

Date: 26 March 2021

ATAD Implementation -
Interest Limitation Feedback Statement Tax Division
Department of Finance
Government Buildings
Upper Merrion Street
Dublin 2 D02 R583

**Re: Irish Public Private Partnerships
Criteria for exclusion from Anti Tax Avoidance Directive (ATAD)**

Dear Sirs

We refer to the ATAD feedback Statement dated December 2020 and to question 16 in particular repeated below for convenience

ATAD Article 4(4)(b) provides that Member States may exclude both the income and associated expenses of certain 'long-term public infrastructure projects' from the scope of the interest exemption, on the grounds that they present little or no BEPS risks. A 'long-term public infrastructure project' is defined as "a project to provide, upgrade, operate and/or maintain a largescale asset that is considered in the general public interest by a Member State". It is proposed to consider this exemption and possible approaches to specifying the relevant criteria in the second stage of the development of the ILR.

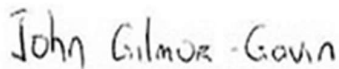
Question 16 Comments are invited on potential approaches to the criteria relevant to the 'long-term public infrastructure project' exemption.

We have acted on many Irish PPP projects since 2004.

We are of the view that there should be an exclusion in the implementation of the interest limitation rules for all Irish situated PPP projects, both those in existence and future projects. This is needed to give certainty to the sector. The nature of these projects are different to the trading activities of multinational groups. The PPP projects require a mix of construction and institutional shareholders, together with senior funders with long term funding structures (25 years) in place.

We suggest that the relevant criteria are the location of the project in Ireland only and are broad rather than narrow. It is possible that funding for such projects make also come from institutional sources outside the EU and these should also be accommodated also and be excluded from the interest limitation rules.

Yours faithfully



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