

August 8, 2014  
2014-081

**Ireland – New Law Aims to Attract Workers with Technology Skills**

by Duncan Watson, KPMG, Dublin (KPMG in Ireland is a KPMG International member firm)

## *flash* International Executive Alert

A Publication for Global Mobility and Tax Professionals by KPMG's International Executive Services Practice

The President of Ireland signed into law the Employment Permits (Amendment) Bill 2014 on 27 July 2014, which now becomes the Employment Permits (Amendment) Act 2014.<sup>1</sup>

The Act contains and authorizes new rules intended to bring about reform and modernization of Ireland's employment permits system as part of a plan to make Ireland the top global location for businesses hiring people with information and communication technology ("ICT") skills.

The legislation was examined in a previous *Flash International Executive Alert*.<sup>2</sup>

### Why This Matters

Under the terms of the Act, employers will need to adhere to new rules and procedures in respect of the hiring of skilled workers, particularly in the ICT area. Organizations and individuals interested in securing work permits in this skills area should acquaint themselves with these rules and procedures.

The formal relaxation of the 50:50 rule on workforce composition related to "start up" companies – which is described in the aforementioned May 2014 *Flash International Executive Alert* – is welcome, as previously this required specific agreement with the Department of Jobs, Enterprise and Innovation (DJEI) on a case-by-case basis.

Employers should note that the Labour Market Needs Test (LMNT) – referred to in our aforementioned May 2014 report – includes new requirements that may entail more detailed administration when employers make their applications for certain permits. There are some exceptions to the requirements as follows:

- Where the employment is in a specified skills shortage category; or
- Where remuneration is €60,000 or over; or
- Where the application has been recommended by an Enterprise Development Agency; or
- Where the applicant is a former permit holder who has been made redundant.

The LMNT will involve the formal advertisement of the role for a period in order to satisfy a requirement that a candidate has been sought first from within the European Economic Area.

Commencement orders from the Irish Employment Permit (EP) system will be effective from 1 September 2014.

*Footnotes:*

- 1 See the Act as published in the official gazette, *Iris Oifigiúil* (online), at: <http://www.irisoifigiuil.ie/currentissues/Ir290714.pdf> .
- 2 See [Flash International Executive Alert 2014-054](#), 6 May 2014.

\* \* \* \*

The information contained in this newsletter was submitted by the KPMG International member firm in Ireland. The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

*Flash International Executive Alert* is an IES publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our IES practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com> .