established in late 2018 to address the shortfall in the supply of housing in the State and commenced lending operations in early 2019.
Investor Compensation Company DAC	The Investor Compensation Company DAC is the compensation fund of last resort for customers of authorised financial services firms.
Irish Bank Resolution Corporation	Irish Bank Resolution Corporation (IBRC) is an amalgam of two former financial institutions – Anglo Irish Bank and Irish Nationwide Building Society. IBRC is in special liquidation.

Irish Financial Services Appeals Tribunal	Irish Financial Services Appeals Tribunal (IFSAT) is an independent tribunal which hears and determines appeals brought against certain decisions of the Central Bank of Ireland.
Irish Fiscal Advisory Council	The Irish Fiscal Advisory Council provides an independent assessment of official macroeconomic and budgetary forecasts as well as an assessment of the fiscal stance.
National Asset Management Agency	The National Asset Management Agency (NAMA) was established in 2009 as one of a number of initiatives taken by Government to address the serious crisis in the Irish domestic banking sector.
National Treasury Management Agency	The Funding and Debt Management unit of the National Treasury Management Agency (NTMA) borrows for the Exchequer and manages the national debt. Other business units within the NTMA are the State Claims Agency (SCA), the New Economy and Recovery Authority (NewERA), the Ireland Strategic Investment Fund (ISIF) and the National Development Finance Agency (NDFA).
Office of the Comptroller and Auditor General	The role of the Office of the Comptroller and Auditor General is to provide independent assurance that public funds and resources are used in accordance with the law, managed to good effect and properly accounted for and to contribute to improvement in public administration.
Office of the Revenue Commissioners	The Office of the Revenue Commissioners core business is the assessment and collection of taxes and duties.
Strategic Banking Corporation of Ireland	The Strategic Banking Corporation of Ireland (SBCI) provides and promotes the provision of credit in a prudent manner to enterprises and other persons in the State, particularly SMEs.
Tax Appeals Commission	The Tax Appeals Commission (TAC) hears and determines appeals against assessments and decisions of the Office of the Revenue Commissioners.

Appendix E

Progress on Fourth Irish Language Scheme 2022-2025

Sample Commitments under Scheme	Start-2023	2022
Press releases to be made available in Irish	40 per cent	35 per cent
Create greater social media presence in Irish language	✓	✓
Respond to Irish language press queries in Irish	✓	✓
Increase the level of information and official documents published bilingually	✓	✓
Maintain navigable function in both official languages on website and bilingual static content depending on language selection	✓	✓
Increased Irish language content on the Departmental website and on the intranet including dedicated Irish language section	✓	✓
Undertake language reviews including assessment of competency in Irish language	✓	✓
Identify staff who can deal with telephone queries in Irish and indicate those in staff directory	✓	✓
Provision of sample Irish language messages to all staff for out-of-office email and telephone messages	✓	✓
Promotion of Irish language Scheme and classes via induction seminars (this will be done at induction)	Ongoing	✓
Communication of Irish language information through internal communications including the Departmental newsletter	✓	✓
Advise on Irish language translation service	✓	✓
Advise on Irish language classes and training including support via the post-entry education refund of fees scheme and the OneLearning Centre	✓	✓
Facilitate staff attending Irish classes in and outside office hours	✓	✓
Provision of Irish language resources to staff	✓	✓
Maintenance of log of Irish language correspondence	Ongoing	✓
Promotion of Irish language cultural initiatives and events and organisation of Irish language based events within the Department	✓	✓
Designated Irish language Officer	✓	✓
Review and monitor progress of fourth Irish language Scheme	✓	✓
Produce Irish language leaflet on services in Irish	Ongoing	✓

The Department's Fourth Irish Language Scheme is effective for 3 years from February 2022. This replaces the Third Irish Language Scheme and builds on progress achieved in the promotion and provision of services to our Irish speaking customers and expands on the range of services provided in both official languages.

Appendix F

Green Public Procurement Monitoring

Details of procurement contracts valued greater than €25,000, signed in calendar year 2022, that include green criteria which are designed to ensure that the product or service procured will have a reduced impact on the environment are set out below.

January to December 2022	A. Total number of contracts over €25,000 by priority sector	B. Total value of contracts over €25,000 by priority sector	C. Total number of contracts over €25,000 by priority sector which have incorporated GPP	D. Total value of contracts over €25,000 by priority sector which have incorporated GPP
Priority Sector				
Energy-related Products	NIL	NIL	NIL	NIL
Food & Catering Services	NIL	NIL	NIL	NIL
Heating Equipment	NIL	NIL	NIL	NIL
ICT Products	The Department draws down from 2 contracts held by the OGCIO for ICT Products, both of which incorporate GPP considerations	The Department draws down from 2 contracts held by the OGCIO for ICT Products, both of which incorporate GPP considerations	The Department draws down from 2 contracts held by the OGCIO for ICT Products, both of which incorporate GPP considerations	The Department draws down from 2 contracts held by the OGCIO for ICT Products, both of which incorporate GPP considerations
ICT Services	The Department draws down from 2 contracts held by the OGCIO for ICT Services, one of which incorporates GPP considerations. Separately the Department itself signed 2 contracts in this category in 2022, neither of which incorporated GPP	The value of both Department contracts was €239,700 in total	The Department draws down from 2 contracts held by the OGCIO for ICT Services, one of which incorporates GPP considerations. Separately the Department itself signed 2 contracts in this category in 2022, neither of which incorporated GPP	The Department draws down from 2 contracts held by the OGCIO for ICT Services, one of which incorporates GPP considerations. Separately the Department itself signed 2 contracts in this category in 2022, neither of which incorporated GPP

Indoor Cleaning Services	The Department had two contracts in this priority sector: (1) A cleaning products and services contract on a shared service basis between the Department of Finance, the Department of Public Expenditure & Reform and the Comptroller and Auditor General (C&AG), and (2) A window cleaning contract on a shared service basis between the Department of Finance and the Department of Public Expenditure & Reform.	(1) The total value of the cleaning products and services contract over its 4 year term is €1.8 million (VAT exclusive). The contract was procured in 2021 via an Office of Government Procurement (OGP) Framework. (2) The total value of the window cleaning contract over its 4 year term is €31,902 (VAT exclusive). The contract was procured in 2020 via an Office of Government Procurement (OGP) Framework.	The Department had two contracts in operation during 2022 which incorporated GPP: (1) The first contract for the provision of cleaning products and services specified sustainability requirements for all cleaning products, materials and detergent. (2) The second contract for the provision of window cleaning services specified sustainability requirements for all its cleaning products, materials and detergents.	The total value of contracts incorporating GPP in this priority sector is €1,831,902 (VAT exclusive), comprising the following breakdown: (1) Cleaning Products and Services - €1.8 million over its 4 year term from 2021 to 2025 and (2) Window Cleaning - €31,902 over its 4 year term from 2020 to 2024.
Indoor & Outdoor Lighting	NIL	NIL	NIL	NIL
Office Building Design, Construction & Management	NIL	NIL	NIL	NIL
Paper Products & Printing Services	NIL	NIL	NIL	NIL
Textiles Products & Services	NIL	NIL	NIL	NIL
Transport	NIL	NIL	NIL	NIL
Other (please specify)	NIL	NIL	NIL	NIL
Totals	4	€2,071,602 (VAT exclusive)	4	€1,831,902 (VAT exclusive)

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