



To: Department of Finance, Financial Institutions Levy Consultation
Flevyconsultation@finance.gov.ie

From: AIB

Date: 8 July 2016

Re: Department of Finance Levy on Financial Institutions-Public Consultation -9 June 2016

The purpose of this note is to address the five questions raised in the Public Consultation Document dated 9 June 2016 in relation to the methodology for calculating the levy.

Q1 Do you agree that there is a need to review the methodology for calculating the Financial Institutions Levy?

Yes. The base of 2011 is outdated and it would be more appropriate to reflect a new base of 2015 for the reasons given in the consultation paper.

Q2 Do you agree with the proposed approach recommended by the Department of Finance?

Yes, in the context of the constraints outlined in the consultation paper, it is a simple methodology and easy to administer.

Q3 If not, what alternative model would you suggest, bearing in mind that it would have to protect the annual yield of €150 million to the Exchequer?

N/A

Q4 Are there any additional factors you believe should be taken on board in any evaluation of the existing formula?

In view of the changes which may occur in the market over a 5 year period (including the potential for new entrants/exits) it would be appropriate to update the base periodically during the five years 2017 to 2021.

Q5 Is there any further comment you wish to make?

To facilitate a level playing field for all companies operating in the retail deposit market, it would be preferable that levy provisions apply to all institutions who operate DIRT.