



## **ITI welcomes EU approval of BES & Seed Capital changes**

Tuesday, 28 August 2007: The Chief Executive of the Irish Taxation Institute (ITI), Mark Redmond has welcomed approval by the EU Commission to changes in the BES & Seed Capital schemes first signalled in Budget 2007.

Commenting following the Commission's decision, Mr Redmond said: "ITI welcomes confirmation of this change. As the recent Government report on BES and Seed Capital illustrated, these initiatives are key contributors to economic activity. Policies like BES are central to getting new businesses up and running. This in turn leads to job creation, new and improved services, increased exports and more revenue for the exchequer. We should do everything possible to continue to nurture and promote BES and Seed Capital schemes and Tánaiste Cowen has proven a strong advocate on this front."

A recent Government survey (see highlights below) of companies who have used BES found that over 60% of these companies employed less than 15 staff and in two thirds of cases, their annual sales were less than €1million. 40% said it encouraged them to increase their workforce. 52% of respondents said BES made them more ambitious to grow with 47% attributing BES finance as a key factor in launching new or improved products and services.

**ENDS**

**Further info:**

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### **BES Review**

The BES review, carried out by the Department of Finance in conjunction with the Department of Enterprise, Trade & Employment and the Revenue Commissioners found that:

- Those companies surveyed came from the following sectors:
  - o 58% classed themselves as manufacturing,
  - o 22% as international services,
  - o 12% as tourism projects and

- 8% as other.
- Over 70% of companies were new, being set up in the past ten years.
- One third of all firms were start-ups or in the development phase.
- The bulk of firms, over 60%, employed less than 15 staff and in two thirds of cases their annual sales were less than €1 million.
- Export sales represented 56% of output for all firms surveyed.
- 34% availed of BES for R&D investment
- 62% see a requirement for BES fundraising over the next three years with 70% indicating the total amount of equity required being less than €1million