

## World reacts to the phasing out of the 'Double Irish'

The Finance Minister's decision to call it a day on the 'Double Irish' received mixed reviews internationally



*Public Expenditure Minister Brendan Howlin (left) and Finance Minister Michael Noonan (right) | Image: Photocall*



**James Dempsey**  
19:05 Tuesday 14 October 2014



The international reaction to today's announcement that the government would be phasing out the *Double Irish* tax loophole has been largely positive, but reserved.

US financial publication *Forbes* ran with the headline ‘*Ireland corks Double Irish deal, closing time for Apple, Google, Twitter, Facebook*’, and apologised to Bono on Ireland’s behalf, saying the country had given in to EU and US demands. The U2 frontman had recently said in an interview that Ireland's taxation was the driving force behind any prosperity the country has known.

*Forbes* contributor Robert W. Wood said the phasing process might anger European and American watchdogs, but that it was a “shrewd move” that would keep the Irish economy moving.

In Luxembourg, EU officials have given the news a more cautious welcome.

Algirdas Semeta, a Lithuanian economist and the European Commissioner for Taxation, said the body “will have to look at the details and how it will work in practice.”

“But the intention is a very good one,” he added.

Speaking to the *New York Times*, Crawford Spence of the Warwick Business School in Coventry, England, was unimpressed with the announcement, describing Ireland’s tax system as being on the “lunatic fringe of corporate tax regimes.”

“Cleaning up the more extreme tax arrangements that these countries have permitted in recent years does not necessarily solve the wider issue of base erosion. In general, corporations don’t see much legitimacy in corporation tax, and Western countries don’t appear that interested in making them pay it either,” Mr Spence said.

In London, the *Guardian* said Mr Noonan’s move was a pre-emptive measure to what is also expected by the Chancellor of the Exchequer. George Osborne hinted last month that the UK would begin a crackdown

on firms using the scheme to avoid paying tax in Britain.

Internationally, G20 economies have been commissioning the *Organisation for Economic Cooperation and Development* (OECD) to exert tighter control on multinationals and reform their tax avoidance.

*The Financial Times* described Ireland as a “sweetheart of the global tax world,” but said the infamous scheme was “heading off into the emerald sunset.”



The paper’s Ireland correspondent Vincent Boland said the country had found itself boxed in by its “egregious” tax system, and that it had given in to outside pressure to reform.

“On the other hand, I think a benign reading of the move to close the *Double Irish* would mean that Ireland is ahead of the pack when it comes to tightening up its corporation tax arrangements, getting rid of its more egregious loopholes, and being seen to be cooperating in a very explicit way with international trends in the thinking on corporation tax and how companies should be taxed,” Mr Boland said.