

CCBS – LEGISLATIVE AFFAIRS

24/03/2017 - 31/03/2017



Northern Ireland
Assembly

The Northern Ireland Assembly was dissolved at 00:01 on Thursday 26 January 2017.



Tuesday 28 March 2017

Department of Finance

Motor Insurance

Róisín Shortall asked the Minister for Finance the options open to persons that wish to purchase motor insurance in another EU state to avail of lower premiums for a vehicle registered and based here with regard to the free movement of goods and services across the European Union; and if he will make a statement on the matter

Michael Noonan: The issue of persons being able to purchase motor insurance in another EU Member to avail of lower premiums for a vehicle registered and based in Ireland was considered by the Cost of Insurance Working Group in its recent Report. Its conclusion was that it is not possible under the current legislative framework to provide for individuals to source motor insurance for Irish registered vehicles from insurers in other Member States.

In coming to this conclusion, it examined the existing legal and regulatory framework for the provision of insurance in the European Union (EU), as well as Irish law. The EU framework allows for the freedom to provide services from one Member State into another throughout the Union. This is a key principle of the European Union and is availed of by a number of insurance firms established in Ireland in order to conduct business into other EU Member States, and also by companies authorised elsewhere conducting business into the Irish market. This can be done either through:

- establishing a branch operation in the host country and thus conducting business on a 'freedom of establishment' (FOE) basis; or

- writing business from the home country (i.e. where authorised) into the host country on a 'freedom of services' (FOS) basis.

In both situations for companies wishing to do business in Ireland, there is a requirement to become a member of the national bureau (Motor Insurers' Bureau of Ireland (MIBI)) under Section 78 of the Road Traffic Act. This is an important requirement as the MIBI is the body in Ireland tasked with meeting the EU requirement of compensating victims of accidents caused by uninsured and unidentified vehicles. This position has been upheld in the case of DPP v Lepina and Suhanovs where one of the conclusions was that a vehicle registered in the State must be insured by a vehicle insurer who is a member of the national bureau (MIBI).

In summary, therefore a vehicle registered and based in Ireland can legally only take out insurance with a company who is a member of MIBI which means that by definition they cannot purchase motor insurance in another Member State where such companies will be members only of their own national bureau.

This is a complex issue which would require a solution at EU level. The Working Group therefore recommended that my Department support efforts and raise awareness of the need to improve cross-border motor insurance provision at the European level. This work is ongoing and my officials continue to monitor the issue and raise it in the relevant forums.

Source: <https://www.kildarestreet.com/wrans/?id=2017-03-28a.318&s=cross-border+2017-03-24..2017-03-31#g320.r>

Tuesday 28 March 2017

Department of Jobs, Enterprise and Innovation

Brexit Issues

Tony McLoughlin asked the Minister for Jobs, Enterprise and Innovation the extent to which she has managed to secure assurances throughout the EU and beyond regarding the need for expanded market access through fair competition in the aftermath of Brexit, especially as it impacts the Border region and counties Sligo and Leitrim; and if she will make a statement on the matter.

Mary Mitchell O'Connor: European competition policy is developed from two central rules set out in the Treaty on the Functioning of the European Union.

Article 101 of the Treaty prohibits anticompetitive agreements and practices between two or more independent market operators such as cartel behaviour, which may involve price-fixing and/or market sharing.

Article 102 of the Treaty prohibits the abuse of a dominance position. The Competition Act 2002 as amended closely reflects these provisions in Irish law and this legal situation will continue after Brexit.

More generally, the European Commission is empowered by the Treaty to apply these rules and has a number of investigative powers (e.g. inspection at business and non-business premises, written requests for information, etc.) and may impose fines on undertakings which violate the EU rules. It works closely with Member States where anti-competitive practices are alleged to be taking place cross border or in more than one Member State to bring about an end to such practices.

The purpose of competition law is to protect and benefit consumers. Greater competition provides good value for consumers, stimulates business, and enhances the economy as a whole while anti-competitive behaviour results in consumers paying higher prices without any extra benefits and undermines the competitiveness of the Irish economy. The greatest harm comes from cartel type activity including price-fixing, which deprives consumers of the benefits of vigorous competition on price, service and innovation. Such activity is characterised by hidden costs and higher prices.

It is too early to say what impact Brexit may have on the UK's regulatory and competition environment. Provisions on State Aids and competition policy are a common feature of EU Free Trade Agreements to ensure any aid granted by authorities to private entities does not distort competition. The terms of any future free trade agreement, including state aid rules, would be a matter for the EU 27 and the UK to agree as part of any negotiation.

From a regional perspective, the Action Plan for Jobs 2017 includes a series of collaborative actions aimed at stimulating regional growth, including the progression, monitoring and support of the eight Regional Action Plans for Jobs, which aims to realise the national Action Plan's regional employment targets.

The North East/North West Plan aims to support the creation of 28,000 jobs across Sligo, Leitrim, Donegal, Cavan, Monaghan and Louth by 2020. Sectors targeted as part of the plan include traditionally strong sectors for the region like agri-food, manufacturing/engineering and tourism.

The North East/North West Regional Action Plan for Jobs is stimulating job creation across the region, by facilitating collaborative initiatives between the public and private sector, and through the provision of new competitive funds awarded through Enterprise Ireland, to support regional enterprise projects.

There has been a substantial improvement in the North East / North West region since the commencement of the National Action Plan for Jobs in 2012, with an additional 23,000 in employment in Q4 2016 compared to Q1 2012. Moreover, there are now almost 6,800 more people in work in the region since the launch of the Regional Action Plan initiative.

My Department is providing additional funds through the agencies out to 2020. For example, together with Enterprise Ireland, I am currently finalising plans for a regional initiative of up to €60m to support collaborative approaches to grow and sustain jobs across the regions, and to encourage each county to reach its full potential.

Source: <https://www.kildarestreet.com/wrans/?id=2017-03-28a.1545&s=cross-border+2017-03-24..2017-03-31#g1547.r>