

Member's Newsletter

February 2023

iSME
Irish **SME** Association



Dear Member,

Firstly a note of thanks for feedback received from you the membership on the the Government's [TBESS](#) scheme to mitigate energy costs. We know it has been a difficult system to interact with, and that many members can't justify the spend on an accountant to complete a claim, but we brought your views to the attention of Department of Enterprise staff on 24th January.

As I write, our hope is that we've reached the top of the interest rate cycle, but we cannot be sure. [ECB rates](#) have been rapidly bumped up to suppress inflation. It does appear that inflation is moderating, with [Eurostat](#) putting our 2022 inflation rate at 8.2%, however "core" inflation is expected to remain high. [Department of Finance Estimates](#) forecast an overall inflation rate of 7.1% for 2023, with core inflation (i.e. excluding energy and unprocessed food) of 4.6%. It would be prudent for you to plan that into your budgeting for this year.

Business costs will remain a significant issue for all members. The 8% rise in the [National Minimum Wage on 1st January](#) will have knock-on effects on most wage packets below €30,000. [Statutory Sick Pay](#) (SSP) of three days is now an entitlement since 1st January. We recommend that businesses should look at a budgeted provision of 0.5% to 1% of payroll to cover the cost of SSP and the new [Bridget's Day Bank Holiday](#) which falls on the first Monday in every February.

Given our business and employment costs, service businesses in particular will be under pressure this year. We have therefore called for Ireland's "second reduced" rate of 9% to be [fixed as Ireland's reduced rate of VAT](#) on a permanent basis.

In February last year, the EU Commission published a Directive on due-diligence for corporate social responsibility. This is an onerous directive, which will be expensive to comply with, but the Commission sought to apply it only to large companies. However, in November, the EU Parliament published a report that would greatly widen the application of the directive- potentially to thousands of Irish SMEs- and would be ruinously expensive to comply with. ISME has [written to our Government MEPs](#) to seek their support for the Commission's proposals (as opposed to the Parliament's proposals) and we have also alerted Minister Coveney and his Department to the issue.

Don't forget- If you need money, use the [ISME FINANCE FINDER](#)!

Did you know- ISME is 30 years old this year? ISME Ltd was set up in June of 1993, and the first National Council meeting took place in Buswells Hotel on 14th December that year. We're still going strong, and hopefully will continue for just as long into the future. I will soon bring to your attention events to mark our Pearl Anniversary!

Blank Canvas Cosmetics

Brokers Ireland

care4yourhome

Carrickmacross Engineering Limited

Clever Burdy

Croom Concrete Limited

Electrical Skills Ireland

EPIC Investment Partners (Ireland) Ltd

Georgina Price College of Beauty Therapy

Karl Keaney Photography

LifeLine Relocations

Patterson Pump Ireland Ltd

RW Pierce Ltd

Sligo Leitrim Energy Agency CLG

Stressed about rising business costs?

Access up to 50% in
discounts on business
products & services
with the **ISME ADVANTAGE
Affinity programme**

**ISME members can save
now on
www.isme.ie/advantage**



Bank Watch Survey

We will be closing our Q3 Bank Watch survey in early February but there's still time to participate! We want to hear from businesses about their experiences in accessing and managing their finances during July-September 2022.

Please take the Q3 Bank Watch Survey [here](#).

ISME Business Crime Survey 2022

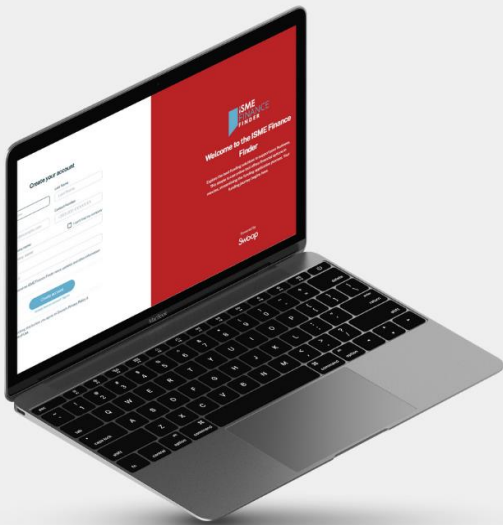
We will be publishing our annual 'Business Crime' report for 2022 in Q1 2023 based on the results of the ISME Business Crime 2022 survey. Please share your experiences with business crime during the 12 months of 2022, including any issues you've had with cybercrime [here](#).

ISME Finance Finder

Looking at planning for 2023 and beyond, then explore the funding options available to SMEs with the ISME Finance Finder powered by Swoop Funding. This online tool offers loan choices to SMEs in minutes, streamlining the funding application process.

View our series of Q&A videos with Andrea Reynolds, CEO with Swoop Funding about the online portal that explain how it works, the funding available and more [here](#).

Your funding journey starts now by going to www.isme.ie/finance-finder



Spring training from ISME Skillnet

Check out our upcoming courses in February – April for employees and business owners by going to <https://isme.ie/learning/>.

Coming up:

[Business Writing and Email Etiquette](#) on 14th February

[Microsoft Excel Advanced](#) on 27th February

[Excel: Creating And Working With Pivot Tables – An Introduction](#) on 6th March

[Microsoft Excel Intermediate](#) on 9th March

Continuation of 9% VAT rate for tourism sector

We have renewed our call for an extension to the 9% VAT rate to the whole services sector and pointed to the benefits for employment and social contributions.

ISME's CEO, Neil McDonnell commented that "The desire within the SME sector to set the reduced VAT rate at 9% was recently described in the media as the "tourism industry's interminable campaign." Far from it. There is very wide support for fixing Ireland's reduced VAT rate at 9% across the services sector. Such a measure would be good for employment, good for consumers, and best of all for the Exchequer who would reap the benefits of higher employment levels, income taxes and social contributions. This is not economic theory; it is established fact."

ISME believe there isn't a "correct" rate of VAT, in Ireland or in any other country. A perusal of Ireland's standard VAT rate shows it was at a low of 16.37% in 1972 and reached a high of 35% from 1983 to 1984. The reduced rate ranged from 5.26% in 1972 to 23% from 1983 to 1984. The "Second Reduced Rate" of 9% was introduced in July 2011, in the teeth of the Great Recession, and it delivered in spades for Ireland in maintaining and growing employment in the hospitality sector. While the Department of Finance appears keen to eliminate the 9% rate as an anomaly introduced in the Great Recession, no such enthusiasm is apparent on reducing the 23% VAT rate, despite the fact that Ireland had a standard rate of VAT of 21% for the 21 years from 1991 to 2012.

Read more about this issue [here](#).

ISME Call for exemptions for SMEs on CSDDD

We have asked Government MEPs in Brussels to reconsider the recommendations in the draft EU Parliament report on the Corporate Sustainability Due Diligence Directive (CSDDD).

ISME wrote to MEPs in January to ensure the EU Parliament secures a full SME exemption from the scope of the CSDDD and a "presumption of conformity" for products and services procured within the European Union. This follows a draft report published on the 7th November 2022 by the EU Parliament Rapporteur Ms Lara Wolters on the CSDDD, which greatly expanded the scope of the Commission's proposed Directive, and which would bring thousands of Irish SMEs within its remit.

The proposed Directive aims to foster sustainable, responsible corporate behaviour through global corporate value chains by requiring in-scope companies to identify and, where necessary, prevent, end or mitigate adverse impacts on human rights, for example on child labour or worker exploitation, and on the environment. The CSDDD also introduced new directors' duties to implement and oversee due-diligence measurements and include them in corporate strategy.

Neil McDonnell said: "ISME believes that the proposed draft report on the Corporate Sustainability Due Diligence Directive (CSDDD) is totally unjustified and would risk creating significant administrative burdens on SMEs including small and micro-enterprises through their value chains. We are calling for a full SME exemption from the scope of the directive as originally proposed by the EU Commission in February 2022."

Read full details [here](#).



Watch Back: Employment Law Update Advisory

You can view the Employment Law Update webinar with Katherine **McVeigh**, Barrister-at-Law that took place on Friday 20th January, by clicking [here](#).

Some of the areas covered in the webinar were:

- Whistleblowing and the Protected Disclosures legislation
- The recent changes to remote working
- The status of employees (whether someone is a contractor or actually deemed an employee with employment rights)
- Compensation trends for the Equal Status Act, which is garnering much media attention lately
- Illegality in employment contracts with new decisions on this
- The gender pay gap reporting- what do the new rules mean for employers in practical terms?

ISME in the news

ISME featured in the media this past month speaking some about the following subjects:

- Call for exemptions for SMEs on CSDDD
- Employers Face Charges For Car Parking Spaces In Dublin City
- Benefits of Older Employees in the Workplace
- 9% VAT Rate Extension

You can view and listen back to a selection of ISME's media coverage [here](#).

Could you benefit from a business mentor?

We are delighted to be able to run our free mentoring programme for ISME Members again in 2023. Over the past two years we successfully delivered a powerful programme providing mentoring and coaching to ISME Members. Each mentoring session consists of six hours of face-to-face coaching and mentoring.

Apply for your free mentor [here](#).

Advertise with ISME

We are currently preparing issue 20 of the bISME. If you would like to advertise in our online publication with a growing circulation. Take a look at the rate card [here](#).

Energy Supports

ISME has created an Energy section on the website with information, updates and advice to help your business during the cost of energy crisis. You can view [here](#).



Temporary Business Energy Support Scheme (TBESS)

The TBESS will assist businesses with their electricity or natural gas (energy) costs during the winter months. The scheme will be open to businesses that:

- are tax compliant
- carry on a Case I trade or Case II profession (including certain charities and approved sporting bodies in relation to certain income)
and
- have experienced a significant increase of 50% or more in their natural gas and electricity average unit price between the relevant bill period in 2022 and the corresponding reference period in 2021

Revenue will administer the scheme, which is being designed to be compliant with the European Union (EU) State Aid Temporary Crisis Framework. This means that EU Commission approval will be required for the scheme before any payments can be made to businesses.

A claim period is a calendar month from September 2022 to February 2023. A reference period is the corresponding calendar month in the previous year. For example, September 2021 is the reference period for the September 2022 claim period.

To apply for the TBESS, claims must be made through Revenue's Online Services (ROS), following these steps:

1. [Login](#) or [Register](#) for ROS
2. Then register for the TBESS
3. Complete a claim in respect of a claim period

When registering for the TBESS, the business is asked to acknowledge a request to take steps to understand and reduce its energy use by completing the Climate Toolkit 4 Business. The completion of the Climate Toolkit 4 Business is not a legal requirement and will have no impact on the assessment of a business' eligibility for the TBESS. Information on the scheme is available from Revenue [here](#) and read the guidelines [here](#).



Climate Toolkit 4 Business

Climate change is here, and its effects are devastating. We urgently need to adapt in order to reduce our contribution to greenhouse gas emissions (GHGs) and prepare for a better future. Small businesses have a big part to play. From the products we purchase, to the energy we use, and services we require, there are many ways to make a difference.

The Irish Government have developed a **Climate Toolkit 4 Business** that provides practical and cost-effective actions that every business can take to support this transformation and build resilience.

Building sustainability into your business is critical because:

- **It matters to your customers.**

Customers are looking for providers that are sustainable. You add value to your product or service by reducing its carbon impact. Customers value transparency: robustly measuring and demonstrating your emissions is good business practice.

- **It matters to your staff.**

Attracting and retaining talent depends on matching their values and expectations. Being a sustainable, environmentally conscious employer will motivate and engage your teams, while developing the skills and knowledge your company needs.

- **It can help your 'bottom line'.**

Efficiency in how your business uses material and energy resources is important. Making your business more resource efficient or providing new sustainable products or services can be cost-efficient and profitable too.

- **It makes your business more resilient.**

Long-term business success depends on adapting to market changes. The transition to low carbon will shape our economy in the next decade. Preparing now to thrive in this transition gives you a competitive advantage.

Learn more about climate change and how you can be involved [here](#).

Energy Supports

Starting your Energy Efficiency Journey

There are a number of government supports and resources available to help businesses mitigate the impact of energy price rises and become more energy efficient - whether you are beginning your journey to sustainability or at an advanced stage, find out more [here](#).

Reduce Your Use and Fund your Renewable Energy Transition.

Watch back SEAI's recent business briefing webinar called 'Reduce Your Use and Fund your Renewable Energy Transition' [here](#).

The next free workshop is *Introduction to Energy Management: Creating an Energy Action Plan* will take place on the Thursday 2nd February at 2.00pm-4.00pm.

This workshop-based training is hosted by Conor Molloy, one of Ireland's leading energy experts. Conor will take you through the six steps to creating an energy action plan.

Learn how to

1. Create the business case for energy management
2. Assign an Energy Coordinator
3. Write your energy statement
4. Track your energy consumption through bills and meter readings
5. Identify potential areas to save energy
6. Create your energy action plan

You can register [here](#).

SEAI Academy

Encourage your staff to join the **SEAI Energy Academy** where they will learn about the basics of energy efficiency, helping you embed a sustainable energy use culture within your organisation. Designed with Ireland's leading energy and e-learning experts, the Energy Academy gives you access to high-quality, on-demand energy training. Discover the skills you need to start your energy efficiency journey. Find out more [here](#).

February Events

SEAI: *Introduction to Energy Management: Creating an Energy Action Plan*, Thursday 2nd February, 2.00pm-4.00pm, register [here](#).

National Sustainability Summit, Leopardstown Racecourse, Monday 23rd February, book [here](#).

Jobs Expo Galway, Saturday, 18th February, Galmont Hotel & Spa, [book here](#).

SEAI Energy Show, 29th-30th March, RDS, details and [register here](#).

HSA Supports for SMEs

The HSA provide a wide range of support for small and medium size enterprise in Ireland and have launched new publications and topic areas including:

[Managing Hazards in the Workplace' information booklet](#) provides background information on safety management and risk assessment (section 1), and information about 9 key hazards (sections 2 to 10).

High-visibility clothing is vital and a necessary requirement in any workplace where work is carried out near or and around moving vehicles. Please read their guidance on [High visibility clothing for use around moving vehicles](#).

Silica dust is a serious hazard in particular to construction workers. Working with *silica* creates a fine dust that can very easily be breathed in, which can cause severe short- and long-term health issues if not properly managed. Please see [Silica Information Sheet](#).

Managing Stress at Work

Workplace health and safety doesn't just apply to the physical wellbeing of employees, it also applies to the psychosocial well-being. As part of this, it is important to manage all areas of the psychosocial wellbeing of employees, especially work-related stress.



Work-related stress refers to stress that is caused or made worse by work. It occurs when a person perceives the work environment in such a way that his or her reaction involves feelings of an inability to cope. It may be caused by perceived/real pressures/deadlines/threats/anxieties within the working environment. Not all pressure is negative. Pressure when properly managed can result in peak performance and can be motivating. However, over time and if not properly managed the positive motivational experience reduces and the experience can become negative. It is important that employers acknowledge that pressures can be increased as the year ends, and the positive pressure can become negative stress. The HSA invite employers to visit their section on managing work-related stress, click on the links below.

[Work-related stress](#)

[Work-related Stress Information Sheet for Employees](#)

[Work-related Stress A Guide for Employers](#)

[Psychosocial Hazards and Stress at Work short course](#)

Save with ISME

We offer many ways for ISME Members to reduce their costs and get added benefits for their business including

- 35% discount on [AA membership](#) for Roadside Rescue, Home Start & Rescue Plus Cover - *for company membership only*
- 30% discount on [website development and design subscription from XYZ](#)
- 20% discount on a range of [HR Services from MSS 'The HR People'](#)
- 10% discount on [dental services with Dublin Dental Clinic](#)
- 15% discount on [Vodafone Mobile Broadband – Simply Broadband 4G](#) & [10% discount on Vodafone Simply Broadband](#)
- 22% discount off [Big Red Cloud Annual subscription & Big Red Book Payroll](#) – *for new customers only*
- 15% discount on [HRLocker Annual License Fee](#)
- 10% discount for advertising with [Jobs.ie](#) – *for new customers only*
- Merchant services on a no contract basis, no termination fees & more with [PaymentPlus](#)

View all our Affinity programmes [here](#).

Want to be in the media?

We frequently get requests from local and national media to talk to our members about their businesses or key issues that are impacting them.

If this would interest you, please contact marketing@isme.ie



A valuable support for your employees

ISME partners with Laya healthcare and their health & wellbeing provider, SpectrumLife to provide 24/7 Mental Wellbeing Support Programme (EAP) for ISME Members. We offer unlimited access for your employees and their families to a 365 freephone EAP service, accessible via website, app, or live chat. The cost for up to 30 employees is €500 + VAT and each subsequent employee €9 per employee. Find out more [here](#).



The ISME Learning & Development service is here to help both the business owner and their employees. Whether you are looking for a short learning event, or something more detailed, you will find it here. ISME Members can receive up to 40% discount for ISME Skillnet training, view courses below.

[Introductory Certificate in Bookkeeping using Big Red Cloud](#) – On Demand

[Certificate in SME Management](#)
Dates: 08-02-2023 to 12-04-2023

[Business writing and Email Etiquette](#)
Dates: 14-02-2023

[Microsoft Excel Advanced](#)
Dates: 27-02-2023

[Excel: Creating And Working With Pivot Tables – An Introduction](#)
Dates: 06-03-2023

[Excel: Dashboards And Data Visualisation](#)
Dates: 06-03-2023

[Microsoft Excel Intermediate](#)
Dates: 09-03-2023

[Customer Service and Complaints Handling](#)
Dates: 29-03-2023

[Beginner VAT](#)
Dates: 17-04-2023

[Intermediate VAT](#)
Dates: 20-04-2023

[Advanced VAT](#)
Dates: 24-04-2023

[Business Tax](#)
Dates: 27-04-2023



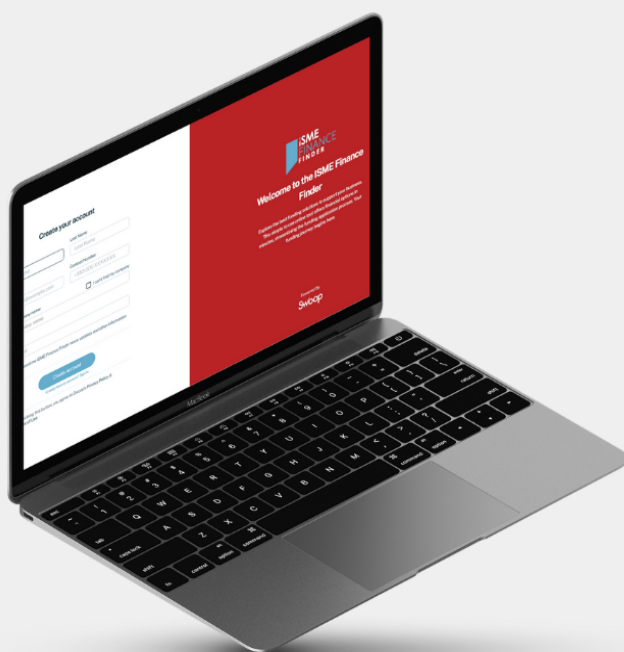
Do you want to...

start or expand your business?

improve cashflow?

acquire a business?

purchase property?



If so, your finance journey starts here

isme.ie/finance-finder