

Foreign Earnings Deduction Statistics 2018

September 2020

The statistics in this release are prepared by Revenue's Strategy, Evaluation & Reporting Branch based on analysis of taxpayer returns filed in relation to 2018. They should be considered as provisional and may be revised.

More detailed information regarding the Foreign Earnings Deduction is available on the Revenue website. Any queries of a statistical nature in relation to this release should be directed to statistics@revenue.ie

Introduction

Overview of the Deduction

Irish resident taxpayers who spend time working abroad may be able to avail of a deduction (the Foreign Earnings Deduction or "FED") from their taxable income, subject to meeting certain conditions.¹ In 2018 to be eligible for the FED taxpayers must have worked in a relevant state for at least 30 qualifying days.² The FED runs from 2012 to 2022.

Relevant State

In 2018 the list of relevant states for the FED was:

- Algeria
- Bahrain
- Brazil
- Chile
- China
- Colombia
- Democratic Republic of the Congo
- Egypt
- Ghana
- India
- Indonesia
- Japan
- Kenya
- Kuwait
- Malaysia
- Mexico
- Nigeria
- Oman
- Pakistan
- Qatar
- Republic of Korea
- Russia
- Saudi Arabia
- Senegal
- Singapore
- South Africa
- Tanzania
- Thailand
- United Arab Emirates
- Vietnam

¹ <https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/income-and-employment/foreign-earnings-deduction/index.aspx>

² You must work the number of qualifying days during a tax year or during a continuous 12 month period that spans two tax years.

FED Statistics

Claimants and Tax Cost

The number of taxpayer units claiming FED, and the total tax cost associated with these claims, is set out in the table below.

Year	Number of Taxpayer Units	Tax Cost (€m)
2012	108	0.8
2013	135	1.0
2014	144	1.1
2015	472	3.2
2016	413	3.5
2017	591	3.9
2018	817	5.4

Claimants by Sector

The number of taxpayer units claiming FED in 2018, and the tax cost associated with those claims, broken down by NACE sectoral classification standard, is set out in the following table.

Sector	Number of Taxpayer Units	Tax Cost (€m)
Manufacturing	76	0.43
Electricity, gas, steam and air conditioning supply	36	0.22
Construction	60	0.38
Wholesale and retail trade; repair of motor vehicles and motorcycles	63	0.41
Information and communication	93	0.61
Financial and insurance activities	78	0.59
Real estate activities	87	0.71
Professional, scientific and technical activities	131	0.71
Administrative and support service activities	43	0.32
Education	13	0.06
Human health and social work activities	12	0.08
Other	125	0.87
Total	817	5.4

Qualifying Days Claimed

From 2012 to 2014, claimants had to work at least 60 days in a qualifying state. In 2015, this was amended to 40 qualifying days and in 2017 it was altered to the current 30-day requirement. The table below sets out the average number of qualifying days, as declared on tax returns by FED claimants.

Year	Average Number of Qualifying Days Claimed
2014	90
2015	80
2016	80
2017	70
2018	70

Relevant Countries

The number of claimants applying for FED as a result of working abroad, broken down by relevant states, is provided in the table below. The list of relevant states has expanded greatly since the introduction of FED in 2012, where a state was not a relevant state in a given year the state is marked as 'N/A' in the table. Further, the years 2012 and 2013 are not included to avoid issues with Revenue's Standard Disclosure Controls (SDC) due to the smaller numbers of cases involved.³

As claimants can claim for more than one state, the number of claimants in the table below does not reconcile with the number of claimants in the tables above. It should also be noted that, as stated, the list of relevant states below relate to eligible states for claims in 2018.

State	Number of Claimants				
	2018	2017	2016	2015	2014
Algeria	*	*	*	*	*
Bahrain	47	30	12	14	N/A
Brazil	22	17	10	*	*
Chile	11	*	*	*	N/A
China	119	109	76	85	30
Colombia	*	*	N/A	N/A	N/A
Democratic Republic of the Congo	0	0	0	0	*
Egypt	20	14	*	*	*
Ghana	*	*	*	*	*
India	83	67	54	32	10
Indonesia	11	12	10	13	N/A
Japan	43	28	18	20	N/A
Kenya	26	13	13	11	*
Kuwait	13	*	*	*	N/A
Malaysia	44	34	35	24	N/A
Mexico	39	19	24	10	N/A
Nigeria	*	*	*	*	*
Oman	15	10	*	10	N/A
Pakistan	*	*	N/A	N/A	N/A
Qatar	25	11	*	12	N/A
Republic of Korea	16	13	11	*	N/A
Russia	26	27	20	20	*
Saudi Arabia	36	37	29	23	N/A
Senegal	*	*	0	0	0
Singapore	60	55	44	32	N/A
South Africa	61	55	34	30	22
Tanzania	*	*	*	*	*
Thailand	30	22	13	19	N/A
United Arab Emirates	111	89	66	50	N/A
Vietnam	22	22	*	*	N/A
Total	920	724	538	463	91

The number of claimants, broken down by State, in 2018 is also shown in the following graphic.

³ States with less than 10 claimants in a given year are represented with * to avoid issues with Revenue's SDC: <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>

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