

## Response to the Irish Department of Finance's consultation on the OECD international tax proposals

### Summary

GFIA welcomes the opportunity to share its views with the Department of Finance on the proposed changes to the international tax architecture currently being discussed by the OECD/G20 BEPS Inclusive Framework. GFIA has focused its answers on questions 1,3,4 and 6 that are of specific relevance to global insurance and reinsurance operations and would be happy to discuss our comments further.

#### **Q1. Do you have views on the broad policy objectives of the OECD international tax proposals?**

Attached is GFIA's response to the last consultation on the OECD's Pillar Two blueprint (December 2020), which sets out the key concerns that insurers have with the OECD's proposals. Without mitigation, the proposals would have significant impacts on the insurance and reinsurance industry that would be significantly greater than those felt by many other industries.

#### **Q3. Are there specific features in the design of the Pillar One proposals which, in your opinion, may have particular implications for Ireland and our tax policy?**

GFIA understands from the OECD announcement on 1 July 2021 that regulated insurance will not be within the scope of Pillar 1. It is important for the global insurance and reinsurance industry that this continues to be the case.

#### **Q4. Pillar two proposals include agreeing to adopt an Income Inclusion Rule, an Under-Taxed Payments Rule and Subject to Tax Rule. Are there any specific features of introducing these rules that warrant particular attention with regard to their implications for Ireland's tax code and tax policy?**

GFIA refers again to its submission responding to the OECD Pillar Two blueprint and wishes to draw the Department of Finance's attention to GFIA's comments regarding the unique nature of the insurance and reinsurance industry and the requirement for Pillar Two rules be applied differently than proposed in the blueprint to give a fair outcome for the industry.

#### **Q6. Are there specific considerations of particular significance that should be taken into account in deciding how any final agreement should be implemented?**

It is essential that there is further consultation on the OECD's proposals, both before they are finalised at OECD level and locally when they are implemented by individual countries.



GLOBAL FEDERATION OF INSURANCE ASSOCIATIONS

### Contacts

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### About GFIA

The Global Federation of Insurance Associations (GFIA), established in October 2012, represents through its 41 member associations and 2 observer association the interests of insurers and reinsurers in 65 countries. These companies account for 89% of total insurance premiums worldwide, amounting to more than \$4 trillion. GFIA is incorporated in Switzerland and its secretariat is based in Brussels.