



21 December 2021

Mr. Ken Foxe  
Journalist & Director of Right to Know  
ken@righttoknow.ie

RE: FOI REQUEST      REF: FOI/274/2021

Dear Mr. Foxe,

I refer to your FOI request of the 28<sup>th</sup> of November 2021 made under Section 12 of the Freedom of Information Act 2014.

Your original request dated 28<sup>th</sup> November 2021 sought:

*“a copy of any records held in the email account of the minister with regard to the possibility of introducing new taxation/interest rules regarding inter-family loans.*

*This request to cover the period 1 July 2021 to the date of receipt of the request.”*

## Decision

As the Decision Maker in this case, I made a final decision on your request on 21<sup>st</sup> December 2021, and under Section 13 of the FOI Act, I have decided to grant partial access to the information sought.

There are nineteen records that contains material that fall within the scope of your request, however some elements of those records fall outside its scope, and as such have been redacted.

37. (1) Subject to this section, a head shall refuse to grant an FOI request if, in the opinion of the head, access to the record concerned would involve the disclosure of personal information (including personal information relating to a deceased individual).



In relation to the above, I have decided that partial access should be granted to all records: 1, 1a, 2, 2a, 3, 3a, 4, 4a, 5, 5a, 6, 6a, 7, 7a, 8, 8a, 8b, 9, 9a, for these records personal information has been redacted.

### **S.37(1) Personal Information**

#### **Decision**

Section 37 of the FOI Act 2014 states:-

*“(1)...a head shall refuse to grant an FOI request, if in the opinion of the head, access to the record concerned would involve the disclosure of personal information (including personal information relating to a deceased individual).”*

The records withheld under this section contain personal information of third parties, i.e. other individuals and not you. We do not have the consent of these third parties to release their personal information and therefore these documents are exempt from release.

Section 37(5)(a) provides for the release of personal information relating to third parties where the public interest that the request should be granted outweighs the right to privacy of the individual(s) to whom the information relates. To apply section 37(5), it is necessary to identify the various public interests served by the release of the particular record as well as those served by the withholding of that record. Relative weights must then be applied to these conflicting public interests and a judgement made as to which set of public interests outweighs the other.

I have considered the public interest issues which arise in this case and have taken account of the following factors in favour of release:

- the public interest in the public knowing how a public body performs its functions
- the public interest in members of the public knowing that information held by public bodies about them, or those they represent, is accurate
- the public interest in members of the public exercising their rights under the FOI Acts

In considering the public interest factors which favour withholding the records I have taken account of the following:

- the public interest in protecting the right to privacy of members of the public
- the public interest in members of the public being able to communicate in confidence with the Department of Finance and without fear of disclosure in relation to personal or sensitive matters
- the public interest in the Department of Finance being able to perform our functions effectively



- the public interest in safeguarding the flow of information to the Department of Finance.

I consider that the public interest in preserving the privacy of the third parties involved outweighs the public interest that would be served were the records to be released in their entirety to you.

### **Right of Appeal**

Upon receipt of this reply, if you are not content with the outcome or the decision made, you are entitled to seek an internal review under Section 21(7) of the Act. A request for an internal review should be made within four weeks of the date of this decision to:

**FOI Unit  
Department of Finance  
Upper Merrion Street  
Dublin 2  
DO2 R583**

Please include the FOI reference number with your request for internal review. The making of a late request for internal review may be permitted in certain circumstances. If your request relates to non-personal information you are liable for a fee of €30 (€10 for Medical Card holders) when you request an internal review. Payment for requests which were submitted for non-personal information in a private capacity, can be made by way of bank draft, money order, postal order or personal cheque, and made payable to Department of Finance. However, requests which were submitted for non-personal information in a professional or representative capacity can only be accepted by electronic means to the following account:

#### **BANKING DETAILS FOR ELECTRONIC PAYMENTS: Finance (Finance EFT Receipts)**

Name: Danske Bank  
IBAN: IE35DABA95199040004901  
Account: 40004901  
Sort Code: 951990  
BIC: DABAIE2D

If you are unhappy with the response you receive to your internal review request, you have a right to appeal to the Office of the Information Commissioner. This appeal must be made within 6 months of the date of the internal review decision and may be made by writing to:-

**Mr. Peter Tyndall, Information Commissioner, 6 Earlsfort Terrace, Dublin 2, D02 W773.**

If your request relates to non-personal information you are liable for a fee of €50 (€15 for Medical Card holders) and this fee is payable to the Office of the Information Commissioner on lodging your appeal.



### **Publication of Decisions**

In accordance with our obligations under Section 8 of the FOI Act, it is the intention of the Department of Finance to publish FOI decisions relating to non-personal records. Such decisions will be published in our Disclosure Log on our website and are available at <https://www.gov.ie/en/collection/19fcb4-foi-decisions/>

Yours sincerely,

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John O'Neill  
Department of Finance

**FOI Request Reference: 21-274**

Your request sought:

*“a copy of any records held in the email account of the minister with regard to the possibility of introducing new taxation/interest rules regarding inter-family loans.*

*This request to cover the period 1 July 2021 to the date of receipt of the request.”*

**Schedule of Records:**

**Summary of Decision Making**

| <b>Rec. No.</b> | <b>Brief description and date of record</b>   | <b>File Ref</b> | <b>No. of pages</b> | <b>Decision: Grant/Part Grant/Refuse</b> | <b>Basis of Refusal: Section of Act</b> | <b>Reason for Decision</b>   | <b>Public Interest Considerations</b><br><br>(for and against release) | <b>Record Edited/ Identify Deletions</b> |
|-----------------|---|-----------------|---------------------|--|---|--|--|--|
| 1               | Email to Minister re <i>Government Interference in the Financial Affairs of the Family</i> on 23 November | eCorrespondence | 2                   | Part Grant                               | Section 37(1)                           | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter.   | 1,2                                      |
| 1a              | Response from Ministers Office to email in Record 1   | eCorrespondence | 2                   | Part Grant                               | Section 37(1)                           | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter.   | 1,2                                      |
| 2               | Email to Minister re  | eCorrespond     | 2                   | Part Grant                               | Section 37(1)                           | The record contains  | See decision letter.   | 1,2                                      |

|    |  |                 |   |            |               |  |                      |     |
|----|--|-----------------|---|------------|---------------|--|----------------------|-----|
|    | <i>Proposed tax on deposit gifts from ATM Mum and Dad on 23 November</i>                     | ence            |   |            |               | personal information. The release of this information would not enhance the transparency of the FOI process.                     |                      |     |
| 2a | Response from Ministers Office to email in Record 2  | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 3  | Email to Minister re <i>revenue issue</i> on 11 November                                     | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 3a | Response from Ministers Office to email in Record 3  | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 4  | Email to Minister re <i>Tax change to see clampdown on bank of Mum and Dad</i> on 9 November | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 4a | Response from Ministers Office to email in Record 4  | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not  | See decision letter. | 1,2 |

|    |   |                 |   |            |               |  |                      |     |
|----|---|-----------------|---|------------|---------------|--|----------------------|-----|
|    |   |                 |   |            |               | enhance the transparency of the FOI process.   |                      |     |
| 5  | Email to Minister re <i>Finance Act - CAT Issue</i> on 1 November                   | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 5a | Response from Ministers Office to email in Record 5                                 | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 6  | Email to Minister re <i>Interest on loans to adult children</i> on 8 November       | eCorrespondence | 1 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1   |
| 6a | Response from Ministers Office to email in Record 6                                 | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 7  | Email to Minister re <i>Amendments to Section 62 of finance bill</i> on 15 November | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |

|    |   |                 |   |            |               |  |                      |     |
|----|---|-----------------|---|------------|---------------|--|----------------------|-----|
| 7a | Response from Ministers Office to email in Record 7                                   | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 8  | Email to Minister re <i>Finance Bill/Capital Acquisitions Tax</i> on 26 October       | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 8a | Email to Minister re <i>Finance Bill/Capital Acquisitions Tax (CAP)</i> on 1 November | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 8b | Response from Ministers Office to emails in Records 8 & 8a                            | eCorrespondence | 2 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1,2 |
| 9  | Email to Minister on 13 November  | eCorrespondence | 1 | Part Grant | Section 37(1) | The record contains personal information. The release of this information would not enhance the transparency of the FOI process. | See decision letter. | 1   |
| 9a | Response from Ministers Office to email in Record 10                                  | eCorrespondence | 1 | Part Grant | Section 37(1) | The record contains personal information. The release of this  | See decision letter. | 1   |



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|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  | information would not enhance the transparency of the FOI process. |  |  |
|--|--|--|--|--|--|--|--|--|

**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Government Interference in the Financial Affairs of the Family.  
**Date:** Tuesday 23 November 2021 11:07:33

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eCorr Fln John O'Neill AP

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**From:** [REDACTED]  
**Sent:** Tuesday 23 November 2021 01:04  
**To:** [REDACTED] Minister (DFIN) [REDACTED]  
**Subject:** Government Interference in the Financial Affairs of the Family.

Minister Donohoe,

On Sunday last, 21-11-21, RTÉ's Financial Correspondent Brian Finn wrote an article titled: Is the Bank of Mum & Dad still in line for a tax hit?

Here is the link: [Is the Bank of Mum & Dad still in line for a tax hit? \(rte.ie\)](https://www.rte.ie/news/2021/11/21/1007000-is-the-bank-of-mum-and-dad-still-in-line-for-a-tax-hit/)

In it he claims that "the government's Finance Bill put the spotlight on the 'Bank of Mum and Dad' - specifically on how it does its business and the tax treatment of such."

He claims the government and Revenue were concerned about parents lending to their children for various reasons and how loans like these could constitute gifts and could negate tax liabilities of the lender. Also, how loans from parents to children for property can inflate prices.

Minister, in the name of all that is just and reasonable, what fresh hell is this?! What is it with modern governments that they have this compulsion to meddle in every facet of human society, family life and the individual? Is there no area, sector or activity that government can resist getting its grubby little hands into?

By what political philosophy does the government imagine it has the right to micromanage every area of human activity?

According to the article the reason why the proposal was dropped, for now, was because "There was no obvious benefit to the Exchequer".

How about this reason: It's none of your damn business!

If a parent uses their hard earned, previously taxed money to lend or gift it to their child; what right has the government to interfere?

Furthermore, the reason why the child needs the loan or gift is because they are struggling in so many ways due to the abject failure of this and successive governments in delivering their basic needs, such as housing and health.

Instead of dealing with the real issues, such as the giant Ponzi scam, that is the financial system, with its multitude of glaring injustices, inherent fraud and corruption, (how do you think this perpetual credit/debt system is going to end! €250 BILLION in debt as a nation, good grief!) the government is investigating this threat to the financial system that is "The Bank of Mum and Dad". I suppose we can't let the peasants get one up, now can we!

Minster, you and this government never cease to amaze me! If a scintilla of the ingenuity shown by this government in coming up with new and exciting ways to cripple the people with taxes was applied to actually helping us, we'd all be far better off in every way, both the people and the government.

As was reported in the article: "No reason was given by the Minister for Finance for rowing back on the plan, other than that it needed further examination."

Well, if I may contribute to this further examination by saying: For the good of relations between the people and government leave this alone. Let it be. I`m sure you can wrangle a few more shillings out of the real banks instead, who after being bailed out by us are now rolling in the money once again, while we the plebs still eke out a living, on the crumbs that fall from their tables. For shame, Minister!



**From:** Minister for Finance [REDACTED] >

**Sent:** 10 December 2021 16:29

**To:** [REDACTED]

**Subject:** FIN-MO-06124-2021

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Our Ref: FIN-MO-06124-2021

[REDACTED]  
[REDACTED]  
  
Dear [REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to reply to your email of 23rd November regarding a proposed Finance Bill amendment concerning CAT and interest free loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent to make the loan i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I hope this clarifies the position.

Yours sincerely

Alex Costello

Private Secretary to the Minister for Finance

**A Member of the Minister for Finance staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).**

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[REDACTED]

*Tá an fhaisnéis atá sa ríomhphost seo (agus in aon cheangaltáin) faoi rún agus is don fhaighteoir/do na faighteoirí beartaithe é agus é/iad sin amháin. Mura tusa an faighteoir beartaithe, níor cheart duit an teachtaireacht seo ná aon chuid di a úsáid, a nochtadh, a chóipeáil, a dháileadh ná a choinneáil. Sa chás gur trí earráid a fuair tú an ríomhphost seo, tabhair fógra dom láithreach faoi sin agus scríos gach cóip den ríomhphost seo ó do ríomhchóra(i)s. Tabhair faoi deara go bhféadfaidh an ríomhphost seo agus aon fhreagra air bheith faoi réir iarraidh ar a eisiúint de bhun an Achta um Shaoráil Faisnéise*

**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Proposed tax on deposit gifts from ATM Mum and Dad  
**Date:** Tuesday 23 November 2021 12:28:14

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eCorr FIN John O'Neill AP

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**From:** [REDACTED]  
**Sent:** Tuesday 23 November 2021 12:03  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** Proposed tax on deposit gifts from ATM Mum and Dad

Dear Minister,

I understand the revenue are keen to penalise parents who help offspring by helping them with a deposit for a house'. I am one of those parents. I managed to save whatever money I have by getting up early in the morning and working hard and saving whatever I could afford. [REDACTED]

[REDACTED]. I never asked the state for anything and my wife and I provided our own home and paid for it.

We have a son [REDACTED]

[REDACTED] I want to help him and horrified at what the revenue want to do - pick the easy fruit from the bottom branches of the tree.

I think this government should look at the the consequences of this proposal. Its a very clever thought if you are in a well paid job but they need to think of those who are well less off. On the political side ye will be shooting yourselves in both feet with grey haired segment of society and FF and FG will be on the opposition benches. I dont fancy voting for the SF so will have to go for the independent candidates.

I may never get a reply to this email but anyhow.

[Redacted]

Best wishes ,

[Redacted]

**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 09:34

**To:** [REDACTED]

**Subject:** FIN-MO-06128-2021

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Our Ref: FIN-MO-06128-2021

[REDACTED]  
[REDACTED]  
Dear [REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to reply to your email of 23rd November regarding a proposed Finance Bill amendment concerning CAT and interest free loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent to make the loan. i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I hope this clarifies the position.

Yours sincerely,

Alex Costello

Private Secretary to the Minister for Finance

***A Member of the Minister for Finance's staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).***

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[REDACTED]



*note that this email and any reply thereto may be subject to a request for release pursuant to the Freedom of Information Act.*

*Tá an fhaisnéis atá sa ríomhphost seo (agus in aon cheangaltáin) faoi rún agus is don fhaighteoir/do na faighteoirí beartaithe é agus é/iad sin amháin. Mura tusa an faighteoir beartaithe, níor cheart duit an teachtaireacht seo ná aon chuid di a úsáid, a nochtadh, a chóipeáil, a dháileadh ná a choinneáil. Sa chás gur trí earráid a fuair tú an ríomhphost seo, tabhair fógra dom láithreach faoi sin agus scríos gach cóip den ríomhphost seo ó do ríomhchóra(i)s. Tabhair faoi deara go bhféadfaidh an ríomhphost seo agus aon fhreagra air bheith faoi réir iarraidh ar a eisiúint de bhun an Achta um Shaoráil Faisnéise*

**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: revenue issue  
**Date:** Thursday 11 November 2021 13:34:58

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eCorr FIn John O'Neill AP

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**From:** Paschal Donohoe [REDACTED]  
**Sent:** Thursday 11 November 2021 11:08  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** FW: revenue issue

Hi

Please see below from Senator Dooley

Regards

Henry

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**From:** Timmy Dooley [REDACTED]  
**Sent:** Thursday 11 November 2021 11:07  
**To:** Minister for Finance [REDACTED]  
**Subject:** revenue issue

Dear Minister,

I have been contacted by some concerned constituents about the proposed change to apply a tax on loans / gifts from parents to children to assist them to purchase a home.

I would appreciate if you could review the sample correspondence below and revert back to me with your comments.

Many thanks for your consideration of this issue.

I look forward to hearing from you.

Yours sincerely,

Timmy Dooley



My concern is as follows:

Looking at the news item in the Independent, (which also quotes the item as being in the Irish Times), it appears that a change in the Finance Act, Amendment 62, is due to come into force next year. I will add the link below to the Independent news item.

Basically, what this change means is that parents will longer be allowed to assist their children to provide themselves with a home.

This is an obstacle to people who are attempting to obtain their own home. Surely the Government should be trying to assist people to house themselves, rather than for these people to become a burden on the state by seeking Social Houses.

The benefit to Revenue in the current economic climate, with almost zero interest rates at financial institutions, will be negligible. What is concerning is how will this pan out if interest rates return to 'normal'?

The Association of Chartered Accountants have stated that this will place 'an onerous burden' on people in employing accountants to calculate the liability for Revenue purposes.

I would have thought that if parents are in a position to assist their children to obtain a home, then that would relieve the Government of its obligation to assist people seeking to house themselves. These parents, who are now in their 'twilight' years, have worked all their lives and paid their taxes, but now this money will be taxed once again.

This does not sound like 'joined-up' thinking and is a retrograde step. It will not benefit Revenue to any great extent, but will create unnecessary ill feeling and stress on younger people who are already under extreme stress, and distress, paying exorbitant rents, or seeking to house themselves.

<https://www.independent.ie/business/personal-finance/tax/planned-tax-change-to-put-squeeze-on-soft-loans-from-the-bank-of-mum-and-dad-41035108.html>

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Regards,

[REDACTED]

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## Summary

Revenue Issue - The proposed change to apply a tax on loans / gifts from parents to children to assist them to purchase a home.

## Documents

| Name       | Created    | Type           |
|------------|------------|----------------|
| [Redacted] | 11/11/2021 | Correspondence |

## Reply

FIN-MO-06002-2021

Dear Timmy,

I refer to your email of 11th November 2021 on behalf of your constituents regarding a proposed Finance Bill amendment concerning CAT and the treatment of Interest-Free Loans from parents to children.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent make the loan. i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I hope this clarifies the position.

Yours sincerely

Paschal Donohoe TD

Minister for Finance

CONTACT

Senator Timmy Dooley

[View All Contact Details](#)

CASE STATUS

**Approved**

ASSIGNED TO

**Ministers Office**

TYPE

**Representation**

ACKNOWLEDGED

**No**

DUE DATE

**25/11/2021**

CATEGORY

**Tax Policy**

TOPIC

**Tax Admin policy**

[View All Case Details](#)

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[Redacted]

**From:** Minister (DFIN) [Redacted]  
**Sent:** Wednesday 10 November 2021 08:49  
**To:** [Redacted]  
**Subject:** FW: The Irish Times: Tax change to see clampdown on bank of Mum and Dad

eCorr FIN John O'Neill AP

-----Original Message-----

**From:** Paschal Donohoe [Redacted]  
**Sent:** Tuesday 9 November 2021 20:40  
**To:** Minister (DFIN) [Redacted]  
**Subject:** FW: The Irish Times: Tax change to see clampdown on bank of Mum and Dad

Hi

Please see below

Henry

-----Original Message-----

**From:** [Redacted]  
**Sent:** Tuesday 9 November 2021 16:06  
**To:** Leo Varadkar [Redacted]  
**Cc:** Paschal Donohoe [Redacted]  
**Subject:** The Irish Times: Tax change to see clampdown on bank of Mum and Dad

Dear Pascal and Leo,

I was shocked to read the Irish Times article re tax change to see clampdown on bank of Mum and Dad - see below link.

<https://eur04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.irishtimes.com%2Flife-and-style%2Fhomes-and-property%2Ftax-change-to-s&data=04%7C01%7Cpaschal.donohoe%40oireachtas.ie%7C78d69b35c98b482f22a108d9a3a338b2%7Cce71ecf00b9747b2966cb4ecc8db23f2%7C1%7C0%7C637720743690676316%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6I1haWwiLCJXVCi6Mn0%3D%7C1000&reserved=0&sdata=DwUqTBqhdmeBtBVqEZTRM>  
ee-clampdown-on-bank-of-mum-and-dad-1.4720616

This is no way to treat hard working parents who have being careful to save during their working life or their children " the people who get up early in the morning".

So disappointed,

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Tax change to see clampdown on bank of Mum and Dad via The Irish Times

<https://eur04.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.irishtimes.com%2Flife-and-style%2Fhomes-and-property%2Ftax-change-to-s&data=04%7C01%7Cpaschal.donohoe%40oireachtas.ie%7C78d69b35c98b482f22a108d9a3a338b2%7Cce71ecf00b9747b2966cb4ecc8db23f2%7C1%7C0%7C637720743690676316%7CUnknown%7CTWFpbGZsb3d8eyJWljoIMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEhaWwiLCJXVCi6Mn0%3D%7C1000&reserved=0>  
ee-clampdown-on-bank-of-mum-and-dad-1.4720616

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**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 10:15

**To:** [REDACTED]

**Subject:** FIN-MO-05978-2021

---

Our Ref: FIN-MO-05978-2021

[REDACTED]

[REDACTED]

[REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to reply to your email of 9<sup>th</sup> November regarding a proposed Finance Bill amendment concerning CAT and the treatment of Interest-Free Loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent to make the loan i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I trust this clarifies the position.

Yours sincerely,

Alex Costello  
Private Secretary to the Minister for Finance

***A Member of the Minister for Finance's staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).***

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[REDACTED]



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**From:** [Kieren Mee \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Finance Act - CAT Issue  
**Date:** Tuesday 2 November 2021 09:01:35  
**Attachments:** [image002.png](#)

---

eCorr FIN John O'Neill AP

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**From:** Fiona O'Connor (DFIN) [REDACTED]  
**Sent:** Monday 1 November 2021 19:16  
**To:** Kieren Mee (DFIN) [REDACTED]  
**Subject:** FW: Finance Act - CAT Issue

Hi Kieren,

Hope you're well.

Would you be able to send this query up to Cathal Sheridan's team? I know the Minister got an eSub on this (00694) so if they would provide a note in response to Deputy Richmond, I'd appreciate it.

Thank you

---

**From:** Fiona Campbell [REDACTED]  
**Sent:** Monday 1 November 2021 15:51  
**To:** Fiona O'Connor (DFIN) [REDACTED]  
**Subject:** Finance Act - CAT Issue

Hi Fiona,

I wonder would you be able to shed any light on this issue that's been flagged with us regarding the Finance Bill?

This issue is the amendment of the treatment of interest-free loans and their impact on Capital Acquisitions Tax/Inheritance Tax, in particular reference to those who receive loans from family to purchase a home.

It has been raised with us that, "it appears that the reference point for calculation of the benefit of interest free loans will now be the best borrowing rate rather than the deposit rate. This is a very significant change given that deposit rates are now close to zero, whereas borrowing rates are significantly higher."

I wouldn't be too familiar with this and I'm wondering if you could look into it for us? Would there be a possibility of this being eased in or something of that sort?

Anything you could get us on this would be great.

Thanks for your help as always

Kind Regards,

Fiona

 **Fiona Campbell**

*Parliamentary Assistant to **Deputy Neale Richmond***

*T.D. for Dublin Rathdown &*

*Spokesperson on European Affairs*



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**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 09:40

**To:** Mr. Neale Richmond T.D. [REDACTED]

**Subject:** FIN-MO-05889-2021

---

Our Ref: FIN-MO-05889-2021

Mr. Neale Richmond  
[REDACTED]

Dear Neale,

I wish to refer to correspondence received from your office on 1st November regarding a proposed Finance Bill amendment concerning CAT and interest free loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent to make the loan. i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I trust this clarifies the position.

Yours sincerely,

Paschal Donohoe TD  
Minister for Finance

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[REDACTED]



**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Interest on loans to adult children  
**Date:** Tuesday 9 November 2021 09:19:37

---

eCorr FIN Sorsha Foran AP

-----Original Message-----

**From:** Paschal Donohoe [REDACTED]  
**Sent:** Monday 8 November 2021 20:36  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** FW: Interest on loans to adult children

Hi

Please see below

Henry

-----Original Message-----

**From:** [REDACTED]  
**Sent:** Monday 8 November 2021 18:45  
**To:** Paschal Donohoe [REDACTED]  
**Subject:** Interest on loans to adult children

Dear Minister,

It is with anger and huge disappointment that I read today that parents are to be asked to charge children interest on loans that they may be in the position to offer their family members.

Interest on these loans will then be liable to 33.3% tax . How can you think this is fair ? If my husband and myself want to give a loan on money that we have earned and paid tax on to our children what right have you to charge interest on this money .

My daughter and her partner , both in well paid jobs , in their 30s are welcome to any help we can give them. We are only delighted to help them as they are great young people .

Fortunately we can gift them money and will not require any pay back but we are incensed at the audacity of this plan .

Hopefully minister when your children are in their 30s you will remember this 'stroke ' and feel as we do that you are robbing us hard working people right left and centre .

I am forwarding you a little clip from 'the Simpson's ' please watch and take note !!

Yours

[REDACTED]

Sent from my iPhone

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**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 10:18

**To:** [REDACTED]

**Subject:** FIN-MO-05965-2021

---

Our Ref: FIN-MO-05965-2021

[REDACTED]  
[REDACTED]  
Dear [REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to reply to your email of 8<sup>th</sup> November regarding a proposed Finance Bill amendment concerning CAT and the treatment of Interest-Free Loans to adult children.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent to make the loan i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I trust this clarifies the position.

Yours sincerely,

Alex Costello  
Private Secretary to the Minister for Finance

***A Member of the Minister for Finance's staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).***

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[REDACTED]

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**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Minister Simon Harris on behalf of [REDACTED] "Amendments to Section 62 of finance bill"  
**Date:** Monday 15 November 2021 14:30:51

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eCorr FIN John O'Neill AP

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**From:** Simon Harris [REDACTED]  
**Sent:** Monday 15 November 2021 12:07  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** Minister Simon Harris on behalf of [REDACTED] "Amendments to Section 62 of finance bill"

Dear Minister Donoghue,

This letter to you is in reference to a new representation on behalf of [REDACTED] regarding Amendments to Section 62 of finance bill.

My Constituent is seeking further information on the how the proposed amendments to section 62 of the finance bill will impact tax payers. The details are as follows:

*I read in the Independent yesterday that "The amendment at Section 62 of the Finance Bill" will come into effect early in 2022 and which "proposes a change to the current practice of determining the value of an interest-free or low-interest loan."*

*Having no financial qualifications, I find this article and the matter to which it pertains, very confusing and I would appreciate your interpretation on the matter as a serving government minister.*

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

***It is disgraceful to think that young, hard-pressed adults and parents cannot afford to put a roof over their heads for themselves and their children while paying the top rate of income tax and who may now be faced with a burden of additional tax because they have been fortunate enough to avail of a legitimately provided mortgage by their parents.***

I look forward to hearing from you.

Kind regards,

Aideen Nicholson,

Constituency Office, Minister Simon Harris TD

[REDACTED]  
[REDACTED]

Twitter: @SimonHarrisTD

Facebook: [www.facebook.com/DeputySimonHarris](http://www.facebook.com/DeputySimonHarris)

E Mail [REDACTED]

If you have provided me with an email address or other personal information I may store this on a secure electronic database and use it to contact you on other issues related to my work as a public representative. I do this to help keep you informed about issues on which I am working. I do not use this information for any reason unrelated to my work as a public representative. I understand that you may or may not wish to receive this information, if you do not wish to receive these further communications please feel free to let me know by email or telephone.

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**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 10:34

**To:** Mr. Simon Harris T.D. [REDACTED]

**Subject:** FIN-MO-06037-2021

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Our Ref: FIN-MO-06037-2021

Mr. Simon Harris TD

Minister for Further and Higher Education, Research, Innovation and Science

[REDACTED]

Dear Simon,

I refer to your email of 15th November 2021 on behalf of your constituent [REDACTED] regarding a proposed Finance Bill amendment concerning CAT and interest free loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent make the loan. i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I trust this clarifies the position.

Yours sincerely,

Paschal Donohoe TD  
Minister for Finance

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[REDACTED]

*ríomhphost seo ó do ríomhchóra(i)s. Tabhair faoi deara go bhféadfaidh an ríomhphost seo agus aon fhreagra air bheith faoi réir iarraidh ar a eisiúint de bhun an Achta um Shaoráil Faisnéise*

**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Finance Bill/Capital Acquisitions Tax  
**Date:** Tuesday 26 October 2021 15:58:47

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eCorr FIN John O'Neill AP

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**From:** Darragh O'Brien [REDACTED]  
**Sent:** Tuesday 26 October 2021 13:35  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** FW: Finance Bill/Capital Acquisitions Tax

Dear Minister,

Please see the below email for your attention and direct reply.

Kind Regards,

Darragh



Dublin Fingal



FIANNA Fáil  
THE REPUBLICAN PARTY

## Darragh O'Brien TD

Minister for Housing,  
Local Government and Heritage



Dáil Éireann, Leinster House,  
Kildare Street, Dublin 2.

☎ 01 618 3802

🌐 [www.darraghobrien.ie](http://www.darraghobrien.ie)

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- ☎ [Brigid.Manton@cllrs.fingal.ie](mailto:Brigid.Manton@cllrs.fingal.ie) (Swords Ward)
- ☎ [Brian.Dennehy@cllrs.fingal.ie](mailto:Brian.Dennehy@cllrs.fingal.ie) (Rush/Lusk Ward)
- ☎ [darraghbutler1@gmail.com](mailto:darraghbutler1@gmail.com) (Swords Ward)
- ☎ [Eoghan.O'Brien@cllrs.fingal.ie](mailto:Eoghan.O'Brien@cllrs.fingal.ie) (Howth/Malahide Ward)

**\*\*\*Coronavirus (COVID-19)\*\*\***

[www.hse.ie](http://www.hse.ie) for further updates

**Protect yourself and others**

**\*\*Wash your hands\*\***

- After coughing or sneezing
- Before and after eating
- Before and after preparing food
- If you were in contact with someone who has a fever or respiratory symptoms (cough, shortness of breath, difficulty breathing)

- After being on public transport or in a crowd (especially an indoor crowd)
- If you have handled animals or animal waste
- Before having a cigarette or vaping
- If your hands are dirty
- After toilet use

I'd like to stay in touch with you. If you do not wish to receive any further information or contact from me, please email 'STOP' to this address.

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---

**From:** [REDACTED]

**Sent:** Tuesday 26 October 2021 12:24

**To:** Darragh O'Brien [REDACTED]

**Subject:** Finance Bill/Capital Acquisitions Tax

As Minister for Housing you may be interested is a provision buried in the above Bill which will affect a very large number of families throughout the country who have provided zero interest rate loans to their children to purchase houses.

At present the benefit on such loans is calculated by reference to the current DEPOSIT RATES, which are now zero. It is now proposed that the benefit be calculated by reference to the BORROWING RATE which is approximately 3%

For example, on a €100k zero interest loan at present the calculation would result in zero benefit as the deposit rates are zero, whereas on the same loan, where the reference borrowing rate is deemed to be 3%, the benefit would be €3k. This has enormous consequences for families. Furthermore as Minister for Housing you must be concerned that hard working families who are helping their children purchase houses not be penalised in this way.

If there is a concern that large loans be caught

I suggest that a cap be placed on loans that would be subject to the "deposit calculation". This could be the inheritance limit of say €330k.

This would ensure that the vast amount of families would be relieved from this burden while catching the larger transactions.

I hope you will find a way to get the proposed legislation amended, as it not only penalises the vast number of families who are helping their children purchase houses but it also runs contrary to your objective of opening as many sources of finance as possible for people to acquire houses.

I would appreciate an acknowledgement and an update in due course.

Thank you.

[REDACTED]

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**From:** [Minister \(DFIN\)](#)  
**To:** [REDACTED]  
**Subject:** FW: Finance Bill/Capital Acquisitions Tax (CAP)  
**Date:** Tuesday 2 November 2021 14:00:35

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eCorr FIN John O'Neill AP

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**From:** Hildegard Naughton [REDACTED]  
**Sent:** Monday 1 November 2021 16:44  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** FW: Finance Bill/Capital Acquisitions Tax (CAP)

Dear Minister,

Please find hereunder, correspondence received from a constituent. As this matter falls within your area of responsibility, we are forwarding for your attention and direct reply.

Kind regards,

**Office of Hildegard Naughton TD**

Minister of State at the Department of Transport  
Galway West – South Mayo Constituency

Please note that in accordance with the EU General Data Protection Regulation (GDPR) requirements, the information contained herein is to be shared with the applicant only and is not to be disclosed to any third party under any circumstances

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**From:** [REDACTED]  
**Sent:** Monday 1 November 2021 14:26  
**To:** Hildegard Naughton [REDACTED]  
**Subject:** Finance Bill/Capital Acquisitions Tax (CAP)

Minister,

I wish to draw your attention to the CAP provision in the above Bill which, if enacted, severely impact a vast number of hard working families who have extended interest free loans to their children to buy houses. In many instances parents have borrowed the moneys that they have lent to their children.

The following example illustrates the impact.

At present the gift value of an interest free loan is calculated by reference to the prevailing deposit rate. As the deposit rates are zero there is no deemed benefit. Under the proposed provision the benefit is calculated by reference to the BORROWING rate, which are of the order of 3%. This means that on a loan of say €100k the benefit increases from zero to €3k!

Families, many of whom like myself are FG supporters will be severely impacted.

If the Govt. wish to catch large transactions they could cap such loans at say €330k-the inheritance limit. I am not asking that the inheritance limit be lifted (even though it was in the FG manifesto) I am merely asking that the current arrangements remain in place-particularly for the smaller run of the mill transactions.

It is time that FG took a firmer stand on these issues and stood up against all those politicians

who only want to attack the hard working people.

I request that you speak out on this issue and get this provision scrapped. It was clearly inserted by some bureaucrat who hoped it would not be noticed.

Thank you.



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**From:** Minister for Finance [REDACTED]

**Sent:** 13 December 2021 10:42

**To:** [REDACTED]

**Subject:** FIN-MO-05840-2021

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Our Ref: FIN-MO-05840-2021

[REDACTED]  
[REDACTED]

Dear [REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to reply to your emails of 26 October to Minister Darragh O'Brien and of 1st November 2021 to Minister of State Hildegard Naughton which were both forwarded to this Department for direct reply on the issue of CAT and interest free loans.

The background to this amendment was the view that the current method for valuing the free use of cash in the form of an interest-free or low interest loan for CAT purposes should be aligned with standard revenue practice for valuing other gifts, i.e. the value to the beneficiary of the gift rather than what it costs the disponent to make the loan. For instance, where a person is provided with the free use of a house, this gift is valued at what it would cost the beneficiary to rent an equivalent property on the open market. The same principle applies in relation to the free use of a car where open market rental rates are used.

You should note however, that the amendment has since been withdrawn as it has become clear that the current drafting has the potential to create inconsistencies as to how it will be applied, with the potential for variation in rates being used. For instance, determining the value of an interest-free loan to buy a house could prove challenging in the context of the variety of competing financial products that are available in the market, and the different conditions that could impact on the appropriate borrowing rate to be used, depending on the particular circumstances of a case.

In summary, therefore the position remains that the value of an interest free loan is determined by reference to what it costs the disponent make the loan. i.e. Revenue will continue to accept the current best financial institution deposit rate as the best price obtainable in the open market.

I hope this clarifies the position.

Yours sincerely

Alex Costello

Private Secretary to the Minister for Finance

*A Member of the Minister for Finance staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).*

[REDACTED]

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Please acknowledge and close

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**From:** Paschal Donohoe [REDACTED]  
**Sent:** Sunday 14 November 2021 17:18  
**To:** Minister (DFIN) [REDACTED]  
**Subject:** FW: Pascal Donohoe etc

Hi

Please see below

Henry

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**From:** [REDACTED]  
**Sent:** Saturday 13 November 2021 17:17  
**To:** Paschal Donohoe [REDACTED]  
**Subject:** Fwd: Pascal Donohoe etc

----- Forwarded message -----

**From:** [REDACTED]  
**Date:** Sat, 13 Nov 2021, 17:15  
**Subject:** Pascal Donohoe etc  
**To:** [REDACTED]

Dear minister Donohoe

Very glad to hear you've postponed (hopefully permanently) the proposal to "tax" the bank of mum and dad, when parents attempt to assist their children out with financial matters etc. I'd consider such proposal's as a gross interference in people's personal and family affairs. With people already having paid tax on their earnings, also paying dirt tax on interest accrued in relation to their savings. As I say you should shelve such proposal's permanently.

Yours sincerely

[REDACTED]

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Oireachtas email policy and disclaimer. [oireachtas.ie/en/email-policy/](https://oireachtas.ie/en/email-policy/)

**From:** Minister for Finance [REDACTED]

**Sent:** 15 November 2021 11:11

**To:** [REDACTED]

**Subject:** FIN-MO-06023-2021

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FIN-MO-06023-2021

[REDACTED]  
[REDACTED]

Dear [REDACTED]

The Minister for Finance, Mr Paschal Donohoe TD, has asked me to acknowledge receipt of your correspondence received on 14<sup>th</sup> November 2021.

Yours sincerely

Alex Costello  
Private Secretary to the Minister for Finance

***A Member of the Minister for Finance's staff. The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie)).***

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