



FIN-MO-06462-2021

FF December 2021

Mr Niall Cody
Chairman
Revenue Commissioners
Dublin Castle
Dublin 2 D02 F342

Flat Rate Expense (FRE) Regime

Dear Chairman

I refer to our previous correspondence in relation to the above and I acknowledge the decision taken by Revenue last year for reasons set out in your letter dated 9 November 2020 to defer implementation of the revised FRE regime so that it would not take effect on 1 January 2021.

As part of its deliberations this year, the Tax Strategy Group (TSG) further considered this matter. The policy options to take account of possible changes to Revenue's FRE regime were set out in the relevant TSG paper for further consideration against the background of the continued social and economic circumstances arising from the pandemic.

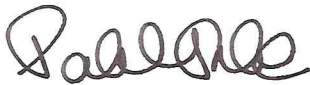
The paper noted that the position adopted last year remains relevant and valid in the context of any discussion on the policy issues associated with the tax treatment of employment expenses including the FRE regime. Over the course of the last year, the pandemic continued to significantly disrupt the labour market.

As such, the issue of the appropriate timing of the introduction of any policy changes to the FRE regime that may result in a reduction of income for a significant number of employees, remains a matter for consideration at this time.

Having regard to foregoing, I would be obliged if you could advise on what the next steps might be from your perspective as regards Revenue's review of the FRE regime.

I look forward to hearing from you in early course.

Yours sincerely,



Paschal Donohoe T.D.
Minister for Finance.

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