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Clarity sought on a No-Deal Brexit scenario

The current status of planning for all Brexit scenarios, including a No-Deal Brexit, was sought in the Dáil by Fianna Fáil's spokesperson, Deputy Lisa Chambers. "We are only a few short weeks away from the Brexit deadline of 29 March and the prospect of a No-Deal Brexit remains worryingly high," she said.

In response, the Tánaiste Simon Coveney said since July 2018, the Government has made a number of key decisions on Brexit preparedness including on staffing, ICT and infrastructure at ports and airports.

"At its meeting on 11 December, the Government agreed that, while work on Brexit preparedness for the central-case scenario should continue, in light of ongoing political uncertainties and the Brexit deadline of 29 March, greater immediate priority must now be given to preparations for a No-Deal Brexit," he said. "Following this, the Government published its Brexit contingency plan on 19 December 2018, which set out detailed sectoral analyses - 20 different sectors were examined - and approaches to mitigating the impacts of a no-deal Brexit. Ireland's action plan is consistent with, and complementary to, the approach being taken at EU 27 level to prepare for the UK's withdrawal."

While ratification of the Withdrawal Agreement is still the Government's preferred outcome, he said the Government published the general scheme of the proposed primary legislative measures required in the event of a No-Deal Brexit. "We published the heads of the omnibus Bill, which has 17 parts. We will also introduce 28 secondary statutory instruments to protect Irish citizens at home and in the UK."

Calleary seeks clarity on motor insurance green cards

Details of plans to deal with practical issues such as insurance for communities who live on the Border or who have to travel regularly into the UK in a hard Brexit scenario were sought by Fianna Fáil Deputy Dara Calleary. "The Irish insurance industry announced plans to distribute what it calls green cards to motor insurance holders so that they will be able to prove that they have insurance when they travel in the North and across the UK," he said. "Could the Tánaiste confirm whether there is a legislative basis for the green cards?"

In reply, Tánaiste Simon Coveney said should there be a No-Deal Brexit, the UK, including Northern Ireland, will no longer be part of the Motor Insurance Directive, which is an EU directive, meaning a green card will be required to demonstrate to the authorities in Northern Ireland and to the rest of the UK if one is driving there that valid motor insurance cover is in place for one's vehicle.

"What the industry is saying, and what we are saying, is that this is an example of contingency planning," he said. "North and South of the Border, and in the UK, the same advice is being given at the same time by the industry, namely, that cars and vehicles that are transiting back and forth across the Border or going to the UK will need to be able to show that they have valid insurance if they are stopped in the other jurisdiction. If they carry the green card, which will be available for them, then they will be covered in that regard."

VAT increase on food supplements criticised

The proposed VAT increases that will be applied to food supplements from March was raised in the Upper House by Sinn Féin Senator Rose Conway-Walsh. There had, she said, been little or no consultation with the affected retailers.

“Although Revenue has stated that all products with 0% VAT are undergoing review, this increase has come as a bolt out of the blue,” she said. “At the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach, the chair of the Revenue Commissioners referred to an expert report commissioned on the matter. This report should be published and an increase in VAT should be suspended until there is clarity surrounding the decision-making process.”

Senator Conway-Walsh said the issue should also be covered in the tax strategy papers later this year. “It now appears that the VAT charge on these products will be more than that levied on fast food,” she said. “I have been lobbied by an awful lot of different groups on this issue. Many of the people who take these supplements are over the age of 55 and, therefore, the increase will have a greater impact on them. Increasing the cost of supplements and things that are essential to their good health at such a rate will put those people in further financial hardship. I ask that the VAT rate be suspended until this matter has been examined properly.”

In reply, the Leader of the House, Senator Jerry Buttimer said the important point is that VAT will be applied to food supplements at the standard rate. “The Revenue Commissioners had made a concession and allowed a zero VAT rate to be applied to certain vitamins, minerals and fish oils,” he said. “They have now made a decision to remove the concession, with effect from 1 March, such that VAT will be applied to all food supplements at the standard rate. It should be noted, however, that the zero VAT rate will continue to be applied to oral medicines, including certain folic acid, minerals and vitamin products licensed by the Health Products Regulatory Authority, as well as to infant foods.”