

Consultation on Bank Levy 2023
Tax Division, Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2
D02 R583

5th May 2023

RE: Bank Levy Consultation

To whom it concerns,

Cork Chamber represents 1,200 members together employing 100,000 people throughout the city, metropolitan area and county. Our vision is to be a world-leading Chamber of Commerce, delivering on a progressive economic, social and sustainability agenda at the heart of a vibrant business community. Our direction is guided by our formal pledge to uphold the United Nations Sustainable Development Goals five of which have been identified by the Chambers Ireland network. As the voice of business in Cork, we would like to offer insights from our member businesses regarding the future of the bank levy.

Role in broader economy

Stability and viability are essential to a healthy and competitive retail banking sector. Any policy and regulatory changes should contribute to the stability and viability of the sector, keeping in mind the wellbeing and sustainability of society and the broader economy.

Ireland's banking market has undergone significant changes in the last decade and with the exit of high-profile banks from the market, Ulster Bank and KBC, the market has lost some of its appeal to attract new entrants. There are historically low switching rates among customers, which does little to encourage new entrants to the market.

Bank levy and a competitive market

We would echo the findings of the retail banking review that if the Levy is not amended, any new entrant to the Irish retail banking market would be exempt from it, placing the traditional banks, in particular, at a disadvantage to those new retail banking providers. The actual existence of the Levy could also act as a disincentive for a new entrant into the Irish market if it is amended. It is also potentially an incentive to avoid paying interest on customer accounts.

Conclusion

Considering these challenges within the market, we advise that any decisions and amendments made to this levy consider and contribute to healthy competition within the market. Any reforms to the levy should level the playing field for traditional banks while stimulating competition and attracting new market entrants.

We would like to thank the Department of Finance for undertaking this consultation. We ask that our views expressed are fully considered and we remain at your disposal to share any additional insights from our members.

Yours Sincerely,



Conor Healy

CEO