The Cost of Business Advisory Forum

Final Report

July 2026

Chairperson: Mr. Kevin Foley

Vice-Chairperson: Mr. Ronan Byrne

Minister's Foreword

Over the past decade, Ireland's economy has performed strongly, underpinned by government policies to support enterprises and the wider economy through sustained investment and pro-business initiatives. This has been achieved despite a series of major global economic shocks, which we, as a small open trading economy, have had to navigate.

Increases in energy, supply chain and operational costs risk becoming structural barriers to Irish competitiveness and we must be restless in our drive to secure and enhance growth potential for our future.

Against this backdrop, I established the Cost of Business Advisory Forum, a priority commitment in the Programme for Government. This follows the Government's Action Plan for Competitiveness and Productivity, which together demonstrate this Government's keen acknowledgement that businesses, particularly small businesses, must be placed at the centre of our efforts to ensure economic prosperity.

The report examines the cost drivers and regulatory frameworks within which businesses operate and sets out 63 recommendations for Government action.

The themes of price transparency, switching and access; regulatory reform and simplification; reform measures and the allocation of additional resources are ones that will resonate with many, if not all businesses.

The Forum's Final Report represents a strong and clear rallying call for the kinds of changes that businesses big and small think are needed and sets a vision for a more competitive, resilient and productive environment for their success.

I wish to express my sincere appreciation to the Chair, Mr. Kevin Foley and Vice-Chair Mr. Ronan Byrne and all members of the Forum for their commitment in delivering this significant body of work; provided through written submissions and insightful discussions during the thematic meetings and bilateral consultations.

I welcome its findings and the Government will give careful consideration to its recommendations as we continue to take practical and targeted action to support businesses, enhance competitiveness, sustain economic growth and job creation across Ireland.

Peter Burke, T.D.
Minister for Enterprise, Tourism and Employment

Chair's Foreword

It is my pleasure to present the Final Report of the Cost of Business Advisory Forum, which brings together a wide range of perspectives on the challenges facing businesses across the country, with a detailed examination of non-pay related cost drivers across energy, insurance, planning, water and wastewater, legal costs, banking and tax administration.

Ireland's economic performance over the past decade has been exceptionally robust and Government policy has played an important role in supporting enterprises and strengthening the economy through periods of significant challenge. However, the cost of doing business has risen significantly and continues to place pressure on competitiveness, investment and growth. In tandem with this, a single overarching principle was emphasised throughout the thematic discussions: the pressing need for public service cultural and regulatory reform.

The challenge put by the Minister for Enterprise, Tourism and Employment to this Forum at its initiation was to develop recommendations for practical action which hold the prospect of impacting in a meaningful way on the cost of doing business in Ireland. The work of the Forum has sought to engage that challenge in a pragmatic manner. The recommendations contained in the Final Report are founded on a real belief that implementation will reduce the cost of doing business.

A shared observation was that the State's approach to regulation all too often measures activity rather than outcomes. For example, focusing on inspections conducted, forms required and processes followed without corresponding regard to whether regulatory requirement is aligned with the level of risk, how regulatory requirements are applied to businesses of differing scale and sectoral characteristics and ultimately whether regulatory activities deliver better results for citizens, consumers and the businesses that bear their cost.

The Final Report and its recommendations are not an argument for deregulation, rather, they set out a series of deliberate actions and a clear intent aimed towards streamlining and simplifying existing frameworks, while emphasising a shift from a culture that measures processes to one that measures outcomes, ensuring that regulatory requirements be proportionate. The recommendations that follow reinforce the proposition that a requirement to assess affordability and competitiveness must form part of regulators' mandates. In that context, for example, the need to apply the SME Test on a "comply or explain" basis, to audit existing regulation across departments, to engage business earlier and to publish what regulators achieve rather than what they process is emphasised.

These recommendations reflect a shared commitment to addressing challenges, in a practical and targeted manner. Their impact, however, will depend on timely and decisive implementation. In an increasingly uncertain and competitive environment, there is a real urgency to progress these actions. Where immediate delivery is not feasible, clear timelines are essential to provide certainty as to when outcomes will be realised, supported by regular progress reporting, to ensure that reform is not a singular event, but is a credible, sustained and ongoing commitment.

The prize is significant. A regulatory culture focused on tangible outcomes would reduce the cost and complexity of doing business, enabling firms to invest, hire and grow, while delivering better results for citizens and communities. Approached in this way, regulatory reform is not a constraint, but a shared opportunity, to strengthen the public service, enhance competitiveness and support sustainable growth.

I would like to thank all Forum participants, members, policymakers and regulators, for their consistent commitment to the work of the Forum and their valuable contribution through written submissions, insightful presentations, bilateral consultations, as well as lively discussions at our meetings. The commitment and engagement of the Forum members and policymakers has been pivotal in identifying the most pressing issues and exploring realistic and achievable solutions which can be implemented sooner rather than later and which address the challenges set by the Minister at the outset.

I want, on behalf of Ronan Byrne (Vice-Chair) and myself, to also acknowledge the expertise and commitment of the Forum's Secretariat led by Gary Tobin, Dermot Coates and latterly Linda Kane. The engagement and professionalism of Sarah Brown and Erika Valiukaite from start to finish of the Forum's work is an example of excellent public service delivered to the highest standard throughout.

It is the Forum's hope that the Final Report serve as a catalyst for meaningful action to reduce the cost of doing business in Ireland and to strengthen the resilience of our economy.

Kevin Foley
Chair, Cost of Business Advisory Forum

Cost of Business Advisory Forum[1]

Forum Members[2]:

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2. Relevant colleagues may attend from the organisations listed. The circulation list may be broader than the membership group to include others in these listed organisations.

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Department of Climate, Energy and the Environment (D/CEE)
Department of Finance (D/Finance)
Department of Foreign Affairs and Trade (D/FAT)
Department of Further and Higher Education, Research, Innovation & Science (D/FHERIS)
Department of Health (D/Health)
Department of Housing, Local Government and Heritage (D/HLGH)
Department of Justice, Home Affairs and Migration (D/JHAM)
Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation (D/PER)
Department of Rural and Community Development and the Gaeltacht (D/RCDG)
Department of Social Protection (D/SP)
Department of Transport (D/Transport)

Contents

Executive Summary

This Final Report of the Cost of Business Advisory Forum (hereafter: the Forum) represents a culmination of collaborative engagement between numerous stakeholders. It provides a comprehensive overview of identified cost challenges, reflects insights gathered and outlines policy considerations necessary to maintain Ireland's position as a competitive and attractive location for enterprise in an evolving global economy.

As outlined in the Programme for Government 2025, *Securing Ireland's Future*[3], the Minister for Enterprise, Tourism and Employment, Mr. Peter Burke, T.D. established the Forum in 2025. The Forum was chaired by Mr. Kevin Foley (the former Chair of the Labour Court) with Mr. Ronan Byrne (General Manager of Bloomfield House Hotel) as Vice-Chair.

The Forum was designed as a tripartite dialogue between business groups, trade unions, independent economic regulators and Government Departments. Its purpose is to identify and analyse the key cost drivers affecting businesses, to assess their implications for productivity and competitiveness, as well as to develop evidence-based and practical recommendations to inform policy responses. The Forum has served as a critical platform for collaboration and has become a sounding board with a view to ensuring that the voices of indigenous SMEs, large enterprises and multinational firms are reflected in shaping measures that support resilience and sustainable growth.

At the outset, the Forum adopted an agreed Terms of Reference setting out how it would function, including a workplan outlining a subset of non-pay related aspects of business costs that it would address. This was an important and binding condition of the Forum. Matters such as the National Minimum Wage and working conditions are specifically under the remit of the Low Pay Commission and the Labour-Employer Economic Forum. In addition, the development of the upcoming Enterprise Strategy 2035 provides an opportunity to build on this work, addressing additional or emerging cost pressures not fully explored by the Forum while setting out a longer-term, strategic framework to enhance Ireland's overall business environment.

3. The Programme for Government, *Securing Ireland's Future* under its opening chapter 'Growing Our Economy' with a focus on 'Enterprise and Employment', details its commitment to 'Supporting Small Business, Hospitality and Tourism', by setting up Cost of Business Advisory Forum. This Forum will include a review of all business taxes and costs and ensure businesses are consulted before new legislation or policies are introduced that impact small businesses.

Forum Workplan and Thematic Approach

The Forum met on multiple occasions and followed the thematic workplan set out below.

#	Meeting Date	Thematic Approach
1	11th June, 2025	**Introduction:** Opening Plenary Session
2	23rd July, 2025	**Public Utilities:** Energy Costs and Security of Supply
3	22nd September, 2025	**Professional Services:** Insurance Costs
4	17th November, 2025	**Regulation and Planning:** Regulatory Burden and Infrastructural Delivery
5	15th December, 2025	**Public Utilities:** Water and Wastewater Services
6	21st January, 2026	**Professional Services: Legal Costs**
7	18th February, 2026	**Regulation:** Reporting and Compliance (incl. Revenue)
8	23rd March, 2026	**Banking, Payments and Financial Services**
9	22nd April, 2026	**Discussion of Draft Report** Open for Feedback and Observation

Recommendation Guiding Principles

In selecting and refining its recommendations for this report, the Forum was guided by the following agreed principles.

Realistic:

Recommendations should be practical and capable of being implemented effectively within existing resources and frameworks where possible and should allow for clear monitoring and evaluation of outcomes.

Reflective:

They must represent the broad discussions within the Forum and, where possible, aim for consensus among members and consider the needs of different sectors and business sizes to avoid disproportionate impacts.

Timely:

Actions should be achievable within a short to medium timeframe to ensure relevance and impact but also support long-term resilience and growth.

Targeted:

Recommendations should focus on addressing the core issue of reducing or curtailing costs for businesses and/or address a reduction in regulatory burden and/or seek to improve competitiveness.

Proportionate:

Recommendations are proportionate in their cost and burden relative to the benefit they deliver.

Recurring Themes and Recommendations

Over the course of these thematic discussions, the Forum identified **six recurring themes** with one principle underpinning them all, a shift from a public sector culture that measures ***activity*** and process to one that measures ***outcomes***. This principle of public sector cultural reform is cross-cutting by nature and is reflected in recommendations across every chapter of this report. In total, The Final Report contains 63 recommendations and below highlights the most relevant recommendations in each area.

1. Energy is the principal contributor to rising business costs

Even before the war in the Middle East started, energy prices were highlighted by the Forum members as the biggest non-pay related cost issue faced by businesses. The ongoing conflict has only further exacerbated these cost pressures. Consequently, the Energy Chapter has a number of substantial recommendations including four priority ones as outlined below.

Priority recommendations include:

- **Recommendation 3:** Amending the mandate of the CRU to ensure consideration is given to affordability for non-domestic customers in the formulation and approval of multi-annual network investment plans.
- **Recommendation 4:** Considering the feasibility of a new scheme to reduce prices for large energy intensive business users.
- **Recommendation 5:** Examining the scale and impact of non-wholesale pass-through costs on electricity bills, with its focus on both SME and domestic customers.
- **Recommendation 11:** Considering the introduction of accelerated capital allowances for energy audit measures.

2. Importance of price transparency and easier switching for non-domestic customers

A key message that came across during Forum discussions was how 'time poor' business owners and managers are, particularly for those in small businesses. They are spending a significant amount of time running their business and as a result, have limited resources left to 'shop around' for the most competitive utility or banking services. Measures that make the switching process simpler for owners and managers could therefore help businesses access the best price offers available.

Priority recommendations include:

- **Recommendations 1, 6, 33 and 58:** Introducing greater price transparency for non-domestic customers in the case of public utilities (specifically, energy, water and wastewater services).
- **Recommendation 2 and 57:** Make it easier for non-domestic customers to switch provider (i.e. energy and banking).

3. Importance of improving engagement between regulators and the enterprise sector

Another key message that came across during Forum discussions is the perceived absence of regular engagement between the various State regulatory bodies and the enterprise sector. Forum members expressed the view that regulators tend to focus more on households as consumers of public utilities rather than businesses and that more needs to be done to promote competition for business customers. Consultation and engagement should be conducted in a non-technical manner, where possible, to ensure appropriate customer feedback. A concern was also expressed that all of the welcome additional expenditure on capital infrastructure will ultimately be passed on to utility bills and further increase costs for businesses without any consideration of the ability to pay these additional costs.

Priority recommendations include:

- **Recommendation 3 and Recommendation 34:** Include affordability for business as a key concern in regulator decision making and amend CRU mandate to include a promotion of competition component in the Irish market. (i.e. CRU, CBI).
- **Recommendation 31:** Instituting a regular programme of dialogue through the Economic Regulators Forum between regulators, business groups and trade unions.
- **Recommendation 60:** Including a promotion of competition component in the Central Bank of Ireland's Regulatory Impact Assessment process for the business banking market.

4. A new culture of regulatory reform is needed

While some Forum members highlighted positive experiences dealing with State-provided services, a general concern was expressed with regard to the level of bureaucracy typically experienced in accessing grant schemes and obtaining permits and licenses. In particular, a significant degree of frustration was expressed concerning the operational aspects of the Revenue's recently introduced Enhanced Reporting Requirements (ERR), particularly for micro and small firms.

Priority recommendations include:

- **Recommendations 8, 9, 10, 11, 36, 37, 53 and 63:** Making it easier for businesses to access grants and supports available (i.e. energy efficiency, energy audits, Employment Investment Incentive Scheme (EII)).
- **Recommendations 16, 24, 25, 44 and 46:** Increase resources for certain State services where bottlenecks exist (i.e. planning authorities with backlogs, the Environmental Protection Agency, the Office for the Promotion of Competition in the Insurance Market).
- **Recommendations 25, 26, 27, 28 and 29:** Proceeding urgently with steps to cut red tape (i.e. streamline licenses and permits).
- **Recommendation 47:** To implement the 2025 National Competitiveness and Productivity Council's recommendation on SMEs exemptions[4]. In relation to the Enhanced Reporting Requirements (ERR), modify the timeline for ERR submissions for other businesses, for instance, to monthly reporting rather than real-time submissions.
- **Recommendation 49:** Applying the Government's existing SME Test more rigorously, including to the annual Finance Bill. Also, to require Departments to 'comply or explain' if they don't implement the SME Test and publish all SME Tests on a single Government website.

5. Legal reform must be progressed as a matter of urgency

The high cost of legal services in Ireland was a common theme which surfaced during several Forum meetings. The members emphasised that extremely high legal costs can and do lead to additional costs throughout the wider economy (i.e. insurance, planning, etc).

Priority recommendations include:

- **Recommendation 12 and 38:** Creating less expensive alternatives to the Courts by extending the remit of the Injuries Resolution Board.
- **Recommendation 39:** Implementing the outstanding recommendations from the 2006 Competition Authority Review into the legal profession.
- **Recommendation 41:** It is welcomed that the Judicial Council (Amendment) Bill 2026 has been added to the priority drafting list, however, implementation of the legislation needs to be prioritised as soon as possible.

4. irelands-competitiveness-challenge-2025.pdf page 11 and page 53.

6. The absence of effective business banking competition in Ireland makes borrowing for investment very expensive

Forum members expressed a strong view that there is very little competition and choice for business banking services in Ireland. In addition, it was noted that banking costs for small businesses have risen considerably as a result of the higher interest rate environment, the exit of competitors (Ulster Bank and KBC) and the higher capital requirements that Irish banks face, relative to European peers. This is leading to higher prices in terms of borrowing costs and is discouraging investment by firms.

Priority recommendations include:

- **Recommendation 57:** Given the limited nature of competition in the business banking market in Ireland, the Central Bank of Ireland should ensure, as a matter of urgency, that the process of switching banks for business customers be made easier, simpler and faster.
- **Recommendation 58:** The Central Bank of Ireland and the Irish banks should, as a matter of urgency, ensure that disclosure requirements under the Consumer Protection Code and the SME Regulations are actively implemented to improve transparency for SME business customers in relation to fees, charges and bills for banking and payment services.
- **Recommendation 62:** Given the high proportion of micro-SMEs in the Irish market, the limited nature of competition in the business banking market and the high interest rates charged to business customers, an independent economic cost-benefit analysis of establishing a new state SME Bank should be carried out that could include building on existing SBCI and ISIF loans and investment schemes.

Recommendations

The following is the final set of summary recommendations as agreed by the members of the Cost of Business Advisory Forum.

Chapter 1
Public Utilities: Energy Costs and Security of Supply

Recommendation 1: Enhanced Energy Bill Transparency

The Forum recommends introducing targeted measures to increase price transparency for non-domestic customers (in particular, for the SME sector).

i. A standard billing format for SME business customers for all electricity and gas companies.
ii. A requirement for energy suppliers to provide SMEs with a bill explainer and clear explanations of charges (VAT, PSO levy, etc.).

Responsibility: CRU and SEAI

Recommendation 2: Online Switching and Price Comparison Tools

The Forum recommends that the CRU should facilitate the creation of an accessible and effective online tool that allows commercial sector customers (such as retail, hospitality, offices) to compare alternative contracts and prices offered by different energy suppliers and to switch energy suppliers. This will improve access to information, increase price transparency and encourage smarter energy consumption. This tool should be delivered within a defined timeframe.

Responsibility: CRU

Recommendation 3: Amend the Mandate of the Commission for Regulation of Utilities

The Forum recommends that the Government amends the CRU's statutory mandate to ensure appropriate consideration is given by the Regulator to the cost and affordability of energy for business customers. This will include consideration of energy affordability when making determinations on the approval of costs associated with electricity network investment and similar regulatory decisions regarding other pass-through costs.

Responsibility: D/CEE

Recommendation 4:
New Scheme to Reduce Price for Large Energy Intensive Business Users

Examine the scope for supporting energy intensive manufacturing sectors under EU guidelines on State Aid for climate, environmental protection and energy to help alleviate energy cost pressures

Responsibility: D/CEE, D/ETE, IDA Ireland and Enterprise Ireland

Recommendation 5:
Examine Impacts of Pass-Through Costs (Grid, PSO, imperfections)

Given that electricity prices for non-domestic customers in Ireland remain among the highest in the EU, this raises competitiveness concerns and underlines the importance of transparency and value for money in the recovery of regulated network and public policy costs. Under the auspices of the National Energy Affordability Taskforce, the CRU is currently leading an independent review. The Forum welcomes this review which should be completed and published without delay. It should clearly assess the scale and impact of non-wholesale pass through costs on electricity bills, with its focus on both SME and domestic customers.

Responsibility: CRU and D/CEE

Recommendation 6:
Guidance on Consumption and Cost Reduction

SEAI to issue improved guidance to non-domestic customers on a regular basis with regard to steps to reduce electricity consumption and costs.

Responsibility: SEAI

Recommendation 7:
SME Deposit Requirement

CRU to review the requirements by some energy suppliers (including gas suppliers) for deposits from SMEs in certain sectors (i.e. hospitality) and whether or not this is justified and/or appropriate and whether the practice should continue.

Responsibility: CRU and Energy Suppliers

Recommendation 8:
Target an Increase in the Availability of Energy Audits

SEAI to set a new ambitious target to increase the availability of low-cost energy audits for SMEs to reduce energy costs. This could be run in conjunction with business representative groups.

Responsibility: SEAI and D/CEE

Recommendation 9: Review the Application and Administration Processes Associated with Energy Grants and Supports for Businesses

SEAI and relevant Departments to review the application and administration processes associated with energy grants and supports for businesses. This review should assess the level of complexity involved in accessing supports and identify opportunities for simplification, with a view to improving accessibility and uptake, particularly among SMEs.

Responsibility: SEAI and relevant Departments

Recommendation 10: Multi-annual Funding Commitment for SEAI Business Energy Upgrade Scheme

The Forum recommends adopting a multi-annual funding commitment for the Business Energy Upgrade Scheme and other relevant SEAI supports, rather than continuing with year-to-year allocations. This would provide the stability required to plan and deliver retrofit and upgrade projects efficiently, strengthen supplier and market confidence and support long-term decarbonisation objectives in both the Commercial and Public Sectors.

Responsibility: D/CEE and SEAI

Recommendation 11: Accelerated Capital Allowances for Energy Audit Measures

Develop options to expand Accelerated Capital Allowances (ACAs) for all measures recommended by a qualified energy audit or recognised energy efficient design standard, such as the SEAI Energy Audit and EXEED scheme. This would enable greater take up of:

i. Recommended energy audit measures across businesses more generally.
ii. Energy efficient equipment investments by industrial businesses.

It is also important to note that this could be done on a phased basis with an expansion to the full cost of the investment which includes Triple E products initially and then moving to ACA for IS 399 (EXEED) and Statutory Audit recommended measures as a second phase.

Responsibility: D/CEE, SEAI and D/Finance

Chapter 2

Professional Services: Insurance Costs

Recommendation 12: Expand and Strengthen the Injuries Resolution Board

The Forum seeks strengthening of the power, remit and resources of the Injuries Resolution Board in order to maximise the volume of personal injury cases it resolves (and thus, minimise recourse to more costly litigation channels).

Responsibility: D/ETE

Recommendation 13: Enhance Competitiveness and Affordability

The Government to implement further measures to promote domestic competition in all sectors of Insurance and/or new entrants, including:

i. Proactively engaging with the international insurance market to encourage international entrants.
ii. Engaging with the Central Bank of Ireland on their authorisation process for new entrants to secure a streamlined approach.
iii. Cooperating with industry and State bodies to find ways to improve Ireland's access to international insurance markets.

Responsibility: D/Finance and D/ETE

Recommendation 14: Strengthen and Enhance Insurance related Data

The Forum welcomes the publication of the Action Plan for Insurance Reform 2025-2029 and suggests that all recommendations are accelerated, including measures to enhance the National Claims Information Database (NCID). The Forum recommends that the following actions are implemented without further delay:

i. More frequent publication of NCID data to reduce time lag between data collection and it being made public.
i. Detailed sectorial analysis: Provide a more detailed breakdown of sectorial claims and premium data from sectors to identify where cost drivers and risks are concentrated.
ii. A review of the quality of cover available to SMEs, including exclusions, excesses, limits, restrictions and sectoral availability.
ii. Detailed insurance data metrics: including settlement channels, timelines, legal costs and insurer level cost reporting to demonstrate the pass through of savings
iii. Detailed timeline to be published on how recommendations will be implemented by the end of 2026.

Responsibility: CBI, D/Finance, D/JHAM, D/ETE and IRB

Recommendation 15: **Review of the Public Liability Insurance Market Study**	The Forum recommends that the CCPC conduct a review of the implementation of its 2020 Public Liability Insurance Market Study recommendations, with a particular focus on unimplemented recommendations. **Responsibility:** CCPC and D/ETE
Recommendation 16: **Expand and Support the Office of Promotion of Competition in the Insurance Market**	Proceed with the planned allocation of additional resources to the Office of Promotion of Competition in the Insurance Market (OPCIM) in order to enable them to better promote competition in the sector, before the end of 2026. **Responsibility:** D/Finance and D/ETE
Recommendation 17: **Review of the Personal Injuries Guidelines**	The Forum welcomes the publication of the General Scheme of the Judicial Council Amendment Bill 2026 and recommends that this legislation and any associated changes are adopted as a matter of priority. **Responsibility:** D/JHAM
Recommendation 18: **Implementation of the Kelly Report**	The Forum recommends implementing the recommendations set out in the Review of the Administration of Civil Justice: Review Group Report in full and as a matter of urgency. **Responsibility:** D/JHAM and Courts Service
Recommendation 19: **Further Reforms to Tackle Fraud**	To effectively combat the complexity and scale of insurance-related fraud, Ireland must adopt a more coordinated and intelligence-led approach. Two reforms are proposed: i. Establish a National Fraud Intelligence Bureau, modelled on the UK's structure. ii. Create a Shared Fraud Database. **Responsibility:** D/JHAM and An Garda Síochána

Recommendation 20: Prioritise Reform of Legal Costs in Personal Injury and Liability Claims

The Forum welcomes the publication of the Action Plan for Insurance Reform 2025-2029 and recommends that Action 6 is prioritised for implementation. The Government needs to take stronger action to control legal costs, by setting clear and proportionate rates and fee scale framework for personal injury litigation and liability claims in higher courts.

Responsibility: D/JHAM and D/ETE

Recommendation 21: Amend and Commence Section 30 of the Civil Liability & Courts Act 2004

Amend and commence Section 30 of the Civil Liability & Courts Act 2004, but:

i. Make the IRB the custodian of the personal injuries actions register database and
ii. Limit the right of appeal to higher courts in Personal Injuries (PI) to points of law and require appellants to discharge their legal costs before grant of appeal.

Responsibility: D/JHAM

Chapter 3

Planning, Regulatory Burden and Infrastructural Delivery

Recommendation 22: **Proposal to allow for the Greater use of Planning Exemptions**	Department of Housing, Local Government and Heritage to bring forward proposals with specific input from relevant line Departments and business to Government to allow for the greater use of planning exemptions before end 2026. **Responsibility:** D/HLGH
Recommendation 23: **Audit Consistency of Planning Application across all Planning Authorities**	Department of Housing, Local Government and Heritage to audit consistency in application of planning process across all planning authorities and make recommendations for change as required. **Responsibility:** D/HLGH and D/Taoiseach
Recommendation 24: **Allocate Additional Resources to Planning Authorities with High Volume of Backlog**	Planning authorities (including An Coimisiún Pleanála) with the greatest backlogs be prioritised through a targeted, performance driven approach to resourcing, including the reallocation and redeployment of existing resources to areas of highest demand. This should be complemented, where necessary, by additional supports through the annual Budget and Estimates process, in accordance with business requirements already identified by the Department of Housing, Local Government and Heritage and the local authority sector, with priority given to a clear focus on improving decision timelines and managing the avoidance of backlogs. **Responsibility:** D/HLGH
Recommendation 25: **Allocate Additional Resources to the Environmental Protection Agency to Expedite License Processing**	Allocate additional resources to the Environmental Protection Agency (EPA) to ensure faster license processing, as part of the annual Budget and Estimates process. **Responsibility:** D/CEE and D/Finance

Recommendation 26: Commence Section 294 of the Planning and Development Act 2024

The Forum welcomes the commencement of Section 294 of the Planning and Development Act 2024, alongside the introduction of regulations to provide for a proportionate cap on cost recovery. The Forum recommends monitoring the impact of Section 294 to ensure continued access to justice while discouraging frivolous litigation.

Responsibility: D/CEE

Recommendation 27: Simplify and Rationalise the Number of Permits and Licenses

Relevant Departments alongside each Local Government body must prioritise and implement the simplification and rationalisation of the number of permits and licences required by small businesses as part of the Government's Red Tape Challenge under the Action Plan on Competitiveness and Productivity. This should include a structured review to eliminate unnecessary or duplicative requirements in advance of considering additional resourcing needs, ensuring that system efficiencies are realised before further capacity is added.

Responsibility: All relevant Departments

Recommendation 28: Reduce the Number of Serial Objectors

Department of Housing, Local Government and Heritage to take measures to reduce the number of vexatious and frivolous objections in the planning process

Responsibility: D/HLGH

Recommendation 29: Better Alignment Between Regulations

Department of Housing, Local Government and Heritage to act to ensure better alignment between the interpretation of building controls and fire compliance to ensure inconsistency and contradictions between different regulations is avoided.

Responsibility: D/HLGH

Recommendation 30:
Task Individual Government Departments to Undertake an Audit of Existing Regulations which Impact on the Cost of Doing Business

The Forum recommends that Government departments undertake audits of existing non-labour regulations which impact the cost of doing business, including administrative burden and costs and reports back to Government before end of 2026. Individual departmental reports should be published and Departments which have not completed should be highlighted. Regulatory review should be continuous and focused on effectiveness rather than efficiency targets, as consistent with the OECD's *Simplification for Success* approach. Department should leverage AI and digitialisation to systemically identify and streamline outdated or overlapping cross departmental regulations. Departments should also put in place mechanisms to audit regulations on a periodic and ongoing basis to ensure regulations are constantly assessed.

Responsibility: All relevant Departments

Recommendation 31:
'Duty to Engage' – Increased Regulator Engagement with Business and Enterprise Stakeholders

Once established by the Department of Taoiseach, the Economic Regulators Forum to host quarterly meetings between regulatory bodies, enterprise sector and trade unions on the cost of doing business. This will provide a forum for an ongoing dialogue between regulators and relevant stakeholders.

Responsibility: D/Taoiseach

Recommendation 32:
Implement an "Early Warning System" for EU Legislation

Introduce an "Early Warning System" or an agreed national approach for incoming EU legislation. Regulatory bodies must actively involve stakeholders in this system and facilitate early engagement well ahead of transposition to develop a comprehensive implementation plan. One is being proposed for infrastructure. An approach to other business regulations should be developed.

Responsibility: D/FAT and all relevant Departments

Chapter 4

Public Utilities: Water and Wastewater Services

Recommendation 33: Improving Transparency in Billing and for Proposed Regulatory Changes

Uisce Éireann to improve transparency of non-domestic business customers tariff (or bill) structures including giving customers more information on how to reduce water usage. CRU should foster and engage in meaningful public participation requiring the communication of proposed regulatory changes to be delivered in clear plain-English and provide the appropriate tools for the consultation processes clearly estimate and indicate sectoral impacts of proposed decisions on water tariffs.

Responsibility: CRU and UÉ

Recommendation 34: Amend Commission for Regulation of Utilities Mandate

Amend Commission for Regulation of Utilities mandate to regulate the non-domestic sector and to include 'affordability' and 'cost competitiveness' for business as parts of the Commission for Regulation of Utilities mandate.

Responsibility: D/HLGH, CRU and UÉ

Recommendation 35: Economic Impact Assessment

The Department of Enterprise, Tourism and Employment and the Department of Housing, Local Government and Heritage to jointly commission an independent Economic Impact Assessment of the effect on the business sector of the current standard model for CRU water tariff determination.

Responsibility: D/ETE and D/HLGH

Recommendation 36: Uisce Éireann's Water Stewardship Programme

Uisce Éireann to rapidly and radically expand the Water Stewardship Programme: from currently 1% of customers to 10% and later 20% over a defined period of time.

Responsibility: UÉ and CRU

Recommendation 37:
Develop Proposals for Potential Grant and Tax Incentives Supports to Reduce Water Consumption

Department of Housing, Local Government and Heritage to identify potential in-scope expenditures and develop proposals for potential grant and/or tax-based measures to support those businesses undertaking capital works to reduce water consumption.

Responsibility: D/HLGH, D/Finance, D/ETE and Enterprise Ireland

Chapter 5

Professional Services: Legal Costs

Recommendation 38: Extend the remit and role of the Injuries Resolution Board

Extend the remit and role of the Injuries Resolution Board (i.e. for defamation, pre-litigation, medical negligence cases, etc.) to increase lower cost alternatives to Litigation.

Responsibility: D/ETE and IRB

Recommendation 39: Conveyancing Services

Allow qualified persons, other than solicitors, to provide conveyancing services in line with the Irish Competition Authority (now CCPC) recommendations of 2006. This should occur only following the substantial implementation of the recommendations of the Expert Group on Conveyancing and Probate. In the interim, preparatory steps in the development of eConveyancing systems, should be designed to accommodate the potential future inclusion of such conveyancers. To ensure that they can effectively operate within the system on behalf of clients if and when the profession is established.

Responsibility: D/JHAM

Recommendation 40: Monitor Reform of Judicial Reviews

The Forum welcomes the publication of the new structured scale of costs for environmental judicial reviews. The Forum recommends monitoring the impact of this new scale of costs to ensure it delivers effective, fair and consistent access to justice.

Responsibility: D/JHAM and D/CEE

Recommendation 41: The Judicial Council Bill

The Forum welcomes that the Judicial Council (Amendment) Bill 2026 has been added to the priority drafting list; implementation of the legislation needs to be prioritised as soon as possible.

Responsibility: D/JHAM

Recommendation 42: Action Plan for Statistics

Develop an Action Plan for the collection and publication of detailed statistics and performance metrics of the legal and courts system within 12 months with a view to informing public policy decisions on how the system can improve efficiency.

Responsibility: D/JHAM and IRB

Recommendation 43: The Unified Patent Court Referendum

The Unified Patent Court Referendum should take place as soon as practicable and within the term of the current Government.

Responsibility: D/ETE

Recommendation 44: Additional Investment for the Courts System

Additional investment in infrastructure for the Courts system, including in relation to case management systems and modernisation of the courts process to the annual Estimates process in 2026. There should be a report published by the Department of Justice, Home Affairs and Migration on changes made by Q1 2027.

Responsibility: D/JHAM

Recommendation 45: Review Amendments to the Defamation Act within 3 years

As the Defamation (Amendment) Act (Commencement) Order 2026 is now enacted, the Forum recommends that the impact of the new legislation is reviewed within three-year timeframe to assess whether the legislation is operating fairly and effectively for businesses exposed to this risk. During this review further amendments are recommended for consideration:

i. To cap general damages in defamation actions at €75,000,
ii. To limit the right of appeal to higher courts in defamation cases to points of law and
iii. A requirement that appellants discharge their legal costs before being granted leave to appeal unsuccessful outcomes, or otherwise demonstrate their ability to pay costs, or provide security, before an appeal proceeds.

Responsibility: D/JHAM and Business Groups

Recommendation 46: Strengthen and Expand the Legal Services Regulatory Authority to Investigate Vexatious or Abusive Litigation Conduct

The Forum recommends strengthen the power of the Legal Services Regulatory Authority and expand its remit to investigate and where appropriate take action in respect of vexatious or abusive litigation, mirroring the supervisory and investigated role adopted by the Solicitors Regulation Authority in the United Kingdom.

Responsibility: D/JHAM

Chapter 6

Regulatory Compliance and Tax Administration

Recommendation 47: Reduce Administrative Burden for SMEs

To reduce duplication of reporting obligations and reduce ongoing compliance costs, the Forum recommends the immediate implementation of the 2025 National Competitiveness and Productivity Council's recommendation on SME exemptions:

i. Amend the existing Enhanced Reporting Requirements to exempt SMEs that employ 20 staff or fewer, or annual turnover €1 million or less;
ii. Consistently apply exemptions to ensure regulatory relief is targeted at businesses with the lowest administrative capacity; and,
iii. Modify ERR submission timeline to monthly reporting rather than real-time submissions.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 48: Proportionate Application of Fixed Penalty Sanctions for Administrative Measures

The €4,000 fixed penalty for non-compliance appears disproportionate (Revenue has not applied this sanction yet). The Forum recommends this should be reduced significantly, with a more graduated and proportionate approach to administrative errors.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 49: Expand the SME Test and Introduce a Formal Comply or Explain Requirement.

The Forum recommends the introduction of a formal "comply or explain" mechanism, which requires Departments and public bodies (including the annual Finance Bill) to:

i. Apply the SME Test, or publish a clear justification explaining why the SME Test was not applied;
iii. Further develop, refine and embed the SME Test as a standard part of policy and regulatory development;
iv. Expand its application to include explicit consideration of the cumulative impacts of multiple regulatory requirements and cross regulatory effects arising from overlapping obligations across different regimes; and,
ii. To improve transparency, all data on the SME tests should be published on a single website, ensuring that explanations are publicly available and set out the rationale in a transparent and accountable manner.
v. In line with the overall terms of reference of the Forum this recommendation does not apply to the consideration of matters such as the National Minimum Wage and working conditions more generally.

Responsibility: All relevant Departments

Recommendation 50: Pro-forma R&D Tax Credit Route

The Forum recommends introducing a pro-forma R&D tax credit route for small and medium businesses only, including the use of pro-forma templates for project management, recording activity and calculating eligible costs.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 51: Corporate Tax Returns to be Simplified

The Forum recommends that Corporate Tax Returns are simplified in order to reduce regulatory burden on businesses.

Responsibility: Office of the Revenue Commissioners

Recommendation 52: Reduce the Cost of Appealing Revenue Assessments

The Forum recommends a targeted review is undertaken, to examine the costs incurred by taxpayers when appealing Revenue assessments, including identifying specific cost drivers that disproportionately affect smaller businesses, such as legal and professional fees, procedural and evidential requirements. In addition, review alternative dispute resolutions mechanisms to appeal Revenue assessments.

Responsibility: D/Finance and the Tax Appeal Commission

Recommendation 53: Improve the Employment Investment Incentive Scheme

The Forum highlights that the Employment Investment Incentive scheme remains too complex and unattractive and therefore recommends that it should be reviewed and simplified.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 54: Fee for Tobacco Sellers

It has been suggested that the combined €1,800 (€1,000 for tobacco products and €800 for nicotine inhaling products) retail licence fee for tobacco sellers is too high and brought in without consultation and without an SME Test. Therefore, the Forum recommends reducing this fee.

Responsibility: D/Health

Recommendation 55: Improved Labelling Management

In the interests of cost reductions, the Forum recommends that there is a need for a grandfathering provision in relation to new packaging and labelling requirements and acknowledge impact of labelling recommendations for various sectors. In addition:

i. Suspend unilateral measures: Suspend the unilateral introduction of new measures and align with EU efforts to ensure a general harmonised approach across sectoral product legislation.
ii. Adopt digital labelling: Embrace digital labelling to reduce compliance costs for economic operators and allow for easier updating of instructions.
iii. Extended transition periods: Implement appropriate transition periods to help businesses adequately prepare for any proposed labelling changes. For context, the 2011 Food Information to Consumers (FIC) regulation included a five-year transition period.
iv. EU-UK alignment: Find a legally sound solution within the EU framework that takes the current and possible future complexities from the impact of Brexit into consideration.

Responsibility: D/CEE

Recommendation 56: Pursue Simplification of EU Legislative Framework

The Forum recommends active engagement by all Government Departments and industry with the EU's simplification agenda in order to develop a more coherent legislative framework that best responds to the needs of businesses and citizens.

Responsibility: D/FAT

Chapter 7

Banking, Payments and Financial Services

Recommendation 57: Simpler Process Switching Banks

Given the limited nature of competition in the business banking market in Ireland, the Central Bank of Ireland should review, as a matter of urgency, that the process of switching banks for business customers be made easier, simpler and faster.

Responsibility: D/Finance and CBI

Recommendation 58: Improve Transparency for SMEs

The Central Bank of Ireland and the Irish banks should, as a matter of urgency, ensure that disclosure requirements under the Consumer Protection Code and the SME Regulations are actively implemented to improve transparency for SME business customers in relation to fees, charges and bills for banking and payment services.

Responsibility: D/Finance and CBI

Recommendation 59: Better Regulation of Merchant Services

Requirements relating to merchant services, under the EU payment services directives, including new requirements which will be applied under PSD3/PSR, should be actively implemented by the Central Bank of Ireland and relevant firms, to ensure fair competition and quality of service for SME customers.

Responsibility: D/Finance and CBI

Recommendation 60: Promotion of Competition

The new Central Bank of Ireland Regulatory Impact Assessment process should include a rigorous promotion of competition component to help ensure that new rules and regulations promote competition in the business banking market in Ireland.

Responsibility: D/Finance and CBI

Recommendation 61: The New Central Bank's Regulatory Impact Assessment Process

Once in place, the new Central Bank's Regulatory Impact Assessment process (including the promotion of competition component) should be retrospectively applied to existing rules and regulations that impact on SME banking in Ireland.

Responsibility: D/Finance and CBI

Recommendation 62:
An Independent Economic Cost-Benefit Analysis of Establishing a New State SME Bank

Given the high proportion of micro-SMEs in the Irish market, the limited nature of competition in the business banking market and the high interest rates charged to business customers, an independent economic cost-benefit analysis of establishing a new state SME Bank should be carried out that could include building on existing SBCI and ISIF loan and investment schemes.

Responsibility: D/Finance and D/ETE

Recommendation 63:
Future Savings and Investment Account Scheme

Any new Government Savings and Investment Account Scheme should seek to build-in a component that allows for and encourages investment in SMEs.

Responsibility: D/Finance and D/ETE

Thematic Chapters and Recommendations

1. Public Utilities: Energy Costs and Security of Supply

1.1 Session Overview

The first thematic session of the Forum focused on *Energy Costs and Security of Supply* which took place in June 2025. While the meetings occurred before the conflict in the Middle East, energy costs were already regarded as one of the top cost drivers for businesses in Ireland.

Ireland's electricity prices for non-household consumers have been higher than the average for both the European Union (EU) and the euro area (EA) in the last two decades, with energy prices spiking on the back of Russia's invasion of Ukraine in 2022. During the meeting, participants focused on the structural issues underpinning Ireland's status as a global outlier in electricity pricing, a concern that has been further highlighted by recent volatility in energy markets.

The Secretariat received eight submissions from Forum members. To provide a broader context to the discussions, this session opened with a series of scene-setting presentations and these are summarised below.

Scene Setting Presentations

Energy Costs & Competitiveness – presentation by Joseph Cummins (Principal Officer, Climate Action and Energy Policy Unit, Department of Enterprise, Tourism and Employment). This presentation emphasised the reality that Ireland is an outlier internationally in terms of high electricity costs and noted the disparity between electricity and fossil fuel costs (or The Spark Gap) which disincentivises electrification (and as a result, decarbonisation).

Work and Priorities of the Commission for Regulation of Utilities – presentation by Karen Trant (Director of Customer Policy and Protection, Commission for Regulation of Utilities (CRU)). Regarding energy, the role of CRU is to maintain security of supply, ensure efficient network delivery and to promote competition and innovation in the generation and supply of electricity and supply of natural gas. This presentation focused on the CRU's role and the challenges it faces within Ireland's energy retail market and concluded with an overview of the Draft Determination on the Price Review 6 Framework, which will underpin investment in Ireland's energy infrastructure from this year through to 2030.

1.2 Background

The ongoing conflict in the Middle East since late February has triggered a significant shock across global energy markets, resulting in sharp increases in wholesale prices for oil, gas and refined petroleum products. For Ireland, the immediate challenge has been and remains, the impact on price transmission of energy products, predominantly at the wholesale market level, rather than any direct risk to physical supply security.

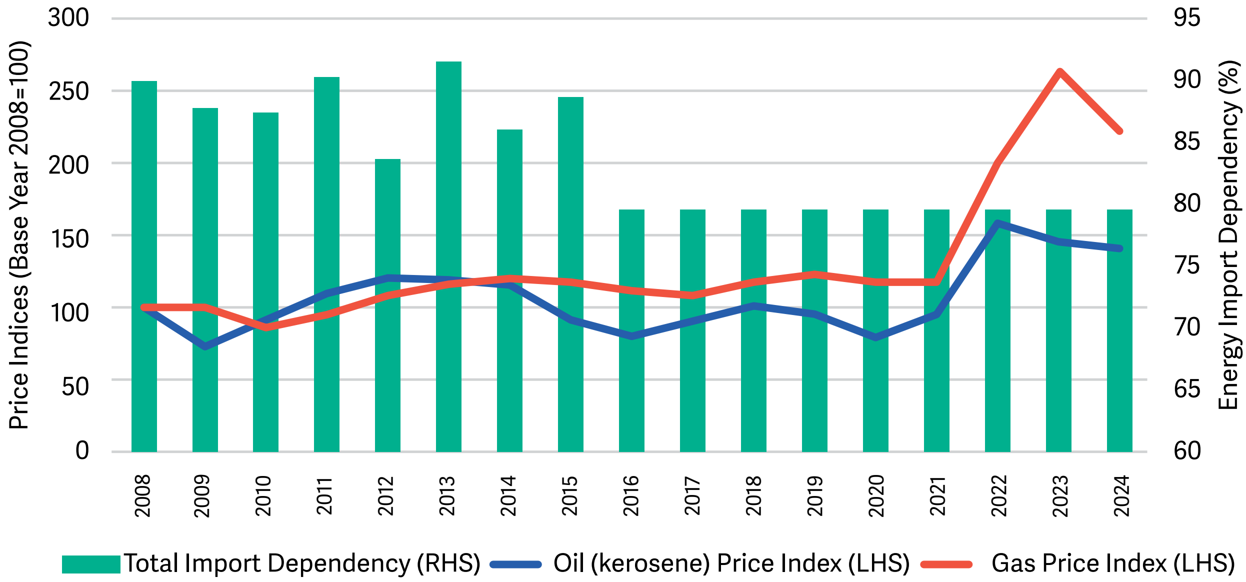
These wholesale energy price increases are likely to feed through to consumer bills in stages. Prices for refined petroleum products typically adjust first, while increases in gas and electricity prices tend to emerge more gradually due to supplier hedging arrangements. As Irish suppliers typically hedge energy purchases several months in advance, the full impact of wholesale gas price increases may not yet be fully reflected in retail energy bills at the time of writing. However, it is likely as the conflict persists commensurate retail market price increases are likely, with potentially significant implications for the affordability of energy supplied to households and businesses over the months ahead and possibly beyond.

At the time of writing, it is unclear if prevailing energy cost pressures for businesses are equivalent to those witnessed during 2022-24. Nonetheless, Government has introduced several measures to reduce energy costs such as temporary reductions in the rates of Mineral Oil Tax (MOT), increase for the maximum repayment allowable under the Diesel Rebate Scheme and also a reduction of the NORA levy [5].

Ireland's high energy prices are influenced by a series of structural factors, including small market size, peripheral location and low population density (which increases network infrastructure costs). In particular, Ireland's high dependence on imported fossil fuels is a critical consideration, with natural gas fired generation typically the price-setting marginal generation unit in Ireland, increasing the energy market's vulnerability to external price shocks. In relation to the latter, Figure 1.1 below illustrates that Ireland's overall energy import dependency has been rising since 2017 and that this has occurred against the backdrop of rising energy prices.

5. Government Announces Measures to Reduce Energy Costs
Department of the Taoiseach, 24 March 2026.

Figure 1.1. Ireland's energy imports dependency as % and index, 2008-2024



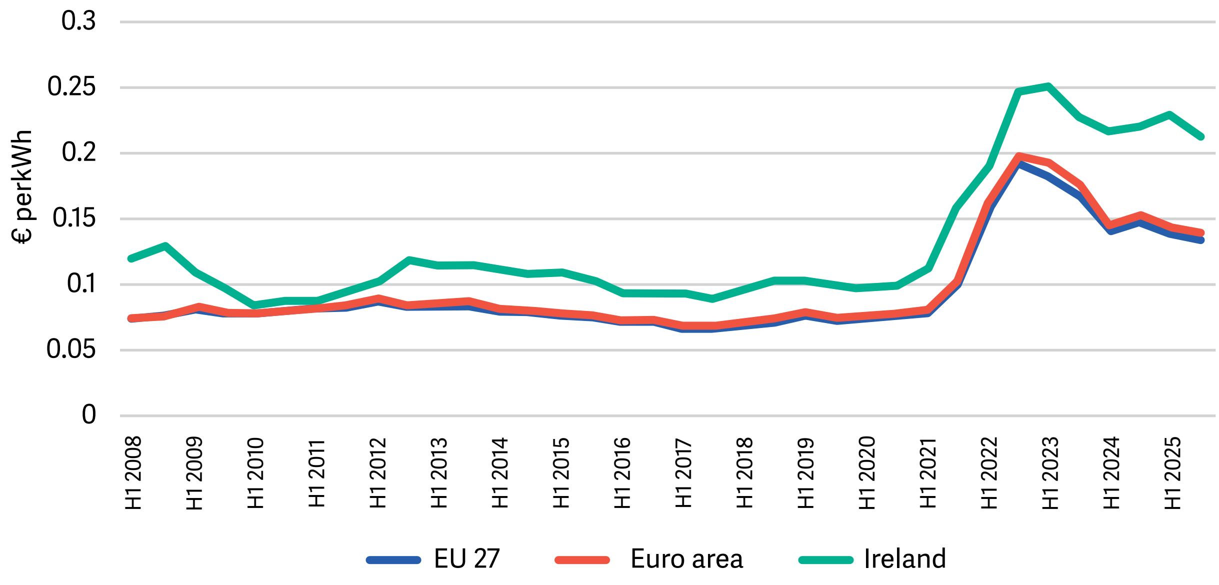
Source: Eurostat and SEAI.

According to the National Competitiveness and Productivity Council (NCPC)[6], increasing global prices and supply chain disruptions have driven up energy costs in Ireland which places immense pressure on businesses. For instance, Figure 1.2 below shows that Ireland's electricity prices for non-household consumers have been higher than the average for both the EU27 and the EA in the last two decades. In 2021, electricity prices increased across Europe (including Ireland) with the prices most likely to increase again in the upcoming months as a result of recent geopolitical developments.

Electricity prices have fallen back from the peak attained in 2023 as seen in Figure 1.1. However, it is important to note that the scale of price reduction in Ireland was lower than that witnessed in other European economies with prices appearing to re-set at a level that is higher than prices prior to 2022. Additionally, Figure 1.3 highlights that Ireland currently ranks the highest compared to other European countries in terms of electricity prices for non-household users at €0.21 per kWh. These price increases have had significant implications for the operating cost base of many firms.

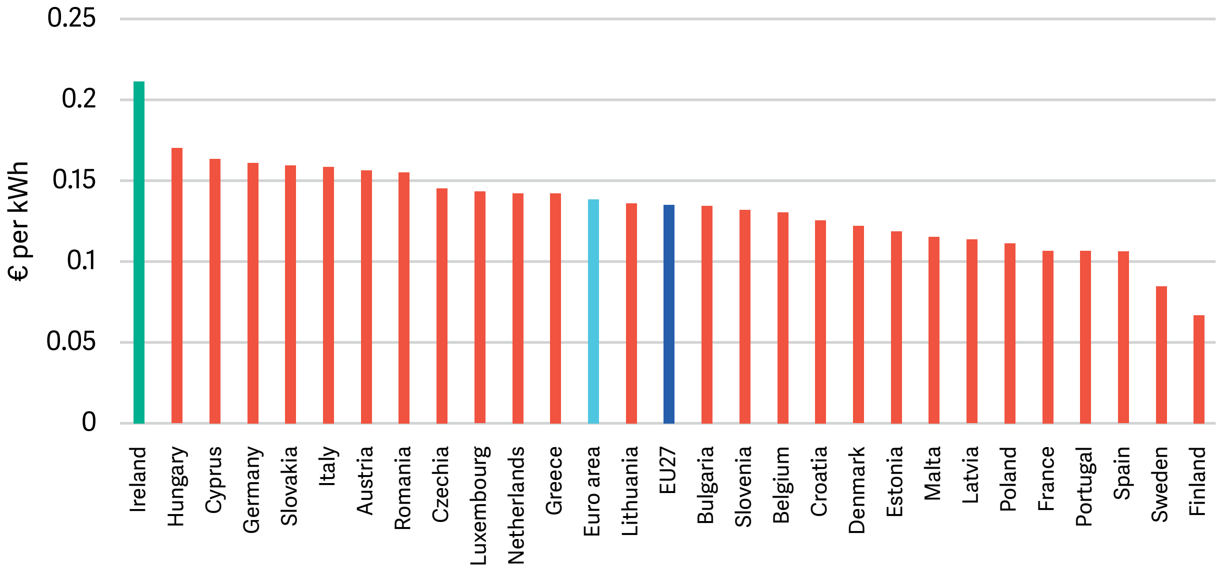
6. https://www.competitiveness.ie/media/3y4kcpus/irelands-competitiveness-challenge-2025.pdf NCPC, July 2025.

Figure 1.2. Electricity prices for non-household consumers, 2008-2025 (€ per kWh)



Source: Eurostat
Note: Figures exclude taxes and levies. Figures reflect band ID: 2000 MWh – <19 999 MWh.

Figure 1.3. Electricity prices for non-household consumers, H2 2025 (€ per kWh)



Source: Eurostat
Note: Figures exclude taxes and levies. Figures reflect band ID: 2000 MWh – <19 999 MWh

The impact of rising input prices is not the only energy-related concern for Ireland's enterprise sector. Issues relating to Ireland's broader energy infrastructure including security of supply, improving and increasing grid capacity and the availability of renewable energy are also key competitiveness considerations for firms in strategic sectors such as life-sciences, semi-conductors and advanced manufacturing.

1.3 Public Investments and Current Policy Developments

In addressing Ireland's infrastructure needs, it is important to recognise the steps that the Government is already taking. The updated *National Development Plan*[7] (NDP) committed 3.5 billion in equity funding to ESB and Eirgrid in 2025 for enhanced energy grid capacity and to support the Governments housing and competitiveness objectives. Similarly, Government also published the *Accelerating Infrastructure Report and Action Plan*[8] which aims to reduce delays in delivery of critical infrastructure and thereby tackling associated energy costs.

Energy affordability is also key; the National Energy Affordability Taskforce (NEAT) was established to identify cost drivers and make recommendations for structural reforms while delivering the key renewable commitments detailed in the Climate Action Plan as well as protecting security of supply. The NEAT published an interim report in November 2025 and in 2026 will publish an Energy Affordability Action Plan which will include medium- to long-term measures to lower costs for households and businesses as well as monitoring its implementation on an ongoing basis.

Increased interconnection has a critical role for isolated island systems with two notable projects in Ireland which will help to better manage growing wind energy output, while increasing wholesale market competition and bolstering security of supply through electricity imports from other jurisdictions. The first is the Greenlink Interconnector, which is a 500 MW high-voltage direct current (HVDC) submarine power cable between County Wexford and Wales, with sufficient capacity to power 380,000 homes since its completion in 2025. Secondly, is the construction on the Celtic Interconnector, between Ireland and France, which is now underway and is expected to be completed in 2028. This 700 MW HVDC submarine power cable will have the capacity to supply electricity to 450,000 homes.

In late-2025, the CRU also approved Price Review 6 (PR6), which is an investment package of up to c.€19 bn for Ireland's national electricity grid and network for the regulatory period 2026-2030. This will facilitate the upgrading of existing assets and the development of new electricity infrastructure and measures to enhance network resilience. Separately, Minister Burke has asked the CCPC to conduct a review of the retail energy markets. Minister Burke has also requested to urgently investigate claims from citizens who have raised significant concerns around practice of price gouging and illegal practice in relation to home heating oil, petrol and diesel[9].

7. Government publishes updated National Development Plan Government of Ireland, July 2025.
8. Accelerating Infrastructure Report and Action Plan D/PER, December 2025.
9. Minister Burke engages with CCPC to investigate claims of illegal practices in energy industry - DETE In delivering on the Minister's request, the CCPC are currently scoping a project which will focus on both SMEs and households that do not switch provider. These cohorts will likely have remained with the same provider for many years with the result that they have been on the most expensive tariffs and have not availed of savings in the market. This will be with a view to make recommendations on how these cohorts can be helped to engage with the market.

1.4 Key Messages

Forum members identified several recurrent themes in their submissions, reflecting shared challenges and priorities across sectors. These common themes are summarised below.

Overview of Themes and Key Messages

Theme: Cost Pressures and Competitiveness

- Consistently high energy costs are undermining competitiveness, sustainability and future investment.
- Energy costs increased significantly post-2021 and have now reset at much higher levels than across the rest of the EU. Ireland also has some of the highest electricity prices in Europe or the OECD and this is a major threat to business viability, future investment and decarbonisation.
- Changing business model/operating cost for many firms – typically, labour has always been the main fixed cost but increasingly, this is now energy. In the short to medium-term, prices will remain high unless action is taken to address the underlying causes and cost drivers.
- Role of Use of System/PSO charges – up to 50% of electricity invoices for some firms disproportionately high share of (fixed) pass-through charges[10] – limits capacity to 'shop around'.

Theme: Ireland's National Grid and the Impact of Capacity Constraints[11]

- The maintenance of a secure and reliable energy supply is paramount for all sectors of the Irish economy.
- Investment in a more reliable, modern and connected gird will help boost energy affordability by resolving grid bottlenecks and enabling more renewables to connect, but the upfront cost of grid investment is borne exclusively by energy users through network tariffs.
- Capacity constraints – including connectivity delays – hinder investment, expansion and job creation.

Theme: Consequences for Investment and Expansion

- For many businesses with high energy demand, Ireland's high energy costs undermines business viability, investment, growth and scale.
- For many firms, the cost of energy efficiency upgrades and switching to renewable systems remains prohibitive and current business supports are not sufficient to drive investment in decarbonisation.

10. Submissions from ITIC, IBEC and RGDATA mention up to 50% of fixed costs which include various chargers/levies.
11. Capacity constrains here refers to structural or operational limits within the energy system that restrict the generation, transmission, storage, or delivery of electricity and prevent supply from fully meeting demand.

1.5 Recommendations

Recommendation 1:
Enhanced Energy Bill Transparency

Impact of Issue: The structure of energy bills is overly complex and lacks transparency. This reduces the ability of business customers, especially for SMEs, to compare alternative tariffs from different energy suppliers and to identify an optimal contract that complements their energy demand profile.

Recommendation: The Forum recommends introducing targeted measures to increase price transparency for non-domestic customers (in particular, for the SME sector).

i. A standard billing format for SME business customers for all electricity and gas companies.
ii. A requirement for energy suppliers to provide SMEs with a bill explainer and clear explanations of charges (VAT, PSO levy, etc.).

Responsibility: CRU and SEAI

Recommendation 2:
Online Switching and Price Comparison Tools

Impact of Issue: Non-domestic customers do not have access to an effective and transparent online electricity and gas price comparison tool akin to those available to domestic customers (the website exists but it is a complicated process to compare prices and switch Ireland Business Energy Comparison | Power to Switch). This creates real difficulty for non-domestic customers in identifying the optimal energy price contract and switching retail market suppliers.

Recommendation: The Forum recommends that the CRU should facilitate the creation of an accessible and effective online tool that allows commercial sector customers (such as retail, hospitality, offices) to compare alternative contracts and prices offered by different energy suppliers and to switch energy suppliers. This will improve access to information, increase price transparency and encourage smarter energy consumption. This tool should be delivered within a defined timeframe.

Responsibility: CRU

Recommendation 3:
Amend the Mandate of the Commission for Regulation of Utilities

Impact of Issue: Impact of Issue: The CRU has a statutory obligation to protect the interest of final customers but is not given a defined role to ensure energy affordability. If the CRU's mandate was to be amended, it would strengthen expectations that the CRU considers affordability impacts for business customers while maintaining the necessary flexibility to uphold cost-reflective tariff structures and economically efficient decision-making. This approach also reduces the risk of regulatory conflict, avoids distorting long-term investment signals and ensures alignment with established regulatory principles both in Ireland and internationally.

Recommendation: The Forum recommends that the Government amends the CRU's statutory mandate to ensure appropriate consideration is given by the Regulator, to the cost and affordability of energy for business customers. This will include consideration of energy affordability when making determinations on the approval of costs associated with network investment and similar regulatory decisions regarding other pass-through costs.

Responsibility: D/CEE

Recommendation 4:
New Scheme to Reduce Price for Large Energy Intensive Business Users

Impact of Issue: Large Energy Users have been disproportionately impacted by increased electricity prices in recent years, which may be exacerbated by the further rise in wholesale costs arising from the conflict in the Middle East since February. Potential temporary mitigatory interventions available to EU member states are reflected in the EU Clean Industrial Deal State Aid Framework (CISAF) adopted in June 2025 and the Middle East Temporary State Aid Framework adopted in April 2026.

Recommendation: Examine the scope for supporting energy intensive manufacturing sectors, under EU guidelines on State Aid for climate, environmental protection and energy to help alleviate energy cost pressures.

Responsibility: D/CEE, D/ETE, IDA Ireland and Enterprise Ireland

Recommendation 5:
Examine Impacts of Pass-Through Costs

Impact of Issue: Under the auspices of the National Energy Affordability Taskforce, the CRU is currently leading on the Programme for Government commitment to *"commission an independent review into the speed and level of pass-through from wholesale prices to retail prices, with an additional assessment of the overall price dynamics and an overall focus on the competitiveness of the Irish economy".* The Department of Climate, Energy and the Environment Officials have met with the CRU to discuss the scope and timelines of this review. The review will focus on domestic and SME customers.

Recommendation: Given that electricity prices for non-household customers in Ireland remain among the highest in the EU, this raises competitiveness concerns and underlines the importance of transparency and value for money in the recovery of regulated network and public policy costs. Under the auspices of the National Energy Affordability Taskforce, the CRU is currently leading on the independent review. The Forum welcomes this review which should be completed and published without delay. It should clearly assess the scale and impact of non-wholesale pass-through costs on electricity bills, with its focus on both SME and domestic customers.

Responsibility: CRU and D/CEE

Recommendation 6:
Guidance on Consumption and Cost Reduction

Impact of Issue: Rising energy costs have become a significant and sustained pressure on business operations, affecting cash flow, increasing operating expenses and in some cases requiring potential price increase to customers. Higher energy costs have also restricted investment in renovations, delayed automation projects and enforced stricter budgeting. While some sectors have not experienced direct effects, the overall sentiment reflects caution and delay in development due to financial pressures.

Recommendation: SEAI to issue improved guidance to non-domestic customers on a regular basis with regard to steps to reduce electricity consumption and costs.

Responsibility: SEAI

Recommendation 7:
SME Deposit Requirement

Impact of Issue: IBEC recognises and highlights the low participation of SMEs in the SEAI energy audit grant scheme. As of the end of 2024, 3,589 vouchers had been issued, despite Ireland having over 250,000 SMEs. While eligibility is limited to businesses spending more than €10,000 per year on energy, significantly reducing the target population, uptake remains lower than desirable.

Recommendation: CRU to review the requirements by some energy suppliers (including gas suppliers) for deposits from SMEs in certain sectors (i.e. hospitality) and consider whether or not this is justified and/or appropriate and whether the practice should continue.

Responsibility: CRU and Energy Suppliers

Recommendation 8:
Target an Increase in the Availability of Energy Audits

Impact of Issue: During the Forum meeting in July, policymakers suggested that more SMEs should utilise the grant available for businesses to have an energy audit.

Recommendation: SEAI to set a new ambitious target to increase the availability of low-cost Energy Audits for SMEs to reduce energy costs. This could be run in conjunction with business representative groups.

Responsibility: SEAI and D/CEE

Recommendation 9:
Review the Application and Administration Processes Associated with Energy Grants and Supports for Businesses

Impact of Issue: The complexity of applications and administrative processes for any grants can limit their effectiveness, particularly for SMEs that often have limited time, resources and expertise to navigate burdensome requirements. In terms of energy grants specifically, this may slow the progress towards energy efficiency improvements as well as decarbonisation goals. Therefore, the Forum recommends the following with a view to increase uptake, accelerate investment in energy efficiency measures and deliver stronger value from public grants and supports.

Recommendation: SEAI and relevant Departments to review the application and administration processes associated with energy grants and supports for businesses. This review should assess the level of complexity involved in accessing supports and identify opportunities for simplification, with a view to improving accessibility and uptake, particularly among SMEs.

Responsibility: SEAI and Relevant Departments

Recommendation 10:
Multi-annual Funding Commitment for SEAI Business Energy Upgrade Scheme

Impact of Issue: Commercial premises are typically operated by SMEs operating under tight margins and lack the capital to match grant support for retrofits and energy upgrades. A multi-annual commitment for funding provides certainty and time to businesses to generate funding for a project.

Recommendation: The Forum recommends adopting a multi-annual funding commitment for the Business Energy Upgrade Scheme and other relevant SEAI supports, rather than continuing with year-to-year allocations. This would provide the stability required to plan and deliver retrofit and upgrade projects efficiently, strengthen supplier and market confidence and support long-term decarbonisation objectives in both the Commercial and Public Sectors.

Responsibility: D/CEE and SEAI

Recommendation 11:
Accelerated Capital Allowances for Energy Audit Measures

Impact of Issue: Existing Accelerated Capital Allowances (ACAs) for Energy Efficient Equipment are available in respect of products listed on the SEAI Triple-E Register, listed under 10 broad categories and 52 associated technologies. This can limit flexibility for businesses, particularly for industrial businesses that require bespoke equipment to be designed for their manufacturing processes, rather than using off-the-shelf equipment suitable for most SMEs.

Recommendation: Develop options to expand Accelerated Capital Allowances (ACAs) for all measures recommended by a qualified energy audit or recognised energy efficient design standard, such as the SEAI Energy Audit and EXEED scheme. This would enable greater take up of:

i. Recommended energy audit measures across businesses more generally.
ii. Energy efficient equipment investments by industrial businesses.

It is also important to note that this could be done on a phased basis with an expansion to the full cost of the investment which includes Triple E products initially and then moving to ACA for IS 399 (EXEED) and Statutory Audit recommended measures as a second phase.

Responsibility: D/CEE, SEAI and D/Finance

1.6 Conclusion

Even before the energy market volatility due to geopolitical conflict in the Middle East, energy prices were highlighted by the Forum members as the biggest non-pay related cost issue faced by firms. The ongoing conflict has only further exacerbated these cost pressures. Although there are several initiatives to help businesses to reduce the costs of energy, the Forum members outlined eleven recommendations, with four being priority recommendations, that would further support Ireland’s competitiveness, sustainability and future investment for businesses.

2. Professional Services: Insurance Costs

2.1 Session Overview

The second thematic session of the Forum focused on *Insurance Costs*. The Secretariat received twelve submissions from the members which outlined the main areas of concern for businesses. Similarly to the previous meeting, this session opened with three scene setting presentations to provide a context and highlight policy developments in this area as summarised below.

Scene Setting Presentations

Action Plan for Insurance Reform 2025-2029 – presentation by Michael J. McGrath (Financial Services Division, Department of Finance).

This presentation provided an overview of the recently published Action Plan for Insurance Reform 2025-2029. This presentation also highlighted the reform of the Injuries Resolution Board (formerly PIAB) under the previous Action Plan on Insurance Reform and the role of the Office to Promote Competition in the Insurance Market (or OPCIM) set up to address challenges in the Irish insurance sector, particularly the lack of competition, the high cost of insurance and difficulty accessing cover in certain sectors of the economy.

Increasing Transparency Around the Cost of Claims – presentation by Padraig O'Brien, (Statistical Data Management, Central Bank of Ireland).

This presentation informed the Forum about the National Claims Information Database (NCID) set up to improve data availability and transparency in the claims area. It was noted that all insurers selling private motor, employers' liability, public liability or commercial property insurance in Ireland are required to meet same data submission requirements, regardless of country of authorisation. NCID will continue to engage with stakeholders to appraise the data collection process and will support the Action Plan for Insurance Reform.

Cost of Insurance for SMEs – presentation by the Forum Member Neil McDonnell (CEO, ISME).

This presentation outlined the SME perspective and stated that insurance is a deadweight cost that confers no utility beyond 'risk-off'. It also included examples of Court cases and statistics noting that *Ireland has 18-times the level of defamation and 148 times the level of personal injuries litigation as England and Wales.*

2.2 Background

Ireland is a leading global hub for insurance, reinsurance and InsurTech, employing 43,000 people in Ireland, serving over 20 million customers and in more than 70 countries. Insurance Ireland members contribute €2.7 billion annually to the Irish Exchequer and pay more than €74 billion annually in claims, as well as safeguarding €300 billion of Life and Pensions assets. Ireland is the number two provider of cross-border Life and Non-Life insurance in the EU, the fourth largest insurance market and the second/third largest reinsurance market in the EU.[12]

The *Ireland's Competitiveness Challenge 2025*[13] report by NCPC noted that insurance costs are a significant cost burden for businesses. The report highlights that litigation remains very slow and expensive, with legal fees often equalling, or even exceeding, compensation. It is also reported that personal injury claims are emerging as a major cost driver for businesses in Ireland through the impact on insurance premia and risk assessments. This indicates that the legal and insurance systems are interlinked and any recommendations proposed by this Forum will likely cross-reference these two themes.

Recent data from the National Claims Information Database (NCID)[14] has shown that the average premium for package policies[15] increased by 4% in 2024. The average premium was €1,871 in 2013, but by 2019, it had increased by 32% (€2,476) followed by a further 23% (€3,043) between 2020 and 2024. The data has also found that the increase between 2013 and 2020 was principally the result of increases in the Employers' Liability (EL) and Public Liability (PL) component of policies.

The latest NCID data on EL and PL insurance also shows that in 2024, 57% of all policies had a premium of €1,000 or less and 90% of policies had a premium of €5,000 or less across a number of sectors. In 2024, the average cost of EL claims increased by 6% (to €43,426) whilst the average cost of PL claims increased by 7% (to €21,613). Between 2010 and 2024, the average cost of EL and PL claims increased by 63% and 69%, respectively. The report does note that there is significant uncertainty in the estimated average cost per claim for recent years due to the impacts of the introduction of the Personal Injuries Guidelines (and the inflationary backdrop against which claims were settled).

According to the NCID, the most common method of claimant settlement was through litigation before a court award (68%) while resolution through the Injuries Resolution Board (IRB) was only at 12% in 2024. The average duration of an injury claim from reporting to settlement was 1.8 years, where claims were settled directly between claimant and insurer (2.1 years in the IRB channel[16] and 5.7 years through litigation).

12. final-Resilience-Revitalisation-Milliman-Insurance-Ireland-Report.pdf Commissioned by Insurance Ireland, September 2025.
13. irelands-competitiveness-challenge-2025.pdf the National Competitiveness and Productivity Council, July 2025.
14. ncid-annual-report-5.pdf, the Central Bank of Ireland, December 2025
15. Policies can include cover for one of EL, PL or Commercial Property as a standalone policy; or they can include a combination of these covers sold as a Package policy. A Package policy can include any combination of two or three of EL, PL and Commercial Property insurance cover under a single policy.
16. It is important to note that the NCID data is aggregated data which is self-reported

For all EL and PL injury claims settled in 2024, the average cost by channel and cost type was:

- Direct: compensation of €20,800 and legal costs of €3,836
- Injuries Board: compensation of €27,538 and legal costs of €709
- Litigated: compensation of €43,361 and legal costs of €33,550

It is important to note that the EL and PL[17] insurance premiums are closely linked to the economic activity and as businesses expand, average premiums increase in line with revenues and employee numbers. For instance, commercial property insurance premium will be linked to building sums insured (or the rebuilding costs). Therefore, it is important to assess trends in average premium against rating factors such as turnover, wage roll and construction costs. In sectors of the industry which have high levels of interaction with the public, the level of turnover can affect the rating of the insurance premium. Additionally, number of employees will have a direct influence on Employer's Liability insurance in addition to the nature and type of work they perform.

Forum members, the Small Firms Association (SFA) commissioned an independent Small Business Survey in 2025[18] which found that 51% (or 176) of businesses suggested that insurance costs have contributed to the increased cost of running their businesses. This is an increase from 45% (or 396) businesses reporting the same in 2024. Prior to the meeting of the Forum on this topic, the SFA also conducted a snapshot survey of its members which found that almost all respondents had said insurance increased over the past five years. Some respondents said insurance costs impacted the ability to expand and hire new staff while some SFA members are not in a position to pass on increased insurance costs to customers (to the detriment of trading margins).

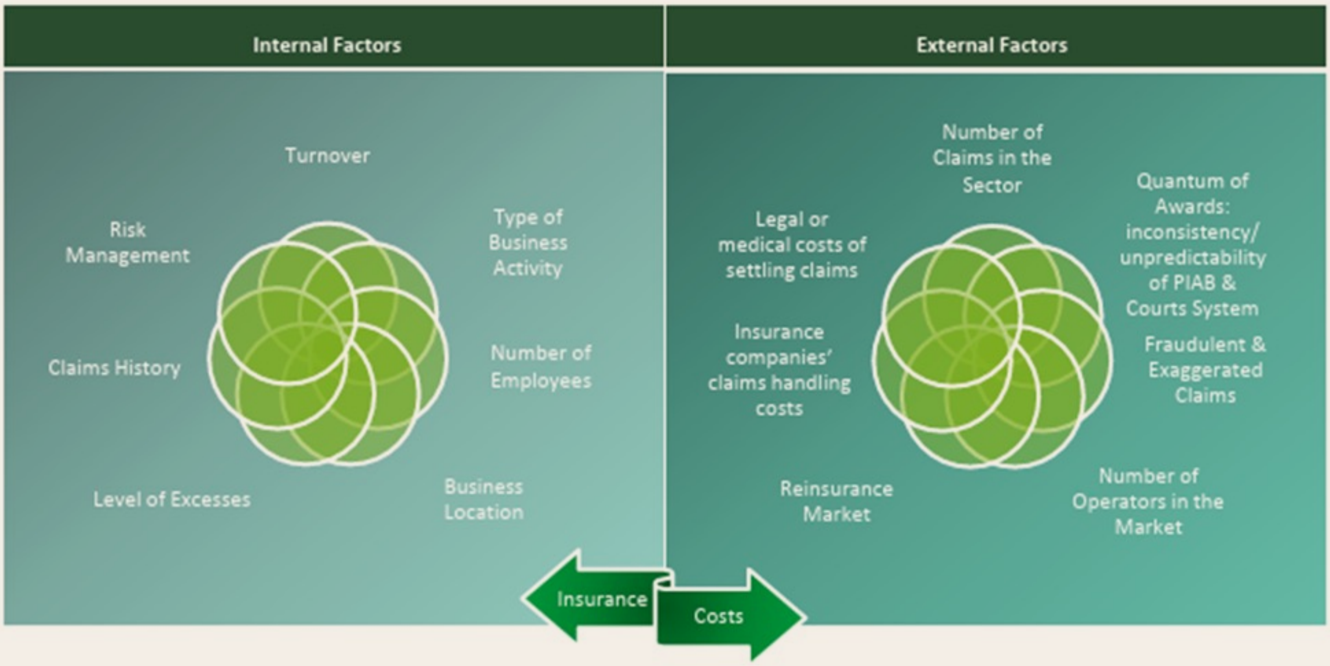
Insurance Ireland, a Forum member, stated in their contribution, that a number of internal and external key factors illustrated in Figure 2.1 would impact the cost and ability of a business owner to secure appropriate insurance cover, of which there are many types.[19]

Whilst it is not compulsory to have insurance, it is a pre-requisite for the operation of any business, especially for those who interact with the general public and in general terms, a business owner should have the ability to influence or affect internal factors, which in turn should then impact on both the cost and availability of insurance for their business. External factors will be outside the control of the business owner and typically the quantum of awards is the primary factor influencing insurance costs and availability, even with implementation of robust risk management or health and safety initiatives, often having little impact on the cost and availability of insurance.

by the insurance sector. There is also a lag with often delayed reporting records for instance, 2.1 years average resolution via IRB channel whereas IRBs own CMS measuring real-time first-hand data records average of 11.2 months as of most recent data.

17. Employers' Liability provides coverage for employers against claims made by employees who suffer work-related injuries or illnesses (physical and psychological) while Public Liability provides coverage for businesses and individuals against claims made by third parties for injuries or damages that occur as a result of their business activities.
18. SFA Small Business Survey 2025 - SFA
19. Such as cover for property damage, public liability, professional liability and employee-related risks.

Figure 2.1. Resilience & Revitalisation: Shaping the Future of Insurance



Source: Insurance Ireland

2.3 Public Investments and Current Policy Developments

Tackling both the cost and availability of insurance has long been a feature of Irish Government policy, notably the 2020-2024 Action Plan for Insurance Reform which outlined a number of key measures including the rebalancing of the Duty of Care Laws.

The plan also included the introduction of Personal Injuries Guidelines to create a fairer, more predictable compensation system. These guidelines replaced the previous ad hoc approach to personal injury awards, ensuring greater consistency in claim settlements.

A longstanding feature of Irish civil litigation is the absence of any real urgency once proceedings are issued. Traditionally, the primary procedural imperative has been to issue a Personal Injuries Summons to stop the running of the Statute of Limitations. After that point, litigation often proceeds slowly through the courts and cases regularly stall for months or even years without meaningful progress. This pattern of delay is well recognised in analyses of the civil justice system and was a central concern addressed in the Kelly Report reforms.

The Civil Reform Bill directly tackles this structural problem. The Bill introduces front-loaded obligations that require parties to invest significantly more effort and preparation at the outset of proceedings, fundamentally shifting how litigation is conducted in Ireland, representing one of the most sweeping reforms to the administration of civil justice in the history of the State. Its measures implement the vast majority of the recommendations of the Kelly Report and fundamentally reshape how litigation is commenced, managed and resolved. Government statements highlight its purpose: to streamline court processes, reduce delay, improve transparency and lower costs.

The Box below outlines the progression of key policy developments to date.

Overview of Recent Developments

Action Plan for Insurance Reform (2020)

The main achievements of the Action Plan for Insurance Reform 2020-2024 are: rebalancing of the Duty of Care Laws, reform of the Injuries Resolution Board (IRB), the introduction of the Personal Injuries Guidelines, the Enhancement of the National Claims Information Database (NCID) and increasing competition through the Office to Promote Competition in the Insurance Market (OPCIM).

Rebalancing of the Duty of Care

Ireland's Duty of Care laws previously placed excessive liability on businesses, property owners and voluntary groups, leading to high claims costs and reduced insurance availability. Legislative reforms have now clarified responsibilities, ensuring a fairer balance between occupiers and visitors. These changes promote personal responsibility while maintaining appropriate protections for genuine claims. By reducing legal uncertainty, insurers have greater confidence in covering sectors like hospitality and SMEs. This reform has helped stabilise insurance costs, encouraged competition and improved access to cover for businesses and community groups, creating a more sustainable insurance market for both policyholders and providers.

Introduction of the Personal Injuries Guidelines

The introduction of the Personal Injuries Guidelines marked a major step in creating a fairer, more predictable compensation system. These guidelines replaced the previous ad hoc approach to personal injury awards, ensuring greater consistency in claim settlements. By standardising compensation levels, particularly for minor injuries, they have reduced inflated payouts, helping to lower overall claims costs. This has encouraged greater insurer participation, improving competition and premium affordability. While legal challenges remain, the guidelines provide much needed clarity and stability, reducing excessive litigation. Their full implementation is key to sustaining a balanced, transparent and fair insurance market for all stakeholders

Reform of the Injuries Resolution Board

The Personal Injuries Resolution Board Act 2022 amends the Personal Injuries Assessment Board Act 2003-2019 to increase the number of personal injury claims settled through the Injuries Resolution Board (formerly PIAB) and thus reduce the volume of claims proceeding by way of expense and time-consuming personal injuries litigation. The reforms also notably included the launch of a mediation service as an alternate claims settlement channel and an enhanced research and analysis function for the Injuries Resolution Board. The Act also provides for measures to be taken against the making of fraudulent claims.

Central Bank of Ireland (National Claims Information Database) Act 2018

The Cost of Insurance Working Group, established by the Department of Finance in 2016, recommended in its 2017 report that the Central Bank of Ireland establishes a National Claims Information Database (NCID) in order to improve data availability. Private motor insurance was identified as the first class of insurance data to be included. Employers' Liability, Public Liability and Commercial Property Insurance were later added as the second class, with data collection started in Q4 2020. The Central Bank is required to publish annual and mid-year reports. The establishment of the NCID has greatly improved oversight of claims costs and trends in the insurance market and is regarded as one of the most comprehensive and respected insurance data sources internationally.

Office to Promote Competition in the Insurance Market (OPCIM)

The OPCIM was originally established under the Action Plan for Insurance Reform 2020-2024 with a mandate to support the development of a more competitive insurance landscape in Ireland. Operating under the direction of the Minister of State with responsibility for Financial Services, Credit Unions and Insurance and in collaboration with the Department of Enterprise, Tourism and Employment, the OPCIM plays a key role in engaging with insurers, brokers and a wide range of sectoral representatives to address gaps in insurance availability and encourage new market entrants. The establishment of the Office has contributed to greater market stability and has supported new market entrants such as OUTsurance, Revolut and several Managing General Agents and a significant reduction in insurance 'pinch points'.

Action Plan for Insurance Reform 2025-2029

In July 2025, the Government published the Action Plan for Insurance Reform "A Stronger Market, A Fairer Future" which covers a five-year strategic framework (2025–2029). This new plan, shaped by feedback from over seventy submissions from a wide range of stakeholders, builds on the progress of the 2020 Action Plan and intends to deepen reform across six key pillars: transparency & affordability; competitiveness & availability; legal reform; fraud; climate protection; and innovation & skills.

The Action Plan contains 26 actions led across a range of Government Departments. A total of 10 actions are listed as priority as they will have the biggest impact on insurance affordability, transparency and availability. The implementation of the Action Plan will be led by the Department of Finance, the Department of Enterprise, Tourism and Employment and the Department of Justice, Home Affairs and Migration. Progress of the Plan is monitored by the Cabinet Committee Sub-Group on Insurance Reform, chaired by the Tánaiste. The Sub-Group is supported by a senior official's group which maintains ongoing engagement to advance reforms and ensure alignment across policy areas.

2.4 Key Messages

Despite these advancements, the Forum members continue to cite increasing premiums, as a significant concern which disproportionately affects SMEs. Members also reference the associated legal costs and concerns about what is described as a lack of competition in the insurance market. (see summary of the key messages below).

Overview of Submission Themes and Key Messages

Theme: Cost and Affordability

- Members noted that premiums are rising despite falling claims[20] and new reforms.
- There are several different insurances that businesses may require such as professional indemnity, public liability, employer liability, product liability, material damage (all risks), consequential loss and cyber and crime insurance. This indicates that there are multiple costs for businesses, but also that knowledge of various types of insurance is required. This creates challenges for SMEs with limited resources. Noted that there can be limitations in the quality of cover available to SMEs, including exclusions, excesses, limits, restrictions and sectoral availability.
- Members stated that high legal costs are associated with claims, noting that settlements often represent only a portion of the total cost, with the remainder consumed by solicitor and barrister fees.

Theme: Market Access and Competition

- Members suggested that the core issue is a lack of competition in the liability insurance market. More resources must be invested in attracting new entrants, strengthening the role of regulators and ensuring robust, independent monitoring of insurer data and profits.

Theme: Transparency and Risk Management

- Pricing transparency and communication issues by providers were cited as a recurring theme. This absence of transparency hinders informed decision-making and exacerbates the perceived burden of insurance costs.
- Members noted a high focus on risk management. Increased investment in cyber security and regularly reviewing internal processes regarding data protection were also selected as risk mitigation strategies implemented to reduce insurance claims. This not only creates additional costs to businesses but also adds frustration when the efforts are not rewarded through lower premiums

20. According to the IRB's annual report in 2024, public liability claims has decreased by 40% between 2019 and 2023. The report also notes that claims for cafés, hotels and restaurants were down by 52%, for shops and stores down by 44% and sports/athletics were down by 38%. Median awards also fell by 31% in employer liability and 34% in public liability cases annual-report-2024.pdf.

2.5 Recommendations

Recommendation 12:
Expand and Strengthen the Injuries Resolution Board

Impact of Issue: During the Forum meeting, several members proposed that the IRB should be granted decision making powers akin to the Workplace Relation Commission. Although the Action Plan for Insurance Reform contains some measures to empower the IRB, the Forum members note this as an important area to consider for Government in terms of decreasing costs for businesses and set out a recommendation below.

Recommendation: The Forum seeks strengthening of the power, remit and resources of the Injuries Resolution Board in order to maximise the volume of personal injury cases it resolves (and thus, minimise recourse to more costly litigation channels).

Responsibility: D/ETE

Recommendation 13:
Enhance Competitiveness and Affordability

Impact of Issue: Competition gives consumers and businesses genuine choice and higher-quality service. Recent reforms have helped stabilise the market and the recent arrival of new entrants demonstrates renewed confidence in the sector. This momentum must be sustained to strengthen and expand Ireland's relatively small insurance market. The focus should also be on insurance underwriters and their presence in the Irish market. When it comes to niches areas, insurance is often very difficult to obtain because of the lack of underwriters in that specific area.

Recommendation: The Government to implement further measures to promote domestic competition in all sectors of Insurance and/or new entrants, including:

i. Proactively engaging with the international insurance market to encourage international entrants.
ii. Engaging with the Central Bank of Ireland on their authorisation process for new entrants to secure a streamlined approach.
iii. Cooperating with industry and State bodies to find ways to improve Ireland's access to international insurance markets.

Responsibility: D/Finance and D/ETE

Recommendation 14:
Strengthen and Enhance Insurance related Data

Impact of Issue: The NCID database relies on aggregated, selfreported data from the insurance sector, which can result in delays in the submission and publication of records. These lags reduce realtime visibility of developments in the insurance market and can limit the evidence base available for timely policy intervention.

Recommendation: The Forum welcomes the publication of the Action Plan for Insurance Reform 2025-2029 and suggests that all recommendations are accelerated, including measures to enhance the National Claims Information Database (NCID). The Forum recommends that the following actions are implemented without further delay:

i. More frequent publication of NCID data to reduce time lag between data collection and it being made public.
ii. Detailed sectorial analysis: Provide a more detailed breakdown of sectorial claims and premium data from sectors to identify where cost drivers and risks are concentrated.
iii. A review of the quality of cover available to SMEs, including exclusions, excesses, limits, restrictions and sectoral availability.
iv. Detailed insurance data metrics: including settlement channels, timelines, legal costs and insurer level cost reporting to demonstrate the pass through of savings
v. Detailed timeline to be published on how recommendations will be implemented by the end of 2026.

Responsibility: CBI, D/Finance, D/JHAM, D/ETE and IRB

Recommendation 15:
Review of the Public Liability Insurance Market Study

Impact of Issue: The CCPC was asked to conduct a market study on the public liability insurance market under Section 10 (4) of the Competition and Consumer Protection Act 2014 in July 2019. The CCPC published its Public Liability Insurance Market Study[21] in December 2020 including a number of recommendations for reform to promote competition in the public liability market. A number of these recommendations have not been implemented, while others have only recently been given effect or are planned to be implemented under the Action Plan on Insurance Reform 2025-2029.

Recommendation: The Forum recommends that the CCPC conduct a review of the implementation of its 2020 Public Liability Insurance Market Study recommendations, with a particular focus on unimplemented recommendations.

Responsibility: CCPC and D/ETE

21. Injuries Resolution Board (formerly Personal Injuries Assessment Board) | CCPC December 2020. The CCPC's public liability insurance market study found widespread premium increases, reduced availability in some sectors and barriers to competition, driven in part by limited data, claims costs and low buyer engagement. The report makes evidence-based recommendations to improve data transparency, support buyers and strengthen the role of the Injuries Resolution Board.

Recommendation 16:
Expand and Support the Office of Promotion of Competition in the Insurance Market

Impact of Issue: A dynamic insurance market needs healthy competition and widespread availability of cover. Certain sectors such as childcare, leisure and community organisations, have struggled to secure insurance at affordable prices.

Recommendation: Proceed with the planned allocation of additional resources to the Office of Promotion of Competition in the Insurance Market (OPCIM) in order to enable them to better promote competition in the sector, before the end of 2026.

Responsibility: D/Finance and D/ETE

Recommendation 17:
Review of the Personal Injuries Guidelines

Impact of Issue: Stability in the assessment of personal injuries claims is essential to maintaining both market stability and affordability for policyholders. The Personal Injuries Guidelines were introduced to deliver greater consistency, predictability and proportionality in awards. It is therefore critical that any review of the Guidelines reinforces, rather than undermines, these objectives. Minister for Justice, Home Affairs and Migration has recently published the General Scheme of the Judicial Council (Amendment) Bill 2026, which would amend the Judicial Council Act 2019. The Bill intends to ensure the process for adopting Personal Injuries Guidelines are more transparent and comprehensive. The Bill makes it a requirement for the Judicial Council to consult with the Injuries Resolution Board and other stakeholders when reviewing the Personal Injuries Guidelines.

Recommendation: The Forum welcomes the publication of the General Scheme of the Judicial Council (Amendment) Bill 2026 and recommends that this legislation – and any associated changes – are adopted as a matter of priority.

Responsibility: D/JHAM

Recommendation 18:
Implementation of the Kelly Report

Impact of Issue: *The Review of the Administration of Civil Justice: Review Group Report*, or also known as the Kelly Report, is one of the most extensive reviews carried out in the last decade, if not ever. It includes over 90 recommendations which aim to address litigation delays, promote alternative dispute resolution and emphasises greater use of technology such as e-litigation. Therefore, Forum members welcome the Final Report and that its recommendations are implemented without any further delays.

Recommendation: The Forum recommends implementing the recommendations set out in the Review of the Administration of Civil Justice: Review Group Report in full and as a matter of urgency.

Responsibility: D/JHAM and Courts Service

Recommendation 19:
Further Reforms to Tackle Fraud

Impact of Issue: Due to the inability to share information, insurers in Ireland operate in silos, with no legal or technical framework to facilitate the exchange of meaningful data or intelligence. This fragmentation inhibits the early identification of repeat offenders, increases the risk of undetected organised fraud and leads to higher costs for insurers and, ultimately, customers. At present, insurers can access information on previous insurance claims only on InsuranceLink. A government-led review committee as part of insurance reform agenda should be established to decide on either taking public ownership of the existing InsuranceLink database or creating a new anti-fraud database with the ultimate decision being made by the review committee after full public consultation.

Recommendation: To effectively combat the complexity and scale of insurance-related fraud, Ireland must adopt a more coordinated and intelligence-led approach. Two reforms are proposed:

i. Establish a National Fraud Intelligence Bureau, modelled on the UK's structure.
ii. Create a Shared Fraud Database.

Responsibility: D/JHAM and An Garda Síochána

Recommendation 20:
Prioritise Reform of Legal Costs in Personal Injury and Liability Claims

Impact of Issue: The absence of a standardised and transparent approach to legal fees in civil litigation, particularly in personal injury cases, can contribute to higher legal costs. This can also have direct downstream impact on businesses, including elevated insurance premiums, increased exposure to litigation expenses and greater difficulty in financial planning. Action 6 is a priority action within the Action Plan for Insurance Reform[22] which highlights the need for clearer structures to guide fee-setting and improve oversight. Without defined scales and guidelines in place, there is a risk of reduced competitiveness and limited clarity for litigants, potentially undermining confidence in the fairness and accessibility of the legal system.

Recommendation: The Forum welcomes the publication of the Action Plan for Insurance Reform 2025-2029 and recommends that Action 6 is prioritised for implementation. The Government needs to take stronger action to control legal costs, by setting clear and proportionate rates and fee scale framework for personal injury litigation and liability claims in higher courts.

Responsibility: D/JHAM and D/ETE

Recommendation 21:
Amend and Commence Section 30 of the Civil Liability & Courts Act 2004

Impact of Issue: The current gaps in oversight and procedural controls in personal injuries litigation can contribute to inefficiencies, increased legal costs and limited transparency in the system. These factors also have direct impact on operating expenses as well as insurance premiums. Strengthening the role of the IRB and limiting appeals to points of law, alongside requiring upfront cost commitments, would help streamline litigation, reduce unnecessary claims or appeals and improve cost predictability. These measures would support a more transparent and cost-effective system helping to ease financial pressures and improve the business environment.

Recommendation: Amend and commence Section 30 of the Civil Liability & Courts Act 2004, but:

i. Make the IRB the custodian of the personal injuries actions register database and
ii. Limit the right of appeal to higher courts in personal injuries to points of law and require appellants to discharge their legal costs before grant of appeal.

Responsibility: D/JHAM

22. Action_Plan_for_Insurance_Reform.pdf page 18.

2.6 Conclusion

The cost of insurance is a multi-faceted issue and premiums are sensitive to global inflationary pressures. While certain policy developments have begun to stabilise award levels, delays in litigation and wider inflationary factors continue to impact premiums. For example, employer/public liability insurance is impacted by factors such as construction inflation, business turnover and visitor numbers. Consequently, prices vary across the market. However, the Forum members note that premiums have not come down as expected in response to various policy developments and changes; in fact, they continue to increase for most businesses. Excessive insurance costs are not just an overhead, they are a brake on competitiveness, recruitment and investment.

3. Planning, Regulatory Burden and Infrastructural Delivery

3.1 Session Overview

The third thematic session of the Forum focused on *Regulation and Planning* as these pertain to both infrastructural delivery and the operations of an enterprise. The Secretariat received four submissions. To provide a broader context to the discussions, this session opened with scene-setting presentations which are summarised below.

Scene Setting Presentations

Accelerating Infrastructure delivered by Mr. Ian Kelly (Infrastructure Division, Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation). This presentation highlighted the work of Accelerating Infrastructure Taskforce and outlined next steps including finalisation of the report and action plan, as well as launch and implementation of the actions.

Planning & Development Act 2024 delivered by Mr. Paul Hogan (Head of Planning Division, (Department of Housing, Local Government and Heritage). This presentation described developments in the planning area since 1960s and highlighted key areas in the Planning and Development Act 2024 as well as its implementation to date.

3.2 Background

Ireland has entered a period of historically high public capital investment with the updated NDP 2025 committing a total of €275.4 billion from 2026 to 2035 (and sectoral capital allocations of €102.4 billion for the period 2026 through 2030). As referenced above a total of €3.5 billion in equity has been earmarked for energy projects with ESB Networks and Eirgrid in order to upgrade our energy infrastructure. Furthermore, a total of €12.2 billion has been allocated to the water sector for water and wastewater services and €24.3 billion assigned to the transport sector including low carbon transport projects, including Metrolink[23].

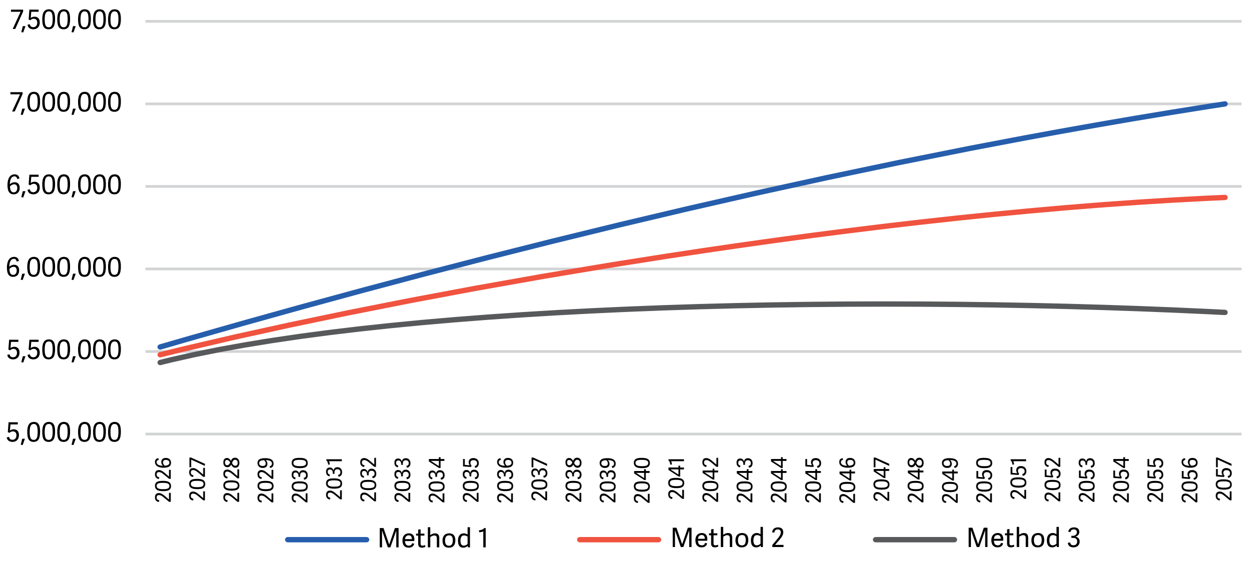
Infrastructure Deficits and Planning

The effective and timely delivery on our public capital commitments challenges are especially critical given that our current economic and competitiveness performance has been challenged by years of under-investment. Indeed, Ireland's infrastructure capital stock per person is benchmarked at 25% below the average of other advanced high-income European economies (Irish Fiscal Advisory Council (IFAC))[24][25].This gap reflects pronounced deficits in sectors such as housing, health, public transport and our water and energy infrastructure.

These factors are compounded by the rapid expansion of the labour market alongside an ongoing process of demographic change (i.e., a population that is expanding and ageing). Projections by the ESRI[26] suggest that Ireland's population will have grown to more than 6.1m persons by 2040 (and to almost 6.5m persons by 2057). Even as recently as Census 2022, the CSO had put the population closer to 5.1m persons. Figure 3.1 below illustrates population projections from 2026 until 2057.

23. NDP_Review.pdf Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, July 2025.
24. Ireland's Infrastructure Demands - Irish Fiscal Advisory Council
25. *Irelands-Infrastructure-Demands.pdf
26. Population projections, the flow of new households and structural housing demand | ESRI

Figure 3.1. Population projections, 2026-2057



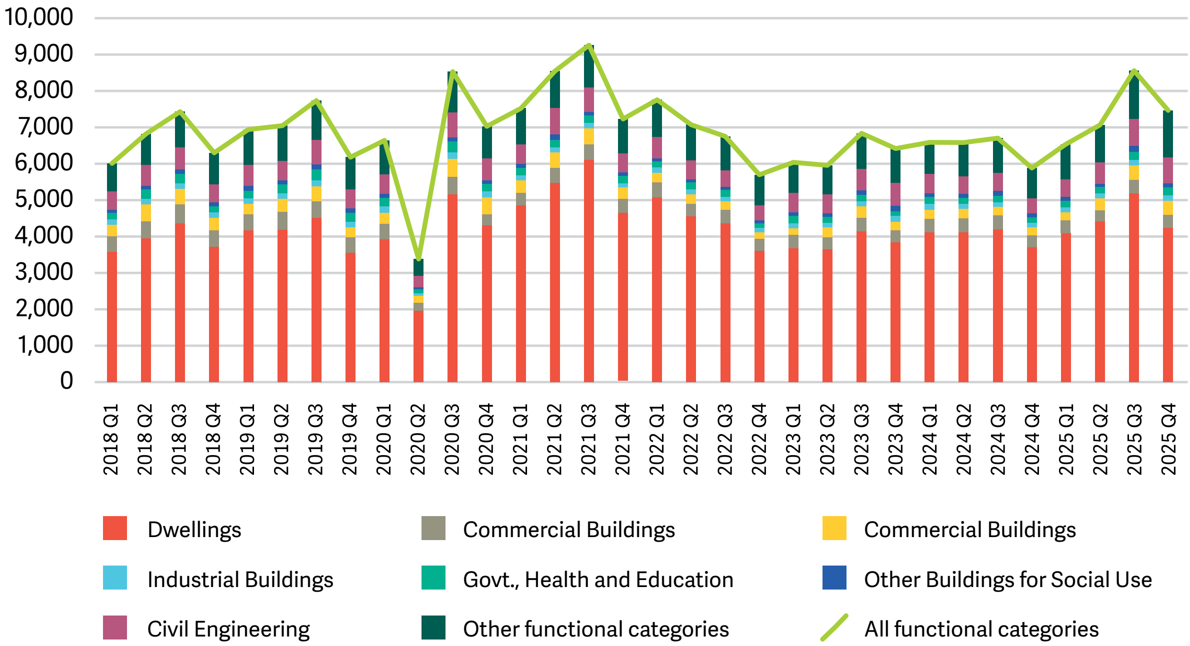
Source: CSO. Note: Different methods reflect different assumptions about the migration trends.

The resulting demographic pressures of inward and outward migration and population expansion directly amplifies structural gaps, with the formation of new households, in turn this increases the demand to supply housing stock and places additional pressure on the delivery of essential and enabling infrastructure such as energy, water and transport networks to meet housing targets.

Figure 3.2 below shows that dwellings receive the highest number of planning permissions, albeit some volatility when looking at quarter-to-quarter basis. However, it is important to note the comparatively small number of other buildings as well. This does not reflect demographic changes where people will also require additional types of buildings such as shops, restaurants, recreational spaces and other social and economic infrastructure. Similarly, the number of planning applications received in Northern Ireland decrease as a result, this is a challenge for the long-term pipeline for new housing delivery. Residential applicants make the majority of local development, with the average processing time taking approximately 19.4 weeks[27].

27. Marginal improvements in planning times overshadowed by falling application volumes, Chartered Institute of Housing, December 2025.

Figure 3.2 Number of Planning Permissions Granted by Functional Category, Q1 2018 – Q4 2025



Source: CSO

While new approaches, such as advanced procurement aim to accelerate delivery, binding constraints persist within the planning process[28] and delivery programmes. There is an identified shortfall of skills and labour within the construction industry and planning profession, which impact and increase capacity constraints to deliver on foundational infrastructure, further limiting the State's ability to close this gap. For example, Uisce Éireann estimates that a small wastewater treatment project can take up to 10 years to develop in Ireland (approximately twice as long as other EU member states)[29]. Similarly, the Draghi report on EU competitiveness highlighted that Ireland has a poor performing permitting process for onshore wind at 9 years, which is 50% slower than the EU average and three times longer than in Finland.

Key planning bottlenecks stem from complex and protracted consenting processes, significant variability in planning timelines and delays associated with the discharge of planning conditions. The work of the Accelerating Infrastructure Taskforce acknowledged that pre-planning stages take too long, often exceeding one year for national roads projects and up to four years for national electricity network, water and wastewater projects.

28. https://www.gov.ie/en/department-of-housing-local-government-and-heritage/press-releases/ministerial-action-plan-on-planning-resources-published/ D/HLGH, published on 15th October 2024.
29. Accelerating Infrastructure Report and Action Plan | Department of Public Expenditure Infrastructure Public Service Reform and Digitalisation

Planning approvals are frequently sequential rather than concurrent, unnecessarily extending timelines and challenges around land acquisition and securing appropriate road access, which also adds uncertainty. Taken together these issues increase project risk and construction costs, preventing delivery bodies from planning resources effectively; again, all factors that compound delays and limit the pace at which critical infrastructure can be delivered.

Forum members further highlighted the gap between the scale of national capital commitments and the direct experience of businesses dealing with infrastructure issues within the system. They highlighted the extent to which delays and uncertainty can significantly increase costs for firms and that planned infrastructure often does not materialise within the timelines required for business planning.

Planning applications for important industrial projects must be given sufficient prioritisation so that they are discharged in a timely manner. Furthermore, applicants currently have no visibility of their application status, the cause of delays, or a clear decision timeline. Introducing a transparent online case management system is vital to allow for the easy identification of what stage a case has progressed to. It is also important to ensure that all levels of the planning system, alongside regulatory and licensing bodies, are properly resourced to support the needs of industry, minimise delays in decision-making and meet these statutory timelines.

The need to advance reforms that reduce duplication, enhance consistency and allow project proponents to navigate the system more efficiently, while safeguarding environmental integrity, is therefore essential. Such reforms are critical not only to strengthening Ireland's enterprise environment and enabling sustainable competitive advantage, but also to securing the country's long-term economic resilience and future growth.

In this context, the substantive work set out in the *Accelerating Infrastructure Report and Action Plan* is particularly important. Reflecting this renewed focus, the Government established an Infrastructure Regulatory Simplification Unit in April 2026 to undertake a risk based review of the regulatory landscape, with a specific mandate to identify and remove bottlenecks across consenting systems for critical energy, transport and water infrastructure that is vital to housing delivery.

This national effort should be contextualised by noting that both the EU and OECD are actively driving their own regulatory simplification agendas to accelerate infrastructure delivery. At the EU level, the Government has been advocating for ambitious simplification of EU permitting and environmental law while maintaining the robust environmental protections of the EU rulebook. These efforts are being pursued notably through the European Commission's environmental simplification Omnibus package published in December 2025 and through the Commission's stress-testing of the Birds and Habitats Directives taking place in 2026.

At the OECD level, “*OECD Simplifying for Success (S4S) initiative*”[30], for example, has developed robust best practice principles for licensing and permitting to ensure that regulatory frameworks facilitate development rather than obstruct it and importantly that simplification does not imply deregulation. Key aspects of their work include:

- Outcome-Focused and Risk-Proportionate Systems: The OECD emphasise that licensing and permitting systems must be fundamentally outcome-focused, risk-proportionate and highly user-friendly.
- Eliminating Bureaucratic Fragmentation: Governments are urged to avoid one-size-fits-all administrative nets by streamlining procedures, digitalising submission gateways and ensuring close coordination across different regulatory bodies to eliminate bureaucratic fragmentation.
- Accelerating Infrastructure Permitting: Recognising that slow, sequential approvals are a critical bottleneck to national competitiveness and economic growth, the OECD is currently undertaking dedicated work on regulatory approaches and mechanisms specifically designed to accelerate infrastructure permitting.
- Simplifying for Success Initiative: The global push for regulatory efficiency is further championed by the OECD’s “Simplifying for Success” initiative, which supports governments in their efforts to deliver simple, smart and streamlined regulations that unlock prosperity.

30. Simplifying for Success Symposium OECD, November 2025.

Licences and Permits

Licencing, permitting and regulatory compliance were common themes throughout the work of the Forum. The perception was that licensing and permitting requirements for businesses, in particular SMEs, were out of date and there is a very real opportunity to rationalise and consolidate these requirements. This approach will reduce the compliance burden on the firms without weakening the protections offered to consumers, workers and the environment.

The box below highlights the scope and number of licences and permits handled by the Environmental Protection Agency.

The EPA's role in licencing and permitting

The EPA has a wide remit and is responsible for regulating a range of activities that could have an impact on the environment or on human health. This includes the regulatory role of issuing of licences and permits that set out how an activity must operate so as to protect the environment from pollution that might otherwise arise. The types of licencing and permits issued or monitored by the EPA include:

- Industrial Emissions Licencing (IED)
- Integrated Pollution Control (IPC) Licencing
- Waste Licence
- Waste Water Discharge (WWD) Licence
- Licencing of Genetically Modified Organisms (GMO) activities
- Licencing of Radiation
- Licensing of Freshwater and Marine activities

It has previously been noted there are over 900 EPA IED, IPC and waste licences in operation in Ireland, regulating large installations in sectors such as energy, waste, pharmaceuticals, chemicals, intensive agriculture, food and drink production and cement production.

In 2024, the Government approved the General Scheme of the Environment (Miscellaneous Provisions) Bill 2024 with the intention to streamline the EPA licencing system by providing definite timeframes for EPA licencing decisions and more options for the Agency to efficiently regulate lower risk activities and minor changes to licences.

In September 2025, the Government published the Action Plan on Competitiveness and Productivity which included a priority action to expedite this Bill, to put in place statutory timelines for EPA decisions and to enable partial licence reviews in limited circumstances. As a miscellaneous provisions Bill, it also has provisions relating to green public procurement, the circular economy fund and the Litter Pollution Act 1997 and in addition, it provides for a more modernised approach for the selection and appointment of directors and the director general of the EPA.

Further to the development of this Chapter, the Secretariat, working with a number of enterprise representative bodies, sought to compile a register of the various types of licences and permits required to operate certain types of enterprises in Ireland (alongside the associated costs). While acknowledging that not all businesses will need every type of licence or permit, the analysis indicates that a restaurant selling alcohol can require up to 23 licences and permits. For a creche (or other childcare facility), up to 33 licences or permits are required to operate. Meanwhile a retail enterprise can require up to 45 different licences or permits (see Figure 3.3 below). In each case, compliance with these legal requirements imposes a cost (both in terms of money and time). Moreover, compliance with these requirements also requires interaction with multiple licensing bodies and inspection regimes.

The various regulations that are currently in place aim to protect consumers, workers and the environment. Ireland's current model has, however, accumulated over many decades and there are some requirements which pre-date the formation of the State. For instance, a Public Dancing Licence is required by any venue that actively invites members of the public to dance. This requirement originated from the Public Dance Halls Act, 1935. Indeed, any venue hosting live singing and dancing requires a Music and Singing Licence, a requirement which can be traced back to the Public Health Acts Amendment Act, 1890.

While enterprises fully respect that many of these licences, permits and regulations are essential for health and safety reasons and the proper operation of their business, the administrative burden can significantly impact small firms. There is a scope to simplify these processes and modernise our approach by means of a programme of rationalisation and consolidation of the various licences and permits that are required at present. Additional details on this research can be found in the supplementary material presented in the Annex.

Figure 3.3: Licenses required for the Restaurant, Bar and Hotel, Childcare Sector and the Retail Sector.

3.3 Public Investments and Current Policy Developments

Ireland's approach to public investment is undergoing significant reform as Government seeks to address long standing structural challenges in infrastructural delivery, planning and regulation.

In June 2025, the implementation of the *Planning and Development Act 2024* replaced An Bord Pleanála with An Coimisiún Pleanála. And with further 2025 commencements placed the revised National Planning Framework and Regional Spatial and Economic Strategies on a new statutory footing. This transition introduced binding National Planning Statements and phased judicial review reforms intended to deliver more consistent, time-bound and hierarchically aligned decisions for major projects across the country.

The National Development Plan Review 2025 specifically addresses Ireland's infrastructural deficits relative to peer countries. The 2025 review of the National Development Plan set out €275.4 billion investment for the 2026–2035 period. This allocation includes a significant funding envelope for 2026–2030 and an additional €10 billion in equity for strategic projects.

In addition, the new housing strategy *"Delivering Homes, Building Communities, 2025-2030: An Action Plan on Housing and Tackling Homelessness"*. is the Irish Government's housing strategy to rapidly increase supply and reduce homelessness. It targets 300,000 new homes by 2030, including significant social and affordable housing and builds on the earlier Housing for All programme with a stronger delivery focus.

The plan centres on accelerating housing output by removing barriers to construction, particularly through planning reform, unlocking zoned land and investing heavily in enabling infrastructure such as water, energy and transport. It combines increased State intervention, through funding, direct delivery and agencies like the Land Development Agency, with measures to stimulate private sector investment.

The Housing Activation Office (HAO) also oversees a dedicated infrastructure fund to support projects that unlock housing at scale. Overall, the policy represents a more coordinated and interventionist approach, aligning planning, infrastructure and investment systems to significantly boost housing delivery and support sustainable community development.

The Accelerating Infrastructure Taskforce Report and Action Plan, published in 2025 aims to unblock systemic bottle necks in the delivery of critical infrastructure, by addressing issues such as complex regulation, excessive judicial reviews and fragmented consent processes. The plan proposes 30 time-bound actions spanning legal reform, including a Critical Infrastructure Bill and judicial review changes, regulatory coordination and delivery reform. Implementation milestones for these actions are concentrated primarily between Q1 2026, with some running into Q2 2027.

More recently Minister Chambers announced that a new Regulatory Simplification Unit will be set up to deal with the wider myriad overlapping licensing, consenting and permitting/regulatory frameworks involved in infrastructure delivery. The Government has also published the Critical Infrastructure Bill which will prioritise a fast-track approval system aimed at accelerating delivery of key projects across energy, transport and water.

3.4 Key Messages

In their contributions Forum members identified recurring themes around the impact the unpredictable nature of the planning system has on business as well as the impact it has on slowing down the delivery of infrastructure. They made the following observations:

Overview of Themes Recurring across Regulation and Planning Submissions

Theme: Planning and Permitting Processes

- Members depict the planning and permitting system as slow, fragmented and unpredictable and reference sequential processes across agencies that extend timelines by years and inflate costs.
- Poor inter-agency coordination means parallel reviews are rare; projects often must secure a Maritime Area Consent (MAC) or environmental licence before planning can proceed.[31]
- Slow infrastructure delivery raises baseline project risk and weakens business cases, leading to lost funding opportunities.

Theme: Infrastructural Delivery and Regulatory Environment

- Majority of members note that regulation and planning systems in Ireland remain slow, inconsistent and fragmented. Infrastructure delivery across water, wastewater, grid infrastructure, transport and housing are critically delayed through the planning process and impact investment planning.
- Measures should be taken to build upon the progress and momentum of legislation such as the Planning and Development Act 2024. Delays in the delivery of housing has consistently been identified as the leading issue that Ireland needs to resolve to facilitate future growth, investment and to attract recruitment and retention of necessary skills and talent.
- There is an urgent need for better coordination between national and local planning policies, more consistent timelines and reforms to the judicial review and procurement processes that frequently delay essential infrastructure construction. Regulations must go through an SME Test and be designed to support, not hinder, Ireland's transition to a low-carbon economy.
- The greatest regulatory barriers to timely and cost-effective infrastructure delivery often arise from complex and overlapping approval processes, lengthy public procurement requirements and delays in the transposition of new legislation.

31. Forum member advised one MAC determination taking 52 weeks and materially delaying downstream applications.

3.5 Recommendations

Recommendation 22:
Proposal to allow for the Greater use of Planning Exemptions

Impact of Issue: One of the key changes arising from Planning and Development Act 2024 is the re-categorisation of exempted development from primary to secondary legislation. This now allows for greater agility and flexibility in determining the categories of development that can be exempted from certain planning approvals. Proposals seeking to intensify the existing use of assets without physical expansion (e.g., certain air-side airport developments and telecommunications network investments) as well as decarbonisation investments or minor building works are currently subjected to lengthy planning procedures. Exempting these 'no build' capacity increases from the full planning system would eliminate redundancy and free up regulatory resources.

Recommendation: Department of Housing, Local Government and Heritage to bring forward proposals with specific input from relevant line Departments and business to Government to allow for the greater use of planning exemptions by end 2026.

Responsibility: D/HLGH

Recommendation 23:
Audit Consistency of Planning Application across all Planning Authorities

Impact of Issue: Members depict the planning and permitting system as slow, fragmented and unpredictable, with sequential processes across agencies that extend planning and construction timelines by years, as result compound inflation and financing costs. The route from An Coimisiún Pleanála to SEAI to MARA and many other stages cause considerable delays and should be moved to a parallel and streamlined process. Much of the information required is similar. A lack of common standards, approaches or interpretations between different local authorities (e.g. varying interpretations of national regulations on building certification or even when it comes to road opening licences) duplicates costs and hinders economies of scale.

Recommendation: Department of Housing, Local Government and Heritage to audit consistency in application of planning process across all planning authorities and make recommendations for change as required.

Responsibility: D/HLGH and D/Taoiseach

Recommendation 24:
Allocate Additional Resources to Planning Authorities with High Volume of Backlog

Impact of Issue: Delays within planning authorities can create significant uncertainty and inefficiencies for businesses, particularly those reliant on timely decisions to progress investments, expansions, or other development projects. Prolonged decision timelines can increase costs and discourage investment, with SMEs particularly affected due to a more limited capacity to absorb planning delays. Without targeted intervention, these issues risk undermining business confidence and slowing growth, especially in sectors dependent on planning approvals such as construction.

Recommendation: Planning authorities (including An Coimisiún Pleanála) with the greatest backlogs be prioritised through a targeted, performance driven approach to resourcing, including the reallocation and redeployment of existing resources to areas of the highest demand. This should be complemented, where necessary, by additional supports through the annual Budget and Estimates process, in accordance with business requirements already identified by the Department of Housing, Local Government and Heritage and the local authority sector, with priority given to a clear focus on improving decision timelines and managing the avoidance of backlogs.

Responsibility: D/HLGH

Recommendation 25:
Allocate Additional Resources to the Environmental Protection Agency to Expedite License Processing

Impact of Issue: The EPA must be resourced to accelerate licensing procedures and to conduct work in the background while planning checks are running. Insufficient resources must not be an excuse for not adhering to decision-making timelines, preventing project delivery for infrastructure and business operations, investment and expansion in timelines for deploying critical infrastructure. Every time commencement orders are signed for legislation where the EPA inspectors are granted additional responsibilities, sufficient resources must be allocated accordingly.

Recommendation: Allocate additional resources to the Environmental Protection Agency (EPA) to ensure faster license processing, as part of the annual Budget and Estimates process.

Responsibility: D/CEE and D/Finance

Recommendation 26:
Commence Section 294 of the Planning and Development Act 2024

Impact of Issue: Ireland offers a more generous cost protection to challengers than required under EU law. This creates a low-risk, incentive-driven environment for objectors to initiate legal challenge. This encourages challenges on weak grounds, leading to immense delays and significant legal expenses for both developers and the State. It creates a high-risk environment that deters investment in critical infrastructure.

Recommendation: The Forum welcomes the commencement of Section 294 of the Planning and Development Act 2024, alongside the introduction of regulations to provide for a proportionate cap on cost recovery. The Forum recommends monitoring the impact of Section 294 to ensure continued access to justice while discouraging frivolous litigation.

Responsibility: D/CEE

Recommendation 27:
Simplify and Rationalise the Number of Permits and Licenses

Impact of Issue: The complexity and volume of permits and licences required by small businesses can create significant administrative burdens, increase compliance costs and create time constraints that owners or staff can focus on maintaining or enhancing business itself. Duplicative or unnecessary requirements can further compound these challenges with limited resources or expertise to navigate complex regulatory processes. This can act as a barrier to business entry, growth and competitiveness. Without simplification and rationalisation, these inefficiencies may continue to constrain productivity and undermine the effectiveness of the broader regulatory environment for small businesses.

Recommendation: Relevant Departments alongside each Local Government body must prioritise and implement the simplification and rationalisation of the number of permits and licences required by small businesses as part of the Government's Red Tape Challenge under the Action Plan on Competitiveness and Productivity. This should include a structured review to eliminate unnecessary or duplicative requirements in advance of considering additional resourcing needs, ensuring that system efficiencies are realised before further capacity is added.

Responsibility: All relevant Departments

Recommendation 28:
Reduce the Number of Serial Objectors

Impact of Issue: The Forum members have noted that the presence of vexatious and frivolous objections within the planning process can create significant delays and uncertainty for businesses seeking development approvals. These objections prolong decision timelines, increase costs and disrupt project delivery schedules, with particularly acute impacts on SMEs and time-sensitive investments.

Recommendation: Department of Housing, Local Government and Heritage to take measures to reduce the number of vexatious and frivolous objections in the planning process.

Responsibility: D/HLGH

Recommendation 29:
Better Alignment Between Regulations

Impact of Issue: Certainty requires clear, modern guidelines. The current pace of updating key guidelines is too slow, which creates inconsistencies between different local authorities and leads to avoidable delays and confusion. Regulatory authorities must adopt standardised approaches and interpretations to reduce administrative friction. Timelines need to be adhered to. Delays obtaining fire certificates are reported, with the issue being problematic in Dublin resulting in the certification process taking far longer than elsewhere. This prevents newly constructed buildings or businesses from opening, even after an expedited process has been paid for.

Recommendation: Department of Housing, Local Government and Heritage to act to ensure better alignment between the interpretation of building controls and fire compliance to ensure inconsistency and contradictions between different regulations is avoided.

Responsibility: D/HLGH

Recommendation 30:

Task Individual Government Departments to Undertake an Audit of Existing Regulations Which Impact on the Cost of Doing Business

Impact of Issue: The accumulation of non-labour regulatory requirements can impose significant administrative and cost burdens on businesses constraining resources on other business activities. Inefficient, outdated, or overlapping regulations across departments can create confusion and frustration, particularly for SMEs with limited capacity in terms of time and expertise. These issues will persist over time, increasing the overall cost of doing business and reducing competitiveness.

Recommendations: The Forum recommends that Government departments undertake audits of existing non-labour regulations which impact the cost of doing business, including administrative burden and costs and reports back to Government before end of 2026. Individual departmental reports should be published and Departments which have not completed should be highlighted. Regulatory review should be continuous and focused on effectiveness rather than efficiency targets, as consistent with the OECD's Simplification for Success approach. Department should leverage AI and digitialisation to systemically identify and streamline outdated or overlapping cross departmental regulations. Departments should also put in place mechanisms to audit regulations on a periodic and ongoing basis to ensure regulations are constantly assessed.

Responsibility: All relevant Departments

Recommendation 31:

'Duty to Engage' - Increased Regulator Engagement with Business and Enterprise Stakeholders

Impact of Issue: The Forum members noted that Ireland suffers from "regulatory drift" and ranks poorly in the OECD for stakeholder engagement – specifically 33rd for engagement in developing primary laws and 37th for subordinate regulations.

Recommendation: Once established by the Department of Taoiseach, the Economic Regulators Forum to host quarterly meetings between regulatory bodies, enterprise sector and trade unions on the cost of doing business. This will provide a forum for an ongoing dialogue between regulators and relevant stakeholders.

Responsibility: D/Taoiseach

Recommendation 32:
Implement an “Early Warning System” for EU Legislation

Impact of Issue: A significant portion of Ireland’s critical regulations emanates from pan-European directives. Ireland frequently transposes EU legislation into law late and via secondary legislation, often meeting deadlines but providing too little consideration or consultation. This late engagement creates severe uncertainty and unintended cross-sectoral consequences for infrastructure providers.

Recommendation: Introduce an “Early Warning System” or an agreed national approach for incoming EU legislation. Regulatory bodies must actively involve stakeholders in this system and facilitate early engagement well ahead of transposition to develop a comprehensive implementation plan. One is being proposed for infrastructure. An approach to other business regulations should be developed.

Responsibility: D/FAT and all relevant Departments

3.6 Conclusion

It is clear that there are several policy developments and significant amount of public investment being put forward to tackle Ireland’s long-standing infrastructural challenges such as delivery and planning. However, the Forum members highlight that inefficiencies and uncertainty with the planning and regulatory system makes it difficult to deliver critical infrastructure and to secure business investment. There was also a general concern with regard to the level of bureaucracy typically experienced in accessing grant schemes and obtaining permits and licenses. Recommendations in this section echo members suggestions for more streamlined, consistent and coordinated approaches along with targeted reforms to planning, review processes and increased engagement between relevant stakeholders.

4. Public Utilities: Water and Wastewater Services

4.1 Session Overview

The fourth theme discussed at the Cost of Business Advisory Forum was *Public Utilities: Water Services* and received seven submissions from the members before the meeting. This session opened with two scene-setting presentations summarised below.

Scene Setting Presentations

Water and Wastewater Services – presentation by Justin Johnson, Director of Strategy, Resilience & Regulation (Uisce Éireann (UÉ)). This presentation primarily focused on UÉ's Revenue Control 4 investment plans and the Non-Domestic Tariff framework utilised by UÉ. Presenter suggested that it is an important time for water and wastewater services with significant investment required to support economic growth, social development and address environmental non-compliance.

Economic Regulation of Water and Wastewater Services – presentation by Karen Kavanagh, Director of Networks and Economic Regulation (Commission for the Regulation of Utilities (CRU)). This presentation outlined the role played by the CRU in regulating Uisce Éireann. Presenter highlighted that the CRU's role is to protect the interests of water customers, ensure public water services are delivered in a safe, secure and sustainable manner and that Uisce Éireann operates in an economic and efficient manner.

4.2 Background

While the cost of energy is one of the main challenges for Ireland's enterprise, it is not the only public utility to have a potential negative impact on the operating cost base for firms. The cost of water services has also continued to rise in recent years.

The NCPC's *Challenge 2025* report[32] suggests that investment in Ireland's water infrastructure is necessary, however, the suggested scale of future cost increases is an issue for firms (both large and small). For instance, the CRU introduced an increase to the volumetric tariff rates paid by non-domestic water users in October 2024[33] and a further increase of 9.8% from October 2025. This applies to UÉ's non-domestic customers (i.e. businesses) with the increase aiming to ensure the recovery of costs for water services[34]. Tariffs are expected to be updated on an annual basis and the next review will also establish the trade effluent tariffs which will apply to customers from 1st October 2026 until 30th September 2027[35].

While it is critical to ensure UÉ successfully delivers the Greater Dublin Drainage Project and the Water Supply Project and its programme of significant upgrades and essential maintenance, these works will lead to a major increase in UÉ operational costs which will be passed on to businesses. The utility has received approval in May 2026 for its five-year Revenue Control 4 (RC4) investment and spending plans from the CRU. The RC4 consists of capital investment and operating expenditure of €13.6 billion which is a 50% increase compared to RC3. These plans are aligned to EU Directives and Government policy. The CRU published its RC4 Draft Determination in November 2025 with consultations for CR4 concluding in February 2026.

The non-domestic tariff framework affects businesses of all sizes within the current economic and trading environment and has the potential to undermine competitiveness. The resulting rate increases could have significant impacts across a wide range of sectors, particularly SMEs, including the food and drink industry (where water is used both as a raw material in beverages and within industrial processes for dairy, beef and prepared consumer foods), the BioPharmaChem and MedTech industries, technology and engineering industries (including semiconductor manufacturing and data centres) and the experience economy (encompassing hotels, bars and restaurants).

32. irelands-competitiveness-challenge-2025.pdf The National Competitiveness and Productivity Council, July 2025
33. The specific extent of this increase is difficult to quantify, as it varied according to both usage and to historical rates and price-capping arrangements in place and arising from the period when water was under the remit of relevant local authorities.
34. CRU Decision to Update the Non-Domestic Tariff Framework Effective from 01 October 2025 | CRU, July 2025
35. Customer Information Paper - NDTF5 - Oct 2025 tariffs.pdf CRU, October 2025

Following a public consultation on Trade Effluent Charges[36], the CRU published a decision on updated non-domestic tariffs on 3rd July 2024. For licensed trade effluent customers, this means a new set of national trade effluent charges will come into effect on 1st October 2026. The CRU has also published its final decision on trade effluent transition arrangements that will support customers when new trade effluent charges come into effect later this year, along with rules to ensure consistent and accurate billing. It is essential that charges are clear and transparent and are based on accurate sampling and complete data to provide confidence to enterprise.

4.3 Public Investments and Current Policy Developments

As with the other areas of critical infrastructure, the Government has committed a significant amount of investment to improve water and wastewater services. Under the NDP, the utility has been allocated €2 billion of ring-fenced funding to support delivery of housing. This investment to be allocated based on Government policy (including the National Planning Framework (NPF), Regional Spatial and Economic Strategies and County Development Plans)..

Additionally, the NPF is a long-term, 20-year strategy for strategic planning and sustainable development of urban and rural areas to 2040, with the core objectives of securing balanced regional development and a sustainable 'compact growth' approach to the form and pattern of future development. Water Services Infrastructure is noted as one of the key strategic investment priorities. The NPF considers the delivery of critical strategic infrastructure in areas such as water services management to be essential to the sustainable growth of Dublin. Key priorities include enhanced water and wastewater capacity through projects such as the Greater Dublin Drainage Project and the Water Supply Project, Eastern and Midlands Region.

Fostering meaningful public participation requires the Government to communicate proposed regulatory changes in clear, non-technical, "plain-English" language. By ensuring that regulatory information is highly accessible and easily understood, policymakers can properly inform businesses about the real-world impacts of various regulatory reforms. This commitment to transparent communication ultimately empowers active and constructive engagement in the decision-making process.

4.4 Key Messages

The importance of a clean and secure water supply, along with the delivery of large-scale projects were highlighted by the Forum members as outlined below.

36. Trade Effluent is any liquid waste that is discharged from a business premises to the public sewers. You must have a Trade Effluent Licence to discharge trade effluent to the sewer.

Overview of Themes Recurring across Members' Submissions

Theme: Availability and Capacity

- Maintaining a clean and secure water supply along with a safe wastewater system in an operationally efficient manner – and at a cost that is internationally competitive – is vital. Members note that the availability and capacity of water services are fundamental to the performance of Irish businesses across multiple sectors.
- Members agreed that the Greater Dublin Drainage Project and the Water Supply Project Eastern and Midlands Region are vital and should be fully delivered as soon as possible.

Theme: The Non-Domestic Tariff Framework

- Following a tariff increase in October 2024, (and again in October 2025), further increases are anticipated each year to 2030. Members are concerned over Uisce Éireann's cost base – the proposed approach imposes a disproportionate burden on non-domestic customers.
- Members suggested that tariff transparency should be improved in order for businesses to clearly understand which tariff band applies to them and the implications for those tariffs.

Theme: Adequacy of State Support

- Members are concerned about the adequacy of existing state supports and policies in addressing water cost challenges. Without any changes, water tariffs risk undermining Ireland's economic stability and growth potential.
- Members suggested that economic pressure may last beyond 2025 and therefore, Government should review further water tariff increases in 2026 and support business where needed.
- Currently all investment costs are passed on 100% to businesses by way of price increases without any assessment of affordability, economic impact, or broader societal benefit through infrastructure improvements.
- Members also agreed that a more coordinated approach to infrastructure planning overall, particularly between Uisce Éireann, local authorities and Government Departments, would help ensure that projects are delivered at the pace required to support growth.

4.5 Forum Recommendations

Recommendation 33:
Improving Transparency

Impact of Issue: Based on written submissions and discussions at the meeting, it is clear that many Forum members would like to see more transparency in this area. Specifically, greater transparency for bills and future water pricing would enable businesses to better prepare and budget more effectively. Standing charges must be fair to ensure that operators who have invested in water efficiency are not penalised.

Recommendation: Uisce Éireann to improve transparency of non-domestic business customers tariff (or bill) structures including giving customers more information on how to reduce water usage. The CRU should foster and engage in meaningful public participation requiring the communication of proposed regulatory changes to be delivered in clear plain-English and provide the appropriate tools for the consultation processes clearly estimate and indicate sectoral impacts of proposed decisions on water tariffs.

Responsibility: CRU and UÉ

Recommendation 34:
Amend Commission for Regulation of Utilities Mandate

Impact of Issue: Considering the rising costs for businesses – large or small – the Forum members suggested that the CRU's funding approach should include the principles of Affordability and Cost Competitiveness. The CRU does not currently include these among their six key principles for regulating UÉ's non-domestic tariffs: Equity, Efficiency, Simplicity, Stability, Cost Reflectivity and Cost Recovery.

Recommendation: Amend Commission for Regulation of Utilities mandate to regulate the non-domestic sector and to include 'affordability' and 'cost competitiveness' for business as parts of the Commission for Regulation of Utilities mandate.

Responsibility: D/HLGH, CRU and UÉ

Recommendation 35: Economic Impact Assessment

Impact of Issue: Given that certain sectors such as agriculture as well as tourism and hospitality, are disproportionately affected by water tariffs compared to other non-domestic customers, there should be an assessment carried out to examine the effect on the business sector of the current model for water tariffs in Ireland.

Recommendation: The Department of Enterprise, Tourism and Employment and the Department of Housing, Local Government and Heritage to jointly commission an independent Economic Impact Assessment of the effect on the business sector of the current standard model for CRU water tariff determination.

Responsibility: D/ETE and D/HLGH

Recommendation 36: UÉ's Water Stewardship Programme

Impact of Issue: At the Forum meeting in December, representatives from Uisce Éireann mentioned the Water Stewardship Programme which aims to support Irish businesses to cut costs, save water and protect the environment[37]. However, it was noted that only 1% of UÉ customers are included in this programme. Businesses who invest to reduce their water consumption and the impact of their wastewater should not be penalised through current tariff models. CRU must incentivise these actions in their decision making.

Recommendation: Uisce Éireann to rapidly and radically expand the Water Stewardship Programme: from currently 1% of customers to 10% and later 20% over a defined period of time.

Responsibility: UÉ and CRU

37. Water Stewardship | Conservation | Uisce Éireann (formerly Irish Water)

Recommendation 37:
Develop Proposals for Potential Grant and Tax Incentives Supports to Reduce Water Consumption

Impact of Issue: In order to support equitable and effective water management, the Forum members suggested the development of short-term incentives to manage peak demand and support orderly scheduling of capital upgrades.

Recommendation: Department of Housing, Local Government and Heritage to identify potential in-scope expenditures and develop proposals for potential grant and/or tax-based measures to support those businesses undertaking capital works to reduce water consumption.

Responsibility: D/HLGH, D/Finance, D/ETE and Enterprise Ireland

4.6 Conclusion

Ireland's increasing water and wastewater costs should be viewed within the context of rising utility expenses across the board. Water and wastewater services is not the only area where businesses face additional costs, but it remains a critical one requiring targeted attention. As such, the development of clear, actionable recommendations, ranging from enhanced transparency and additional supports to consideration of the CRU's mandate responsibilities regarding affordability, will be important. These steps will not only help reduce costs but will also promote long-term sustainability and competitiveness for businesses in Ireland.

5. Professional Services: Legal Costs

5.1 Session Overview

The first thematic meeting of 2026 focused on the theme of *Professional Services: Legal Costs* and the Secretariat received eleven submissions from Forum members. The session opened with three scene setting presentations delivered by representatives from Department of Justice, Home Affairs and Migration, the Law Society of Ireland and National Competitiveness and Productivity Council.

Scene Setting Presentations

Civil Reform Bill delivered by Nicola Hanley (the Civil Justice Legislation, Department of Justice, Home Affairs and Migration). This presentation provided an overview of the Civil Reform Bill. The General Scheme of the Bill was approved in December 2025 for publication by Government. It will include a number of provisions and it intends to positively contribute to creating efficiencies in the civil justice system, improving access to justice and supporting the reduction of litigation costs.

The Law Society of Ireland delivered a presentation outlining the Economic impact of the legal profession on the economy. It also highlighted current challenges within the legal system including court delays, under resourced courts and case clearance rates which reflect some of the feedback provided by the Forum members prior to this meeting.

Ireland's Legal System: Competitiveness Implications delivered by Dr. Dermot Coates (Head of Secretariat for National Competitiveness and Productivity Council). This presentation highlighted the implications of Ireland's legal system for our competitiveness. He suggested that an efficient and well-regulated legal system is important to both the economy and society more generally – this can also be a competitiveness advantage.

5.2 Background

This chapter examines how legal costs affect the overall cost of doing business in Ireland and assesses the extent to which legal costs influence competitiveness, investment decisions, risk management and business sustainability, particularly for SMEs. A well functioning legal sector is fundamental to upholding the rule of law and delivering the provision of predictable judicial outcomes, accessible legal services, reliable enforcement of contracts and strong protections for property rights. When functioning, these components of the litigation landscape play an integral role in boosting economic activity, attracting foreign investment and sustaining a dynamic and competitive economy.

Ireland's common law system is widely recognised for its independence, fairness and reliance on impartial judicial precedent, qualities that underpin its international legal credibility. However, persistent concerns have been raised regarding the efficacy of the supporting regulatory framework, in particular criticism regarding delayed case management resolutions and the perception of Ireland being a high-cost legal jurisdiction. Addressing these weaknesses is increasingly important as Ireland seeks to actively strengthen its position as an international dispute resolution hub.

Nonetheless, Ireland occupies a unique position as the only English-speaking, common law jurisdiction fully integrated into the European legal order, acting as a vital bridge between the European Single Market and major economies such as the US, Canada and Australia. This environment remains a decisive asset for attracting Foreign Direct Investment (FDI), as non EU multinationals, particularly US corporations which value the familiarity, reduced perceived risk and pragmatic flexibility offered by the common law tradition in resolving complex commercial disputes.

Furthermore, this legal heritage fosters a recognised synergy with innovation, aligning seamlessly with Ireland's leadership in high tech manufacturing, life sciences and digital technologies. By providing a legal framework that is responsive to rapid scientific and technological advancement and evolves with the current accepted reform initiatives intended to reduce costs and delays, Ireland can reinforce its competitive position not only as a manufacturing base, but as a premier global destination for internationally traded services, high value R&D and intellectual property management.

Over recent decades, we have witnessed ongoing reform efforts via recommendations and submissions from the CCPC[38] and the NCPC[39], plus the OECD's[40] international benchmarking reports and in each case, these have consistently highlighted the need for expedited reform. The 3rd report from the European Commission singles out Ireland's litigation costs and recommends Ireland continue to implement reforms that target the reduction of litigation costs, to ensure effective and fair access to the justice system. Momentum has been gained in recent years with "*The Review of Administration of Civil Justice*" (or the Kelly report), addressing issues including case management capacity and technological infrastructure which, when fully implemented along with the legislative changes in The General Scheme of the Civil Reform Bill 2025, will go some way to ease the burden of legal costs.

38. CCPC Submission to OECD 2024_Competition and Regulation_Legal Costs
39. NCPC: Irelands Competitiveness Challenge 2021
40. OECD 2023 Report_Modernising%20Staff_Court_Management.pdf

Even with reform recommendations in motion, legal costs and lengthy litigation proceedings continue to play a significant role in the cost of doing business, as evidenced by members of the Cost of Business Advisory Forum, who have raised concerns about the material affect that high and often unpredictable litigation costs have on the business environment.

They point to legal costs being driven by the high level of legal oversight required to comply with non-discretionary regulatory frameworks, where businesses are unable to defer or materially reduce these costs without increasing legal exposure. The unpredictable nature of legal costs can influence the decision of whether business owners will pursue legal remedy for commercial disputes or contract enforcement, which creates a barrier to accessing effective legal redress. In addition, the slow progress of dispute resolution through the courts system, without alternative dispute resolution pathways, ensures that delays become another cost driver, especially for SME's who lack the scale to absorb legal expenditure. These issues have been successively identified and cited in the European Commission Rule of Law Reports of 2022, 2024 and 2025[41].

Judicial Reviews are complex in their procedural due diligence and have contributed to lengthy delays of critical infrastructural projects. Furthermore, there is growing risk aversion in investment, driven by a rise in Judicial Reviews of planning and regulatory decisions, which continues to stall progress. The impact of these legal challenges has been significant. In 2024, there were 18 Judicial Reviews involving green energy infrastructure, a sharp increase from just five in 2023. This escalation in litigation has historically hindered the delivery of green projects, causing Ireland to fall behind its 2030 wind energy targets. The establishment of a High Court division dedicated to Planning and Environmental Judicial Reviews aims to reverse this trend by processing cases with greater efficiency and specialist expertise.

The Planning and Environmental division of the High Court was established to provide speed and commercial certainty, successfully filtering highly complex, technical environmental Judicial Reviews to specialised judges to prevent critical housing and energy projects from languishing in a general backlog. An extraordinary amount of work has been completed in the two years that have passed since its launch and the three currently assigned judges are highly commended for managing this division and ensuring that large strategic infrastructure receives special priority. However, following a 43% surge in judicial review cases in 2024, a severe backlog is now emerging. The pending workload includes almost 100 cases listed for hearing before the end of 2026 and at least 20 reserved judgments awaiting delivery, resulting in new hearing dates being pushed out as far as 2027 and existing cases being abruptly rescheduled. While planned legislative reforms will help in the long term, having a specialised legal division is only half the battle; to prevent a systemic breakdown in scheduling and ensure critical national projects are not further delayed, it is imperative that the President of the Courts urgently assign an additional full-time judge to the Division.

41. European Commission Rule of Law Report 2025.

Across planning, infrastructure delivery and judicial review, a unifying pattern emerges: the gap between the scale of national capital commitments and the experience of businesses operating within the system. SMEs and industry recognise the scale of public investment and the direction of reform. However, they emphasise that:

- Delays and uncertainty significantly increase costs:
- Infrastructure often does not materialise within the timelines required for business planning;
- Fragmented processes reduce predictability; and
- Systemic delays act as a deterrent to investment and innovation.

To meet its urgent housing, economic and climate targets, Ireland requires a responsive and certain infrastructure-led development system; however, ineffective delivery and a 43% surge in Judicial Review (JR) cases in 2024 have severely delayed projects, inflated costs and compounded capacity constraints. To ensure that procedural technicalities do not outweigh urgent societal needs, it is critical to reform the JR process, so it tests the legality of decisions rather than inappropriately serving as a final appeal to re-litigate project merits.

While the Planning and Development Act 2024 addressed planning JRs, new reforms under the proposed Civil Reform Bill will place “ordinary” non-planning consents, such as those from the EPA, MARA and CRU, on a statutory footing for the first time. This reform deters frivolous claims by introducing strict thresholds, including requiring applicants to be “directly affected”, imposing rigorous time limits and establishing a mandatory “public interest test” that requires courts to take into account the public interest before granting a remedy.

According to the Law Society and Bar of Ireland, the evidence base on Irish legal costs is more multifaceted than suggested by the enterprise sector. The EY report, “*Analysis of the impact of proposals to reduce legal costs in Ireland*”, published in 2022[42] and commissioned by the Bar of Ireland and the Law Society concludes that the widely held view of Ireland as a “high-legal-cost jurisdiction” is not strongly supported by available data. Its analysis of 256 litigation cases between 2011 and 2019 found that fees for both senior and junior counsel declined by approximately 23% over the period studied and that professional legal fees fell significantly following the post-2008 economic adjustment. This study also identifies that government duties account for roughly one third of litigation costs, underlining that the cost structure extends beyond professional fees alone. These findings provide a counterbalance to the perception of over-charging within the sector and underscore the need for policy solution to be grounded in robust empirical evidence.

42. EY Report on Legal Costs 2022

Competitiveness-focused bodies have similarly emphasised the importance in tackling legal costs as part of broader cost-of-doing-business reforms. The National Competitiveness and Productivity Council (NCPC) challenge reports in 2017, 2018 and 2021 have consistently highlighted legal service costs as a structural competitiveness concern and made recommendations that Government accelerate ongoing civil-justice reforms to improve costs.

Pro competitive regulatory reforms in the legal sector can strengthen access to justice for individuals and businesses, reduce the overall cost of doing business and enhance the quality of services available to consumers. Although calls for reform have spanned several decades, meaningful progress has only emerged in recent years and several key pro-competitiveness reforms have yet to be implemented.

5.3 Public Investments and Current Policy Developments

Throughout this chapter, reference has been made to the challenges faced by businesses in accessing the legal system, including legal costs and the time required to progress litigation to a final determination. In response to these issues, there has been significant policy development and public investment over a number of years aimed at addressing procedural inefficiencies and easing pressures across the three-tier legal system. A number of important reviews, legislative initiatives and reform programmes are now underway, reflecting a sustained focus on improving the efficiency and effectiveness of the legal framework. The box below outlines the key policy developments relevant to these reforms.

The 2020 Kelly Report on *The Administration of Civil Justice* aimed to improve access to justice for all by making it quicker, more efficient and more cost effective. This report was followed by a roadmap *The Implementation Plan on Civil Justice Efficiencies and Reform Measures*. The Civil Reform Bill will give legislative effect to the recommendations of the Kelly Report and is a central element of the Government's programme to modernise the civil justice system. It will introduce a range of structural reforms to improve efficiency and reduce costs across civil proceedings.

The box below outlines the progression of key policy development to date.

Overview of Recent Developments

The Administration of Civil Justice (the Kelly Report)

The report of "*The Review of Administration of Civil Justice*" was published on 7 December 2020. It was the culmination of the work of the Review Group, chaired by the former President of the High Court, Mr. Justice Peter Kelly. The report contained over 90 recommendations which aimed to improve access to justice for all by making it quicker, more efficient and more cost effective. It also included a minority report which specifically focused on litigation costs. In 2022, the Minister for Justice, Helen McEntee published "*The Implementation Plan on Civil Justice Efficiencies and Reform Measures*", setting out a comprehensive roadmap on how to achieve this reform of the civil justice system.

The General Scheme of the Civil Reform Bill 2025

In January 2026, the Department of Justice, Home Affairs and Migration published the Civil Reform Bill, a central element of the Government's programme to modernise the civil justice system. The Bill gives legislative effect to the recommendations of the Review of the Administration of Civil Justice (the Kelly Report) and introduces a range of structural reforms to improve efficiency and reduce costs across civil proceedings. Key measures include the introduction of case conduct principles, provisions for the deemed discontinuance of inactive cases, enhanced requirements on plaintiffs in personal injuries actions to distinguish between pre existing and claim related injuries and the replacement of the costly Discovery process with a more proportionate "Production of Documents" regime and increasing the monetary jurisdiction to divert cases from the High court to lower courts, with the affect to reduce costs and the burden of case management. The Bill also moves to eliminate bottle necks in relation to Judicial Review with the introduction of strict criteria to deter frivolous litigation, including mandatory 'public interest test' that requires the courts to take into account the public interest before granting a remedy.

Publication of the Personal Injuries Guidelines

The Personal Injuries Guidelines were adopted by The Judicial Council in March 2021. The Injuries Resolution Board (formerly the Personal Injuries Assessment Board) continues to publish annual reports indicating that these guidelines have led to a sustained decrease in award values, with 59% of awards in second half of 2024 falling under €15,000, compared to only 30% in 2020.

Publication of the Report on Litigation Costs

The Department of Justice published an independent report titled *A Multi-Criteria Impact Evaluation of Options for the Control of Litigation Costs* in February 2024. This review found that, although progress has been made in publishing some legal cost data, significant gaps remain in understanding the full breakdown of litigation costs and how they change over time. There is also little information on how costs differ across legal service providers. This lack of transparency makes it harder for consumers to navigate litigation expenses and limits evidence-based policymaking.

5.4 Key Messages

Forum members identified a number of recurrent themes through their submissions, reflecting shared challenges and priorities across sectors. These themes are summarised below.

Overview of Themes Recurring across Members' Submissions

Theme: Costs are Unpredictable

- Members noted that a lack of predictability when it comes to legal costs creates uncertainty and is difficult to budget for. It was suggested that costs are largely driven by external events and regulatory requirements rather than by choice. Therefore, it makes financial planning more difficult, particularly for growing firms.
- Members also suggested that legal costs in Ireland (such as solicitor fees, barrister fees, court costs, settlements, insurance excesses) are indisputably high by international standards.

Theme: Legal Matters Require Resources

- In addition to costs, SMEs require a lot more resources to deal with legal matters than larger firms. Members noted that senior management attention is required which means that their time is spent on compliance and dispute management rather than on growth, productivity, or investment.
- There are also additional costs to retailers compared to other areas through defamation claims. It is noted that unnecessary or inappropriate causes of action should be removed to prevent matters being litigated in the first instance: such as retailers who are subjected to extensive legal cost pressures as a consequence of retail defamation claims.

Theme: Slow Place of the Reform

- Although recent developments are welcomed by the Forum members, it was suggested that the pace of reform remains slow. There are still outstanding recommendations from the Kelly Report – which was published six years ago – that need immediate attention.
- Members would also like to see immediate priority given to the recently published General Scheme of the Civil Reform Bill 2025 to address challenges businesses face in Ireland.

5.5 Forum Recommendations

Recommendation 38:
Extend the remit and role of the Injuries Resolution Board

Impact of Issue: The limited availability of low-cost, alternative mechanisms to resolve disputes can lead to overreliance on costly and time-consuming litigation, increasing legal expenses and uncertainty for businesses. This is particularly challenging for SMEs, which may lack the resources to engage in prolonged legal proceedings. For instance, in 2025, Spain introduced a requirement for more aggressive take-up of Alternative Dispute Resolution before initiating civil proceedings making it a mandatory preliminary step in most civil and commercial proceedings[43]. This is an effective way to filter out routine disputes and reduce court congestion. Ireland should also consider a similar approach in order to reduce costs and increase take up of alternative dispute routes.

Recommendation: Extend the remit and role of the Injuries Resolution Board (i.e. for defamation, pre-litigation, medical negligence cases, etc.) to increase lower cost alternatives to legal action.

Responsibility: D/ETE and IRB

Recommendation 39:
Conveyancing Services

Impact of Issue: In 2021, the Minister for Justice at the time asked the Legal Service Regulatory Authority to consider creation of a new conveyancer profession[44]. However, their report found that introducing a conveyancer profession would only be viable alongside wider reforms, such as digitalisation and greater cost transparency in conveyancing[45]. Restrictions on who can provide conveyancing services in Ireland can limit competition and contribute to higher costs for businesses. Without change, these constraints will continue to increase the cost and complexity of conveyancing, impacting business investment and overall competitiveness.

Recommendation: Allow qualified persons other than solicitors to provide conveyancing services in line with the Irish Competition Authority (now CCPC) recommendations of 2006. This should occur only following the substantial implementation of the recommendations of the Expert Group on Conveyancing and Probate. In the interim, preparatory steps in the development of eConveyancing systems – should be designed to accommodate the potential future inclusion of such conveyancers, ensuring that they can effectively operate within the system on behalf of clients if and when the profession is established.

Responsibility: D/JHAM

43. Spain Introduces Mandatory Pre-Action ADR for Most Civil and Commercial Claims – ELG December 2025
44. Minister McEntee moves to establish new profession of Conveyancer June 2021.
45. New conveyancer profession 'only viable' alongside wider reforms | Irish Legal News April 2024.

Recommendation 40:
Monitor Reform of Judicial Reviews

Impact of Issue: The Civil Reform Bill (which addresses procedural mechanisms) and the Scale of Costs (which addresses financial incentives) must operate as twin pillars of a single reform agenda. Currently, the proposed scale of costs only applies to planning Judicial Reviews. The Forum members suggest that the capped scale of costs framework should be extended to cover non-planning regulatory matters to address the mismatched incentives driving speculative litigation across all infrastructure sectors.

Recommendation: The Forum welcomes the publication of the new structured scale of costs for environmental judicial reviews. The Forum recommends monitoring the impact of this new scale of costs to ensure it delivers effective, fair and consistent access to justice.

Responsibility: D/CEE and D/HLGH

Recommendation 41:
The Judicial Council (Amendment) Bill

Impact of Issue: Timely reform can deliver significant benefits for businesses by improving certainty, efficiency and cost predictability. By addressing delays and outdated provisions promptly, reforms can help stabilise factors such as insurance costs and legal exposure, enabling businesses, particularly SMEs, to plan and operate with greater confidence. By prioritising the implementation of the General Scheme of Judicial Council (Amendment) Bill 2026, Government can ensure that the process for the adoption of Personal Injuries Guidelines is more transparent and comprehensive and as a result, increase overall fairness and transparency for businesses.

Recommendation: The Forum welcomes that the Judicial Council (Amendment) Bill 2026 has been added to the priority drafting list; implementation of the legislation needs to be prioritised as soon as possible.

Responsibility: D/JHAM

Recommendation 42:
Action Plan for Statistics

Impact of Issue: The lack of comprehensive, accessible data on the performance of the legal and courts system limits the ability of policymakers to identify inefficiencies and implement targeted improvements. For businesses, this can mean ongoing delays, cost uncertainty and reduced transparency in legal processes. Without robust and regularly published metrics, opportunities to streamline processes and enhance system performance may be missed, potentially prolonging inefficiencies and increasing the cost of doing business.

Recommendation: Develop an Action Plan for the collection and publication of detailed statistics and performance metrics of the legal and courts system within 12 months with a view to informing public policy decisions on how the system can improve efficiency.

Responsibility: D/JHAM, IRB and Court Services

Recommendation 43:
The Unified Patent Court Referendum

Impact of Issue: The Unitary Patent Court (UPC) is an international court with exclusive competence for actions for infringement and validity of European patents. The objective of the creation of the unitary patent is to promote intellectual property rights and to encourage innovation in Europe, especially among SMEs. The new system will give greater patent protections at European level as it will offer substantial savings on renewal fees as well as making enforcement more affordable. This new form of patent gives uniform protection across all participating European countries (currently 18, expected to extend to 25) on a one-stop-shop basis. Ratifying the UPC Agreement will yield substantial gains beyond just legal services, supporting the expansion of patent-intensive sectors like medical technologies, biopharma and life sciences. SMEs would be the biggest beneficiaries as the system makes it simpler and cheaper to enforce European patents.

Recommendation: The Unified Patent Court Referendum should take place as soon as practicable and within the term of the current Government.

Responsibility: D/ETE

Recommendation 44:
Additional Investment for the Courts System

Impact of Issue: Court delays affect enforcement of commercial contracts and debt recovery across all sectors.

Recommendation: Additional investment in infrastructure for the Courts system, including in relation to case management systems and modernisation of the courts process to the annual Estimates process in 2026. There should be a report published by the Department of Justice, Home Affairs and Migration on changes made by Q1 2027.

Responsibility: D/JHAM

Recommendation 45:
Review Amendments to the Defamation Act within 3 years

Impact of Issue: In February, the Minister for Justice, Home Affairs and Migration signed the Defamation (Amendment) Act (Commencement) Order 2026 which includes several provisions such as reforming of the role of juries in High Court defamation cases; amending and simplifying the defence of fair publication in the public interests among others[46]. Without these changes, there is a risk that the current legislation may not fully address issues such as excessive damage, costly appeals and procedural inefficiencies, which can create financial uncertainty and discourage business activity. For businesses, especially SMEs, these factors can increase the cost of managing disputes and undermine confidence in the legal system. Therefore, the Forum members welcome progress in this area, however, it is suggested to review the legislation and consider further amendments which are outlined below.

Recommendation: As the Defamation (Amendment) Act (Commencement) Order 2026 is now enacted, the Forum recommends that the impact of the new legislation is reviewed within three-year timeframe to assess whether the legislation is operating fairly and effectively for businesses exposed to this risk. During this review further amendments are recommended for consideration:

iii. To cap general damages in defamation actions at €75,000,
iv. To limit the right of appeal to higher courts in defamation cases to points of law and
v. A requirement that appellants discharge their legal costs before being granted leave to appeal unsuccessful outcomes, or otherwise demonstrate their ability to pay costs, or provide security, before an appeal proceeds.

Responsibility: D/JHAM and Business Groups

46. Minister Jim O'Callaghan signs Defamation (Amendment) Act (Commencement) Order 2026 D/JHAM, February 2026.

Recommendation 46:

Strengthen and Expand the Remit of the Legal Services Regulatory Authority to Investigate Vexatious or Abusive Litigation Conduct

Impact of Issue: The Legal Services Regulatory Authority (LSRA) play an important role as the independent regulator for legal services providers who are the first point of contact for complaints about solicitors and barristers. The LSRA aims to maintain and improve standards in legal services as well as ensuring value for money in the interest of consumers. As a result, the Forum members suggest that the LSRA should have a more significant role in investigating vexatious or abusive litigation, similarly to the UK's Solicitors Regulation Authority. In the absence of enhanced regulatory powers to identify and address these practices, the pressures will persist for businesses, contributing to a higher cost of doing business in Ireland.

Recommendation: The Forum recommends strengthening the power of the Legal Services Regulatory Authority and expand its remit to investigate and where appropriate take action, in respect of vexatious or abusive litigation, mirroring the supervisory and investigated role adopted by the Solicitors Regulation Authority in the United Kingdom.

Responsibility: D/JHAM

5.6 Conclusion

The cost of legal services in Ireland was a common issue which surfaced during a number of Forum meetings and as a result, became one of the key recurring themes of the whole report. The Forum members emphasised that high and unpredictable legal costs, combined with resource-intensive legal processes, place a disproportionate burden particularly on the SMEs, which in return constrains their ability to grow and invest. While recent policy developments are welcomed, the slow pace of progress continues to hinder meaningful change. Members highlight the need for accelerated and targeted legal reforms to improve cost predictability, reduce unnecessary litigation and create a more supportive and efficient legal environment for businesses operating in Ireland.

6. Regulatory Compliance and Tax Administration

6.1 Session Overview

The penultimate thematic session focused on *Regulation: Reporting and Compliance*. Prior to the session, the Secretariat received the highest number of written submissions from the Forum members, a total of sixteen submissions, which indicated the importance of this topic. Members noted that excessive and overly complex reporting and compliance obligations (including making grant applications) have a cost and although Government's commitments in this area are welcomed, there is still room for improvement. This session opened with three scene-setting presentations which are summarised below.

Scene Setting Presentations

The Irish Tax Institute (IT) presentation, delivered by Anne Gunnell (Director of Tax Policy and Representations), provided an overview of the ITI's priorities and responses to recent tax developments including Enhanced Reporting Requirements (ERR) and reforms to the Research & Development (or R&D) Tax Credit and the Employment Investment Incentives (EII).

The Revenue presentation was delivered by Tom James (Assistant Secretary). This presentation focused on the topic of ERR since several Forum members highlighted this area in their submissions. The presenter outlined the implementation of the ERR, briefly discussed the Small Benefit Exemption and provided some insights for compliance of ERR.

The SME Test: Implementation Update presentation was delivery by Ross Church (Principal Officer, Small Business Unit, Department of Enterprise, Tourism and Employment). The presentation highlighted enhancements and the progress of the SME Test to date. It was stated that since 2021, a total of 81 SME Tests have been completed across 14 departments.

6.2 Background

When applied effectively, regulation creates a stable, predictable environment that businesses need to make long-term strategic decisions. However, regulating too often remains the default option. Currently, two-thirds of OECD countries do not assess non-regulatory options[47]. We need to find the "regulatory sweet spot" where rules are proportionate and effective.

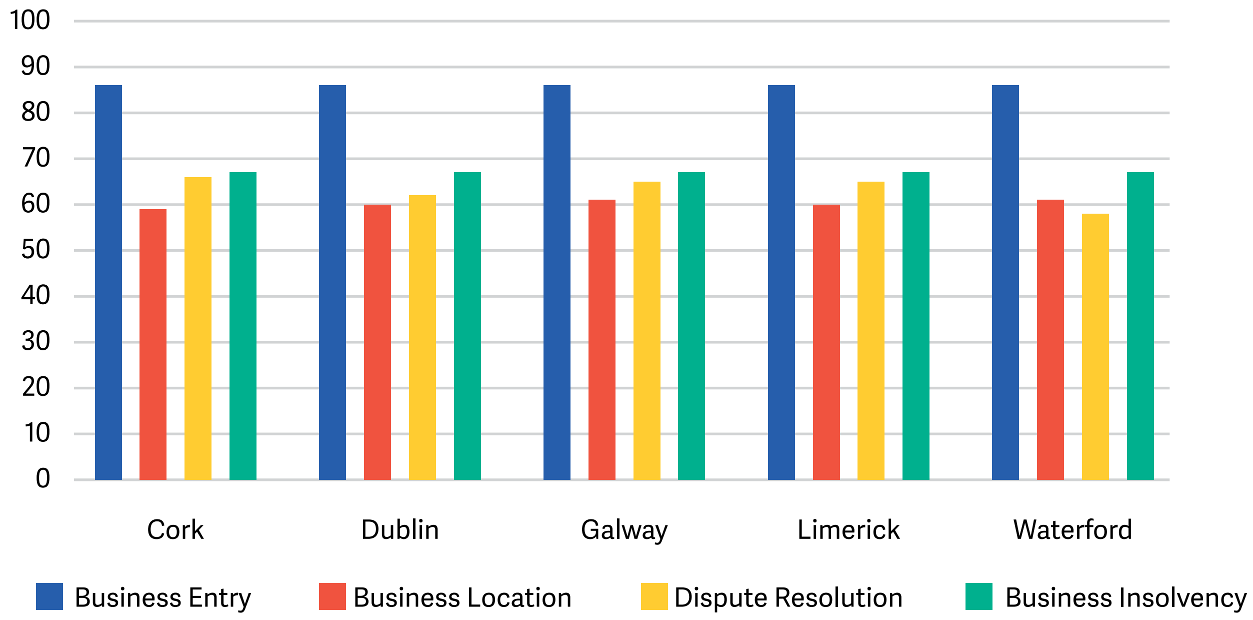
Effective regulation is essential for a modern, complex economy and can improve living standards. Well-designed regulations coordinate standards, reduce costs, encourage trade and drive innovation by providing certainty to businesses. However, Ireland has suffered from "regulatory drift" over the last two decades. While the "Better Regulation" agenda was once a core focus, the state's performance has slipped relative to international peers. The OECD 2025 *Regulatory Policy Outlook*[48] ranks Ireland poorly among 38 nations. Specifically, Ireland ranks 32nd for Regulatory Impact Assessments (RIA) on primary laws and only 33rd for stakeholder engagement in developing those primary laws. Ireland also ranks 37th for engagement on subordinate regulations.

Recently published *Subnational Business Ready in the European Union 2025: Ireland* report[49] found that the regulatory framework is harmonised across all five benchmarked cities[50] and across all measured topics. However, variation exists in the implementation of business regulations and public service delivery with exception in 'Business Entry' and 'Business Insolvency' categories. More specifically, 'Business Entry' is the strongest performing topic, with an average score of 86.7 points. This refers to the process of registering and starting operations for new limited liability companies across three pillars – regulatory framework, public services and operational efficiency. Despite scoring the highest, report highlights areas that can be improved on such as consolidating company tax registration (specifically, registration for VAT) and eliminating the requirement for companies to obtain a company seal. 'Business Insolvency' scored 67.9 points with report suggesting that improving digital infrastructure will help improve the overall efficiency of insolvency proceedings.

In terms of 'Business Location', this category scored the lowest (score of 60.8) while 'Dispute Resolution' was another lower-performing topic (score of 63.9). The overall scored for the 'Utility Services' category show a minimal difference with Limerick ranking the highest with 85.2 points. Nonetheless, city-level results highlight local variations in both the time and cost associated with utility connections and reliability of services. See Figure 6.1 below which breaks down each category (or topic) score by city.

47. OECD S4S Symposium Brief_Simplifying for success_Insights from OECD surveys.pdf OECD, November 2025.
48. OECD Regulatory Policy Outlook 2025 | OECD April 2025.
49. Subnational Business Ready in the European Union 2025: IRELAND International Bank for Reconstruction and Development, The World Bank, 2025.
50. Waterford, Galway, Cork, Dublin and Limerick.

Figure 6.1 Subnational B-READY assessment for Ireland, Topic Scores by City



Source: The World Bank

The *Action Plan on Competitiveness and Productivity*[51] also included a thematic chapter dedicated to 'Regulating for Growth and Controlling Costs'. It notes that there are approximately 95 national bodies with a remit for regulation (and/or funding, licensing, permitting, data collection or standards. The Action Plan also included five priority actions and additional 13 actions to address issues including costs to businesses in this area.

6.3 Public Investments and Current Policy Developments

Regulation, including the scale of any associated regulatory or administrative burden, has become a key policy priority for economies worldwide. Governments are increasingly taking steps to ensure that regulatory frameworks are designed and implemented in a more efficient and effective manner. There is a growing expectation that regulation will be simplified and streamlined to support productivity and economic growth, rather than placing unnecessary burdens or costs on businesses. The box below outlines key recent policy developments aimed at improving the quality and effectiveness of regulation.

51. Action Plan on Competitiveness and Productivity Government of Ireland, September 2025.

Overview of Recent Developments

EU Simplification Agenda

At the start of 2025, the European Commission published a Competitiveness Compass which includes the recommendations found in the Draghi and Letta reports. It primarily aims to address the three pillars – closing the innovation gap, a joint roadmap for decarbonisation and competitiveness and reducing excessive dependencies and increasing security. These pillars are complemented by five horizontal enablers with one of them being simplification which aims to reduce reporting burden by 25% across all firms and 35% for SMEs by the end of 2029. The EU simplification agenda is pursued predominantly through the simplification "omnibus" packages and it is estimated that efforts so far will save around €15 billion in annual administrative costs, with the aim to achieve annual cost savings of €37.5 billion by the end of 2029.

The SME Test

The SME Test is a tool that encourages policymakers across Government to consider the impact that any new measures may have on SMEs and to mitigate against those impacts where appropriate. It was designed to invite consideration of less stringent compliance requirements for smaller companies, where appropriate and proportionate, including simplification of regulatory adherence through the use of templates, reduced regulatory thresholds for SMEs and the use of exemptions where possible. The Test also acts as a reminder to policy makers of the "think small first" principle. Since the establishment of the reporting framework in 2021, a total of 81 SME Tests have been applied across 14 Government Departments.

Budget 2026 and Finance Bill 2025 Measures

Budget 2026 was a pro-enterprise Budget and was framed in consideration of the Action Plan on Competitiveness and Productivity and the Programme for Government 2025. The Budget included a range of new tax measures, alongside changes to existing measures, to support the SME sector. These included:

- A reduction in the Hospitality VAT rate from 13.5% to 9%, which will be introduced from 1 July 2025. This reduction will apply specifically to food/catering and hairdressing and addresses concerns raised by the sector about business viability.
- The Employer PRSI threshold was increased to ensure that employers do not pay the higher rate of PRSI for full-time workers earning the minimum wage.
- The R&D tax credit was increased from 30% to 35%, with SMEs due to benefit proportionally more from this change than larger firms subject to the minimum effective tax rate. The increase in the first-year payment threshold, from €75,000 to €87,500, is also specifically intended to support SMEs.
- The Key Employee Engagement Programme (KEEP) was extended for a further three years. KEEP is a share option scheme aimed at helping SMEs to attract and retain skilled employees in a competitive market.

- The lifetime limit of the Revised Entrepreneur Relief was increased from €1m to €1.5m, which provides a significant potential benefit for scaling companies. The relief applies a CGT rate of 10% on gains from the disposal of chargeable business assets, a reduction on the standard rate of 33%
- Extension of the Accelerated Capital Allowances (ACA) scheme for Energy Efficient Equipment and the ACA scheme for Gas and Hydrogen Vehicles and Refuelling Equipment both until the end of 2030
- Introduction of a Stamp Duty exemption for acquisitions of listed shares in Irish companies with a market cap below €1 billion.
- A reduction in the rate of tax from 41 per cent to 38 per cent on income and gains from domestic life assurance policies, certain foreign life policies, Irish domiciled investment funds and equivalent offshore investment funds in other EU Member States, EEA States and OECD countries with which Ireland has double taxation agreements.
- Enhancement of the Film Tax Credit for Visual Effects works.
- Extension of the Digital Games Tax Credit to 31 December 2031 and introduction of relief for expenditure on Post-Release Content.
- Extension of the Special Assignee Relief Programme Extend to end 2030
- Extension of the Foreign Earnings Deduction relief to end 2030 and increase in the limit to €50,000.
- The Budget included a range of property related measures intended to increase housing completions and improve infrastructure capacity.

Further amendments introduced in the Finance Act 2025 included:

- Amendments to the Participation Exemption for Foreign Dividends, introduced in Finance Act 2024, which is designed to avoid double taxation (in both a foreign jurisdiction and Ireland), including an expansion of relevant territories and a reduction in the reference period of residency for the company.
- Section 766A of the TCA 1997 (R&D Tax Credit) was amended to clarify that expenditure incurred by a company on the construction of a qualifying building shall include expenditure incurred by the company on the construction of a laboratory for use in the carrying on of R&D activities.
- Section 410 of the TCA 1997 (related to payments within a company Group) extends the scope of relevant territories to include countries with which Ireland has a double tax treaty.
- Further technical clarifications were made to a range of measures including OECD Pillar Two implementation, the alignment of DAC9 and Country by Country Reporting rules; and clarifications on the treatment of capital allowances and balancing charges for intangible assets.

6.4 Key Messages

There are many topics that fall under this theme; however, for the purpose of this Forum's meeting, the Chair and members agreed to focus on five key topics. These topics are outlined below and include the main messages from the submissions and discussions in those areas.

Overview of Themes Recurring across Regulatory Compliance and Tax Administration

Theme: Enhanced Reporting Requirements (ERR)

- Members outlined difficulties with the ERR stemming from the need to file returns to Revenue for seemingly minor benefits on or before the tax-free benefits/ payments are provided to employees. Members argued that ERR measures are having a significant impact on firms across the country with minor benefits in terms of exchequer returns. The impact on hospitality firms especially was highlighted reflecting businesses view that scaling back on the provision of small benefits to employees is a more risk averse and cost-effective approach than the risk of non-compliance with ERR[52].
- Members questioned the need for ERR returns to be made on a real time basis rather than at a more appropriate interval, such as on a monthly basis (i.e. after the month end). The rationale for this was explained to be an alignment with the OECD's "Tax Administration 3.0" strategy, which envisions tax compliance to be embedded seamlessly into process, by design. The successful implementation of the PAYE Modernisation Project (PMOD) was a first step towards achieving this and ERR was introduced with the same principles.

52. Revenue noted that some of the trends within the ERR data continue to indicate that there is a cohort of employers who are not operating PAYE correctly on payments made to employees. Revenue will continue to focus on these areas of risk identified from ERR data to ensure all employers are complying with their obligations and protecting the Exchequer from leakage from unpaid tax.

Theme: Tax Administration

- Members noted the benefits of Small Benefit Exemption and highlighted how useful it is for both businesses and employees. It was suggested that if the exemption was to be discontinued, it did not mean that the money spent on non-cash benefits would translate into additional employee pay and related tax for the exchequer.
- Revenue administration is a day-to-day cost driver for importing and exporting firms. VAT compliance and VAT-related cash-flow impacts are material for businesses with frequent or high-value consignments. Customs compliance remains resource-intensive for many firms trading with the UK, particularly SMEs that rely on intermediaries.
- It was also noted that small businesses make up the backbone of Ireland's enterprise base yet face a cumulative regulatory load that is disproportionate to their scale and administrative capacity. Recent layers – such as the ERR real-time submissions, evolving sustainability reporting rules and increasingly rigid VAT administration and enforcement – are raising fixed compliance costs, diverting scarce management time and dampening investment, hiring and innovation.

Theme: Penalties for Administrative Errors

- As the volume and complexity of reporting rises, the risk of minor mistakes rises. Where penalties are applied to technical or administrative errors, firms respond by over-investing in defensive compliance and external advice. This becomes a cost and can be particularly difficult on SMEs.
- The level of penalties imposed can be disproportionate to the error. For example, a fixed penalty of €4,000 can apply where an employer inadvertently omits to report in real-time a non-taxable benefit or expense reimbursed to an employee under the ERR regime, even though there may be no risk of an underpayment of tax. Penalties should be proportionate to the administrative error.
- Members highlighted one area where businesses report progress. Introduction of a "two-strikes" rule[53] has been welcomed by businesses in the interest of not punishing what might be an innocent mistake from inexperience.

53. Minister Burke introduces an amended audit exemption regime for small and micro companies - DETE July 2025.

Theme: Waste Management Regulations

- Members suggested that retailers are considered to be major producers of packaging which they are not responsible for. Retailers, hospitality, pharmacy, off licence and hardware sectors are all obliged by law to pay “membership” fees to Repak. Many firms have paid a significant amount of money (~€10,000) over the years.
- Packaging compliance can add both, direct costs and significant reporting burdens. Many exporters are also importers of packaging, or are captured through supply chains and the practical challenge is ongoing classification, data capture and reporting, often with unclear definitions.

Theme: SME Test

- The SME Test is important, but to be effective it must be applied consistently and early and it must change outcomes. Too often, requirements are introduced with limited visibility on administrative cost and without adjusted timelines or simplified routes for smaller firms.
- Members pointed out that the SME Test does not apply retroactively to past policies nor does it apply to tax measures in the Finance Bill and that there are difficulties posed by initiatives to simplify the administrative burden on SMEs.

6.5 Recommendations

Recommendation 47:
Reduce Administrative Burden for SMEs

Impact of Issue: Members of the Forum argued that Revenue's Enhanced Reporting Requirement (ERR) measures are having a significant impact on firms across the country with seemingly little benefits in terms of exchequer returns. In particular members noted that measures such as ERR were resulting in a disproportionate regulatory burden.

Recommendation: To reduce duplication of reporting obligations and reduce ongoing compliance costs, the Forum recommends the immediate implementation of the 2025 National Competitiveness and Productivity Council's recommendation on SME exemptions:

i. Amend the existing Enhanced Reporting Requirements to exempt SMEs that employ 20 staff or fewer, or annual turnover €1 million or less;
ii. Consistently apply exemptions to ensure regulatory relief is targeted at businesses with the lowest administrative capacity; and,
iii. Modify ERR submission timeline to monthly reporting rather than real-time submissions.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 48:
Proportionate Application of Fixed Penalty Sanctions for Administrative Measures

Impact of Issue: A fixed penalty of €4,000 applies where an employer inadvertently omits to report in real-time a non-taxable benefit or expense reimbursed to an employee under the ERR system, even though there may be no risk of an underpayment of tax. This penal sanction for failing to report in real-time is wholly disproportionate and places an inordinate strain on the limited resources of smaller businesses. The penalty should be replaced with a more appropriate sanction.

Recommendation: The €4,000 fixed penalty for non-compliance appears disproportionate (Revenue has not applied this sanction yet). The Forum recommends this should be reduced significantly, with a more graduated and proportionate approach to administrative errors.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 49:
Expand the SME Test and Introduce a Formal Comply or Explain Requirement

Impact of Issue: A rigorous application of the SME Test should scrutinise every new piece of legislation to ensure that any obligations that increase business costs are phased in. Currently, the SME Test is often applied without adjusted timelines or simplified routes for smaller firms. While the SME Test has been a welcome initiative that has been rolled out in recent years, it is not always being universally applied by all Departments. A 'comply of explain' culture needs to be developed in the civil service in relation to the SME Test to better ensure that impacts on SMEs are considered at the regulatory design stage in Government Departments.

Recommendation: The Forum recommends the introduction of a formal "comply or explain" mechanism, which requires Departments (including the annual Finance Bill) and public bodies to:

i. Apply the SME Test, or publish a clear justification explaining why the SME Test was not applied;
ii. Further develop, refine and embed the SME Test as a standard part of policy and regulatory development;
iii. Expand its application to include explicit consideration of: the cumulative impacts of multiple regulatory requirements and cross-regulatory effects arising from overlapping obligations across different regimes; and,
iv. To improve transparency, all data on the SME tests should be published on a single website, ensuring that explanations are publicly available and set out the rationale in a transparent and accountable manner.
v. In line with the overall terms of reference of the Forum this recommendation does not apply to the consideration of matters such as the National Minimum Wage and working conditions more generally.

Responsibility: All relevant Departments

Recommendation 50:
Pro-forma R&D Tax Credit Route

Impact of Issue: Concerns as to high administrative costs and complexity may discourage SMEs from claiming the R&D tax credit.

Recommendation: The Forum recommends introducing a pro-forma R&D tax credit route for small and medium businesses only, including the use of pro-forma templates for project management, recording activity and calculating eligible costs.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 51:
Corporate Tax Returns to be Simplified

Impact of Issue: The administrative burden associated with tax measures is a cost for Irish businesses and can impact on the competitiveness of Ireland as a location for investment. For SMEs, complex administration coupled with disproportionate penalties can mean that tax measures which are designed to support businesses become inaccessible. The Corporation Tax Return is currently over 60 pages and it is very easy to make a mistake and, therefore, is in need of simplification and reform.

Recommendation: The Forum recommends that Corporation Tax Returns are simplified in order to reduce regulatory burden on businesses.

Responsibility: Office of the Revenue Commissioners

Recommendation 52:
Reduce the Cost of Appealing Revenue Assessment

Impact of Issue: It is very costly for businesses, particularly small businesses, to appeal a Revenue assessment. In addition, such appeals can take a very long time.

Recommendation: The Forum recommends a targeted review is undertaken, to examine the costs incurred by taxpayers when appealing Revenue assessments, including: identifying specific cost drivers that disproportionately affect smaller businesses, such as legal and professional fees, procedural and evidential requirements. In addition, review alternative dispute resolutions mechanisms to appeal Revenue assessments.

Responsibility: D/Finance and the Tax Appeals Commission

Recommendation 53:
Improve the Employment Investment Incentive Scheme

Impact of Issue: The effectiveness of the Employment and Investment Incentive (EII) is hampered by its' complex rules. This is borne out by the low number of companies benefitting from the incentive which remains under 200 according to the published figures. The exclusion of holding company structures from the scheme does not reflect the way in which enterprises evolve and develop in a modern start-up economy. In addition, the connected party rules curtail investment by non-executive board members and key employees who can play an important part in the development of early-stage companies. The administration involved in availing of the EII is also extraordinarily onerous and time-consuming. A streamlined process that uses non-mandatory template forms (for business plans, cashflows, etc.) could make the process much easier for small companies who need this support to access much needed finance.

Recommendation: The Forum highlights that the Employment Investment Incentive scheme remains too complex and unattractive and therefore recommends that it should be reviewed and simplified.

Responsibility: D/Finance and Office of the Revenue Commissioners

Recommendation 54:
Fee for Tobacco Sellers

Impact of Issue: In January 2025, then-Minister for Health Stephen Donnelly announced that from 2nd of February 2026, retailers wishing to sell tobacco and nicotine inhaling products will be required to register and pay an annual retail licence fee of €1,000 for tobacco products and €800 for nicotine inhaling products. This represents a 3,500% increase on the previous one-time registration fee of €50 for tobacco, with no previous charge for nicotine inhaling products. Such a steep increase introduces an unprecedented and unsustainable cost burden for many small retailers.

Recommendation: It has been suggested that the combined €1,800 (€1,000 for tobacco products and €800 for nicotine inhaling products) retail licence fee for tobacco sellers is too high and brought in without consultation and without an SME Test. Therefore, the Forum recommends reducing this fee.

Responsibility: D/Health

Recommendation 55:
Improved Labelling Management

Impact of Issue: Packaging compliance can add both direct costs and significant reporting burdens for business, particularly small retailers. Many exporters are also importers of packaging, or are captured through supply chains and the practical challenge is ongoing classification, data capture and reporting, often with unclear definitions.

Recommendation: In the interests of cost reductions, the Forum recommends that there is a need for a grandfathering provision in relation to new packaging and labelling requirements and acknowledge impact of labelling recommendations for various sectors. In addition:

i. Suspend unilateral measures: Suspend the unilateral introduction of new measures and align with EU efforts to ensure a general harmonised approach across sectoral product legislation.
ii. Adopt digital labelling: Embrace digital labelling to reduce compliance costs for economic operators and allow for easier updating of instructions.
iii. Extended transition periods: Implement appropriate transition periods to help businesses adequately prepare for any proposed labelling changes. For context, the 2011 Food Information to Consumers (FIC) regulation included a five-year transition period.
iv. EU-UK alignment: Find a legally sound solution within the EU framework that takes the current and possible future complexities from the impact of Brexit into consideration.

Responsibility: D/CEE

Recommendation 56:
Pursue Simplification of EU Legislative Framework

Impact of Issue: An efficient and effective regulatory framework is essential for the EU's competitiveness. At a time of profound global shifts, simpler, better-designed and easier-to-implement rules will help to unlock economic potential and promote a more dynamic and integrated Single Market. Outdated provision as well as regulatory overlaps and inconsistencies can create unnecessary burdens for businesses and hinder their competitiveness.

Recommendation: The Forum recommends active engagement by all Government Departments and industry with the EU's simplification agenda in order to develop a more coherent legislative framework that best responds to the needs of businesses and citizens.

Responsibility: D/FAT

6.6 Conclusion

This Chapter outlines how regulation has emerged as a major policy focus not only in Ireland, but also globally, prompting governments to take steps to ensure it is designed and implemented effectively. Increasingly, the expectation is that regulatory frameworks will be simplified and more streamlined so that they support productivity and economic growth, rather than imposing unnecessary burdens and/or costs on businesses. The Forum members are proposing a set of recommendations for Government to consider which aim to create stable, predictable environment that businesses need to make long-term strategic decisions with some priority recommendations outlined below.

7. Banking, Payments and Financial Services

7.1 Session Overview

The final thematic session focused on *Banking, Payments and Financial Services*. It was added before the Forum's final meeting at a request of several members. The Secretariat received six written submissions on this topic with members emphasising that Irish businesses need affordable and efficient banking to grow. Many companies, including many SMEs, are more digitally advanced than Irish retail banks and as a result of various gaps within the banking system, businesses have increasingly turned to non-bank lenders[54].This session included three scene-setting presentations which are summarised below.

Scene Setting Presentations

The Banking & Payments Federation Ireland (BPFI) presentation, delivered by Ali Ugur (Chief Economist and Head of Prudential Regulation), provided an overview of the credit lending and borrowing trends in the Irish economy. This presentation mainly focused on the demand for SME lending and briefly mentioned capital requirements towards the end.

Simplification and Better Regulation presentation was delivered by Stephen Clifford (Policy and International Directorate, the Central Bank of Ireland). This presentation focused on the Central Bank's progress to support a more effective regulatory framework. The presenter suggested that simplification helps ensure that the regulatory framework remains effective in a changing financial system and noted that regulation must work well in practice. This means clear and proportionate frameworks, predictable and transparent supervision as well as continued focus on consumers, investors and financial stability.

Irish small firm financing: where are we 20 years since the financial crisis? presentation was delivery by Tara McIndoe-Calder (Senior Research Officer at the Economic and Social Research Institute). This presentation focused on recently published paper which looks into the Irish SME credit access in an EU context by disentangling supply and demand factors as well as exploring the ecosystem of credit supply channels.

54. Members' written submissions noted both, positive and negative aspects of businesses turning to non-bank lenders. Some suggested that the growing use of non-bank and digital financial providers reflects both innovation in the financial services ecosystem and the emergence of alternative financing channels that support SME investment and day-to-day operations. On the other hand, other members noted that business use alternative lenders as a result of frustration with credit application process with the pillar banks. This mainly due to the long decision process for loan applications and has resulted in small business owners turning to other financial institutions who process credit applications quickly but charge much higher interest rates.

7.2 Background

Recently published *Regulatory and Supervisory Outlook 2026*[55] suggests that the banking sector is changing rapidly as a result of digitalisation and increased competition in certain segments of the Irish market[56]. There are many strategic challenges that banks face such as fintech and non-bank competitors as well as new types of money, which will require effective board oversight and change management. The report found that the sector has shown financial resilience in a time of overlapping global shocks and continues to be profitable. However, banks need to continue strengthening trust and protecting their customers' interest by embedding their responsibilities under the Individual Accountability Framework, the Consumer Protection Code and DORA[57].

The Outlook 2026 report also highlights that payment (including e-money) firms have a significant role in the European payment system and have been key players when it comes to digital transformation within the financial services sector. According to the Banking and Payments Federation Ireland (BPFI), contactless payment volumes and values are up by 6.8% and 12.6%, respectively, in 2025 compared to 2024, while both the number of cash withdrawals and the value of withdrawals fell by 7.1% (to 82.2 million) and 4.2% (to €12.2 billion), respectively, in 2025[58].

In terms of Ireland's wider financial sector, the Outlook 2026 report notes that this sector has shown strong stability and resilience despite recent economic pressures, global uncertainties and rapid technological change. This strength reflects both the adaptability of firms and the strong regulatory and supervisory foundations established since the global financial crisis. However, as a highly connected financial hub, Ireland faces risks that can arise and spread quickly. In order to protect consumers, maintain financial stability and uphold trust, firms must remain resilient, well-governed and prepared to manage evolving risks.

Members' submissions emphasised that greater coordination between regulators, financial institutions and payment service providers, including engagement with the Central Bank of Ireland, could help identify opportunities to reduce operational frictions and support more consistent, efficient payment processing across the European banking system. Continued engagement at EU level on initiatives such as the Savings and Investment Union, Capital Markets Union and completion of the Banking Union was also noted. It is timely to highlight these suggestions as Ireland will hold the Presidency of the Council of the EU presidency from 1st July until the end of 2026.

55. regulatory-supervisory-outlook-report-2026.pdf The Central Bank of Ireland, February 2026.
56. The Outlook 2026 report refers to increased competition as a result of increasing number of fintech firms, non-bank providers and new digitals entrants. This means that the market is becoming more diverse and less dominated by traditionally domestic banks.
57. Digital Operational Resilience Act. It will be explained in more detail in section 7.3.
58. BPFI Payments Monitor - February 2026 - Banking & Payments Federation Ireland

7.3 Public Investments and Current Policy Developments

Ireland's financial services sector is a significant contributor to both the domestic and European economies, but its strong global position is increasingly challenged by rising international competition. This highlights the need for a supportive and balanced regulatory environment at home and across the EU that promotes growth while ensuring fair and consistent conditions for all market participants . The box below highlights key recent policy developments shaping Ireland's banking, payments and financial sectors to ensure competitiveness and support growth.

Overview of Recent Developments

The Retail Banking Review 2022

As a result of two major banks – KBC and Ulster Bank – leaving the market among other changes occurring in retail banking, the Department of Finance published the Retail Banking Review in 2022. The Review is a comprehensive assessment of Ireland's banking sector including a total of 34 recommendations which aim to support consumers, SMEs and the economy as a whole and ensure the provision of retail banking products and services in an efficient and competitive manner.

The Strategic Banking Corporation of Ireland (SBCI)

Ireland's national promotional bank, the SBCI, offers a range of lending products for SMEs, delivered through a network of on-lenders, both banks and non-banks. It is a key implementing partner for EU funding and risk-sharing initiatives designed to support SMEs. It also regularly works in partnership with the European Investment Fund (EIF) and the European Investment Bank (EIB) to channel financial support from the European Commission into the Irish market. Since the SBCI commenced operations in March 2015, up to the end of December 2025 it has delivered more than €4.7 billion to more than 65,000 SMEs

For instance, the SBCI's Growth and Sustainability Loan Scheme (GSLS) offers flexible low cost, long terms lending to SMEs in partnership with the EIF. It is currently scheduled to operate until end-June 2026 or until its available funding of €500 million is fully subscribed. Demand for the scheme has been exceptionally strong, with most participating lenders having either fully utilised their allocations or now operating with very limited remaining capacity. In light of this demand and following ongoing engagement with the SBCI and the European Investment Bank Group, the Government has recently agreed to expand the Scheme by a further €500m and the scheme's closing date to end-June 2029. Similarly, Micro Finance Ireland's mandate was recently doubled to allow it to lend €50,000 unsecured to micro and small businesses.

Regulating for Growth – A Roadmap for Simplification

In September 2025, the BPFI published a roadmap aiming to highlight how Ireland can contribute to the broader EU simplification agenda, reduce costs, remove unnecessary "gold plating," and strengthen our competitiveness as a financial hub. This roadmap advocates for better, simplified regulatory environment within the banking industry and proposes 52 recommendations to address challenges while maintaining stability. This report was submitted to the Central Bank of Ireland and the Department of Finance for consideration.

Digital Operational Resilience Act (DORA)

The Digital Operational Resilience Act (or DORA), officially Regulation 2022/2554 is a European Union regulation. In 2022, the DORA was published in the Official Journal of the EU and has been in application since January 2025. The aim of this Act is to ensures that banks, insurance companies, investment firms and other financial entities can withstand, respond to and recover from Information and Communication Technology (or ICT) disruptions, such as cyberattacks or system failures. DORA brings harmonisation to rules relating to operational resilience for the financial sector, applicable to 20 different types of financial entities and ICT third-party service providers.

Consumer Protection Code

In 2025, the Central Bank of Ireland carried out a major review of its Consumer Protection Code. Following this review, the Consumer Protection Code 2025, was published in March by the Central Bank. The revised Code 2025 took effect on 24 March 2026 following a 12-month implementation period and addresses several recommendations made in the Retail Banking Review. Through the Code, the Central Bank aims to:

- Deliver a modernised Code that reflects how financial services are delivered in a digital world.
- Ensure firms effectively incorporate customers' interests into their strategy and decision-making.
- Create a package of updated protections that reflect how consumers are accessing financial services today.
- Provide clarity and predictability for firms on their consumer protection obligations
- Support consumers and firms in accessing and navigating the Code.

In line with a Retail Banking Review recommendation, the Central Bank applied the revised Consumer Protection Code to a larger cohort of small businesses, by increasing the annual turnover threshold to be afforded Code protections from €3m to €5m. The Central Bank has also committed to consolidate the SME Regulations into the Code as part of further work to further integrate the Irish consumer protection framework.

7.4 Key Messages

The overview below provides key themes and messages recurring across members submissions which were received ahead of the session on *Banking, Payments and Financial Services*.

Overview of Themes Recurring across Banking, Payments and Financial Services

Theme: Banking Costs for SMEs

- Members emphasise banking costs, particularly for small businesses have risen considerably because of the higher interest rate environment, the exit of competitors (Ulster Bank and KBC), and the higher capital requirements that Irish banks face, relative to European peers.
- Combined with higher inflation and administrative burdens[59], it has tightened cash flow, added to the overall cost of doing business for SMEs and pressured profit margins. Higher interest rates mean higher repayments and impact on ability to repay. Allied with bank stress testing this can lead to increased failure or refusal rates.

Theme: Digital Banking

- Irish banks[60] have been and continue to be slow in successfully adopting digital banking services. Members emphasised that Irish banks lag behind international peers in digital banking capabilities and that they need to improve open banking infrastructure, instant payments, customer experience and API performance to make A2A payments smooth, fast and reliable.[61]

Theme: Non-bank lenders and fintech providers

- In recent years, businesses have increasingly turned to non-bank lenders and fintech providers, particularly for working capital and asset financing. 2025 SFA small business survey found that more small business owners are turning to informal networks for short or medium term finance with 22% of respondents admitting that they have borrowed from family or friends (up from 19% in 2024).

59. Members noted in written submissions that small businesses often struggle with regulatory and compliance hurdles, including Strong Customer Authentication requirements under the European Payment Services Directive (PDS2). These requirements can increase administrative workload and create friction during onboarding processes. In addition, increased exposure to cyber threats due to digital acceleration adds to the administrative burden, as businesses need to invest time and resources in protecting their critical assets and reputation.
60. Allied Irish Banks (AIB), Bank of Ireland (BOI) and Permanent TSB (PTSB).
61. Most recently, domestic retail banks have recently introduced Zippay, new, free instant peer-to-peer payment service. The Department of Finance also noted that the banks are at various stages in the journey to digitise the SME lending application process.

7.5 Recommendations

Recommendation 57:
Simpler Process Switching Banks

Impact of Issue: There is a perception among some Forum members that the dominant pillar banks retain structural advantages that make switching difficult in practice for business customers.

Recommendation: Given the limited nature of competition in the business banking market in Ireland, the Central Bank of Ireland should ensure, as a matter of urgency, that the process of switching banks for business customers be made easier, simpler and faster.

Responsibility: D/Finance and CBI

Recommendation 58:
Improve Transparency for SMEs

Impact of Issue: Businesses may face a blended charge structure that includes a fixed per transaction fee (e.g. €0.50), plus a variable percentage (e.g. 0.75%–1.5%), making it difficult to forecast monthly banking costs. This variability could lead to budgeting challenges, particularly for SMEs operating on tight margins.

Recommendation: The Central Bank of Ireland and the Irish banks should, as a matter of urgency, ensure that disclosure requirements under the Consumer Protection Code and the SME Regulations are actively implemented to improve transparency for SME business customers in relation to fees, charges and bills for banking and payment services.

Responsibility: D/Finance and CBI

Recommendation 59:
Better Regulation of Merchant Services

Impact of Issue: While there is a competition in merchant services, there are also challenges when attempting to switch providers. Alternative providers may not integrate seamlessly with existing systems and there is a perception that the dominant pillar banks retain structural advantages that make switching difficult in practice

Recommendation: Requirements relating to merchant services, under the EU payment services directives, including new requirements which will be applied under PSD3/PSR, should be actively implemented by the Central Bank of Ireland and relevant firms, to ensure fair competition and quality of service for SME customers.

Responsibility: D/Finance and CBI

Recommendation 60:
Promotion of Competition

Impact of Issue: Ireland has challenges in terms of access to finance for both businesses and households relative to the rest of the EU; however, it can be difficult to compare Ireland as a small member state to other large member states with different dynamics. The Retail Banking Review in 2022[62] found that in many smaller EU member states, the landscape was dominated by two to five dominant players, which is more comparable with Ireland. The Review also referred to the role of the CCPC in the enforcement and promotion of competition and that the two relevant authorities (CCPC and CBI) continue to work closely together. Competition can potentially be enhanced with new entrants – only if those new entrants that provide financial services to SMEs can make a return on capital invested. This may be more in the form of digital than "bricks" and "mortar" banks. The focus of change in this area may be more on the overall competitive position of the financial sector in providing financial products to the SME sector.

Recommendation: The new Central Bank of Ireland Regulatory Impact Assessment process should include a rigorous promotion of competition component to help ensure that new rules and regulations promote competition in the business banking market in Ireland.

Responsibility: D/Finance and CBI

62. retail-banking-review-november-2022.pdf Department of Finance, November 2025.

Recommendation 61:
The New Central Bank's Regulatory Impact Assessment Process

Impact of Issue: Ireland's challenges in terms of access to finance could result in both lower access to investment capital for domestic businesses, with Irish SMEs facing the fifth highest borrowing costs in the EU and an average interest rate bill of 4.98%, in comparison to the 3.57% Eurozone average. This could act as a constraint on the investment in and expansion of Irish enterprises, thus presenting a clear competitiveness issue for Irish business when competing with international peers.

Recommendation: Once in place, the new Central Bank's Regulatory Impact Assessment process (including the promotion of competition component) should be retrospectively applied to existing rules and regulations that impact on SME banking in Ireland.

Responsibility: D/Finance and CBI

Recommendation 62:
An Independent Economic Cost-Benefit Analysis of Establishing a New State SME Bank

Impact of Issue: Despite the fact that several schemes and loans such as SBCI's Growth and Sustainability Loan Scheme and Micro Finance are in place, Forum members believe that a new approach to retail banking is needed. This new approach should be underpinned by an appropriate regulatory environment which ensures that the sector can maximise its' support for long-term sustainable economic growth and prosperity. Addressing issue of higher interest bills for Irish SMEs must be a priority. This can be achieved by diversifying funding streams and by encouraging new entrants into the broader financial services sector.

Recommendation: Given the high proportion of micro-SMEs in the Irish market, the limited nature of competition in the business banking market and the high interest rates charged to business customers, an independent economic cost-benefit analysis of establishing a new state SME Bank should be carried out that could include building on existing SBCI and ISIF loan and investment schemes.

Responsibility: D/Finance and D/ETE

Recommendation 63:
Future Savings and Investment Account Scheme

Impact of Issue: A potential new source of investment is the creation of a Savings and Investment Account (SIA) which would allow for a capped annual amount to be invested tax free for households. This would unlock a significant portion of the €170 billion worth of deposits and direct it towards economic activity. This would also address the limited supply side of equity markets. The implementation of particular startup and scale up funds for SMEs would further bridge the financial divide between savings and investment.

Recommendation: Any new Government Savings and Investment Account Scheme should seek to build in a component that allows for and encourages investment in SMEs.

Responsibility: D/Finance and D/ETE

7.6 Conclusion

The last thematic session was an additional meeting at a request of the Forum members and outlined the challenges related to the Banking, Payments and Financial Sectors. Members expressed a strong view that there is very little competition and choice for business banking services in Ireland which is leading to higher prices in terms of borrowing costs and is discouraging investment by firms. In order to support growth and enhance Ireland's competitiveness, the Forum recommends that the seven key actions outlined in this chapter that will help businesses in this space be implemented without delay.

8. Final Considerations and Implementation

First of all, it is important to acknowledge the substantial body of work that informed and underpinned the Forum's Final Report; it reflects the collective contribution of stakeholder voices through both in-room discussion and written submissions. The strong level of engagement advanced a rigorous examination of cost drivers and regulatory frameworks and identified the most pressing challenges and shaped practical, realistic, timely and proportionate recommendations to address them.

Secondly, the findings of this Final Report underline the scale and urgency of the issues facing businesses in Ireland and sets out 63 recommendations deliverable over the immediate, medium and long term, which can be broadly grouped under the headings of price transparency, switching and access; regulatory reform and simplification; reform measures and the allocation of additional resources.

Rising costs across key areas such as energy, insurance, planning and regulation, water and wastewater, legal and financial sectors are placing sustained pressure on competitiveness, job creation, investment and growth. The Final Report makes it clear that while regulation remains essential to protect consumers, workers and the environment, its current application too often prioritises activities over outcomes, imposing direct and indirect costs without consequent clear benefit.

The work and focus of regulatory bodies must be continually assessed to ensure that they remain focused on achieving clear outcomes underpinning the effective functioning of the activities or markets that they are set up to supervise. Addressing this imbalance through proportionate and outcome-focused reform is central to ensuring that regulation supports and sustains, rather than constrains, entrepreneurial and economic activity.

The recommendations set out in the Final Report provide a practical roadmap for achieving this shift, but their success will depend on timely, decisive, coordinated implementation led by the Government. Embedding measurable targets, clear timelines and ongoing oversight will be critical to sustaining meaningful reform. The Forum's expectation is that recommendations will be delivered with a defined measure of success, a named responsible body and a timeline for first reporting.

Lastly, the Forum members have decided to reconvene a further meeting in approximately six months' time to assess progress against the agreed actions. This approach prioritises implementation within established frameworks while maintaining oversight and a continued focus on tangible outcomes. If delivered effectively, these changes can reduce the cost and complexity of doing business, strengthen Ireland's competitiveness, encourage employment and foster an enabling, agile and responsive environment where enterprises can invest, innovate and grow while delivering lasting benefits for the wider economy and society.

Notes