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SPRING 2018

ECONOMIC OUTLOOK

Dr. Constantin Gurdgiev

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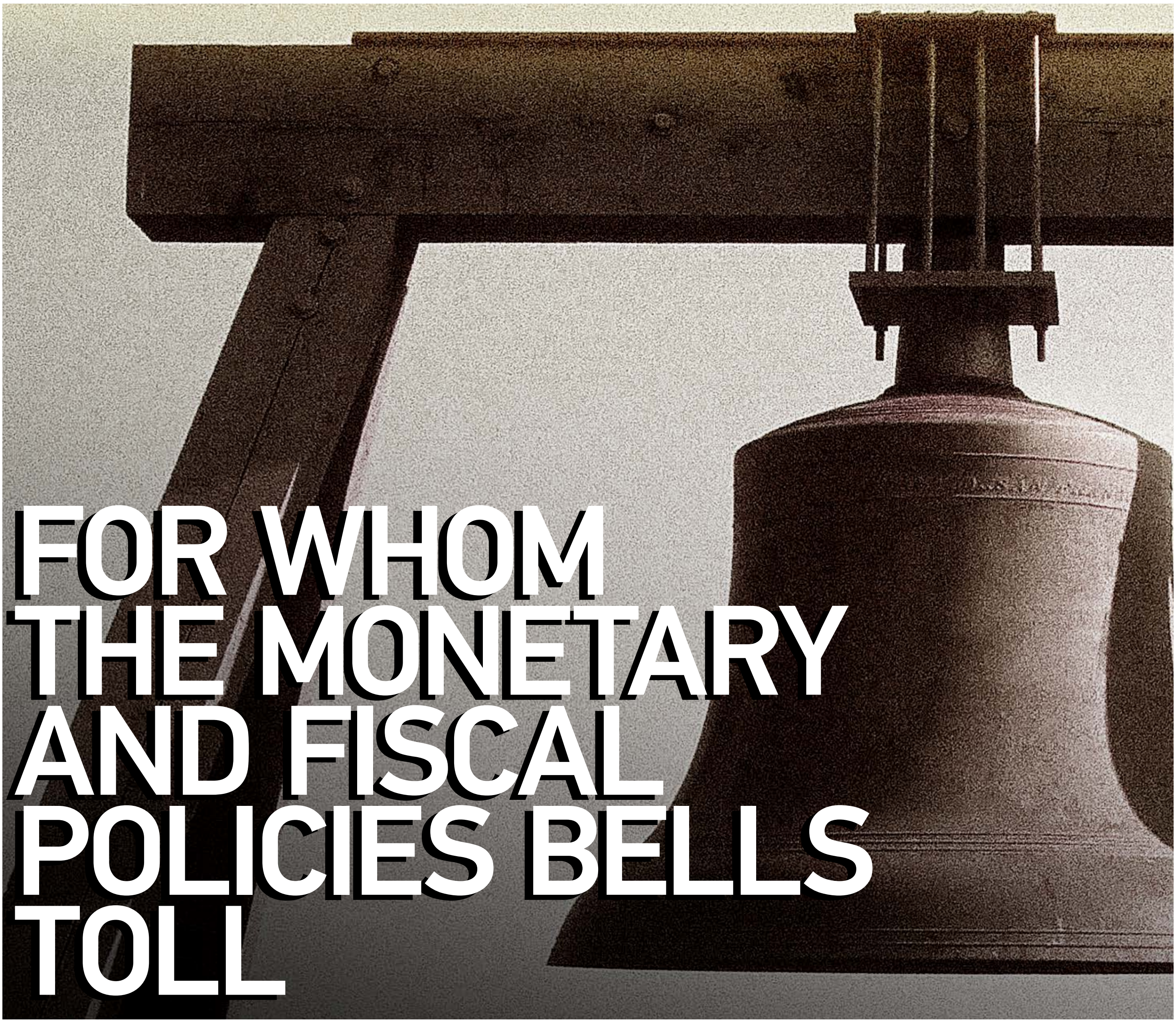
Welcome to the Spring 2018 edition of our newsletter.

This issue, as always contains articles on a wide variety of topics which I hope will be of interest to you and your business.

If you have any queries, please do not hesitate to get in touch and one of our highly experienced team at Ronan Enright Solicitors will be happy to assist you.

Ronan.

Dr. Constantin Gurdgiev



FOR WHOM THE MONETARY AND FISCAL POLICIES BELLS TOLL

While the media remains fully consumed with the tragic-comical gyrations of the U.S. Presidential politics, Russiagate scares and, occasionally, spectacular flares of financial markets volatility, the three key threats to the global economy continue to quietly build up behind the facade of public ignorance. These threats are: the continued deepening of the secular stagnation trends, the rising tide of leverage risks, and the growing concerns about a potential for monetary-fiscal policies coming off the rails. Together, these developments combine to what is threatening to become a Perfect Storm, a crisis more systemic in its nature and more painful in its impact that the 2007-2009 one.

LEVERAGE RISKS

The main source of growth across the advanced economies since the end of the Global Financial Crises has been the ultra-accommodative monetary policy of the Central Banks, ranging from direct injections of liquidity through their short-term financing operations, to an unprecedented supply of longer-term and heavily subsidised credit to the banks (e.g. ECBs LTROs and TLTROs), to provision of fiscal supports through government bonds purchases, and significant direct supports for banks' and corporate balance sheets via purchases of commercial assets. These 'innovative' policies have been deployed over and above the traditional policies of lower policy rates.

The resulting transfer of wealth from the real economy to the financial markets has been unprecedented in scale and duration. And it has also been spectacular in terms of the failure to support the real economic recovery. Stripping out the cyclical component that accounts for growth affects rising solely from the end of the Great Recession, the U.S. economy has witnessed a reduction, not an expansion, of its long term economic potential, as witnessed in the research published last month by the San Francisco Fed. Ditto for the Euro area, where the trend toward structurally (as opposed to cyclically) lower growth has been present even longer than in the U.S.

The miracle of economic dynamism we are reportedly witnessing in Japan, U.S., Europe and elsewhere is a myth: even in the best years since the crisis, global and advanced economies' real income growth has trended below the long term per-crisis average rates.

Yet, monetary policy excesses have had a dramatic impact on one side of the real economy: the leveraging up of the household and corporate balance sheets. And in a number of advanced economies, this leveraging also extended to the Governments.

Take these simple numbers: in 2018, the U.S. is on track to borrow roughly US$ 1.2 trillion, roughly the equivalent to the cumulative borrowings by all the first 37 presidents of the United States, as David Stockman noted in his recent newsletter.

As the legacy of the last 25 years, the U.S. economy is leveraged to the point of breaking. CCombined, the officially recorded level of private and public debt in the U.S. currently stands at US$ 67 trillion or nearly 3.5 times the country GDP. In 1970, the same figures were US$1.5 trillion worth of debt (in current dollars) at 1.5 multiple of the GDP.

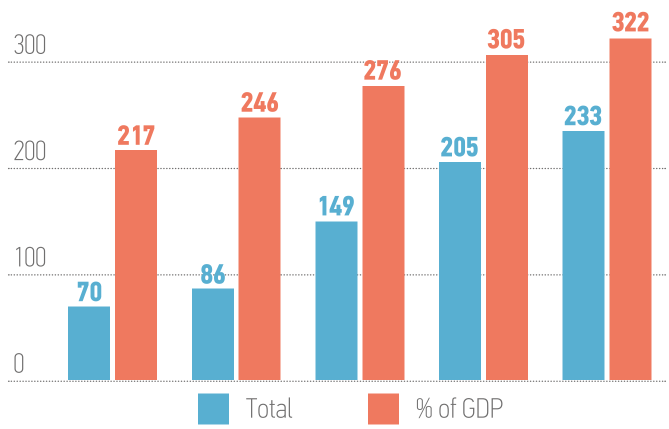
The U.S. is not unique in these terms. Across all advanced economies, excluding Germany, overall degree of leverage risk has risen by more than two-fold over the last 40-50 years. In the Euro area, degree of leveraging of the real economy has gone from c.175 percent of GDP in 1990 to over 256 percent of GDP at the end of 2016, the latest year for which we have full data. Across all advanced economies, current leverage ratio stands at 267 percent of GDP, with public debt accounting for 109 percent of GDP and private debt holding up the rest of the mountain. Worse, as noted by the IMF, the problem of debt accumulation in the developing countries has created a contagion of leverage risks to the emerging markets. Back at the start of the 2000s, emerging economies total debt to GDP ratio was around 130 percent. At the end of 2016, the number was 195 percent.

On corporate and household budgets, these levels of debt are only sustainable in the presence of ultra-low interest rates. Remove these, and both the extraction of income from the economy through debt servicing payments and the rate of defaults on debt will rise. If the Central Banks pursue this option of tightening their policies too fast, the resulting blow-up in debt-related costs risks triggering a new financial crisis. If they pursue tightening too slow, they risk continuing inflating the equity and bonds bubbles created by the monetary policies of quantitative easing.

This is not new, of course. Since 1970, the U.S. Fed balance sheet grew 85-fold, clocking average annual rate of growth of 10 percent, well in excess of 18-fold increase in the U.S. GDP, and even faster than the expansion in the cumulative private and public debt, which grew 42-fold. In simple terms, the leverage risk has risen from (US$ 1.1 trillion GDP / US$ 55 billion Fed balance sheet) one dollar in the Federal Reserve assets underpinning US$20 in economic activity 47 years ago, to the same dollar on the Fed's balance sheet underwriting just ($19.6 trillion /$4.4 trillion) backing just US$ 4.45 in GDP. Once again, this is not limited to the Fed. Latest data through 4Q 2017 shows that the U.S. Fed total assets amounted to 22.4 percent of the U.S. nominal GDP, against 38 percent for the ECB and 94./8 percent for the Bank of Japan.

CHART 1: **Total Debt, US$ trillion and percent of GDP**

Source: Institute of International Finance



Put differently, the yield on monetary policy excesses is shrinking. Economic growth is becoming less and less responsive to credit expansion.

FISCAL FORESHOCKS

As the monetary policy effectiveness falls, conventional wisdom amongst the policymakers commands switching growth drivers toward another long-term favourite: fiscal policy.

Keeping this in mind, the U.S. economy has just posted the highest rate of consumer confidence in 14 years, the U.S. weekly jobless claims fell to their lowest levels since December 1969, and the official jobless rate now sits at 4.1 percent - a seventeen year low, while wages rose 2.9 percent year on year in January. With the economy now in its ninth year of expansion, the country output gap (the difference between current growth rate and the long-term sustainable rate) is positive for the second year in a row, implying that the economy is officially in the overheating stage of the business cycle.

So what do the Neo-Keynesians in Washington DC do? Tighten fiscal belts to save resources for the upcoming downturn? Reduce deficits? Cut wasteful spending? Invest in higher efficiency systems for provision of public services?

Instead of prudent finanical management, Washington has unleashed a massive spending programme under the new Budgetary Framework that includes US$1-1.2 trillion worth of infrastructure funding, lifting the deficit caps by US$300 billion over the 2 years, plus a US$ 1.5 trillion tax cuts. The result is that the latest projections from the private sector economists, surveyed by Bloomberg, show expected fiscal deficit to exceed 5 percent of GDP in 2018 - a level of spending consistent, historically with the periods of major wars, such as the Vietnam War.

Based on October 2017 forecasts from the IMF, six out of G7 economies are expected to run fiscal deficits in 2018 and 2019. In fact, taking in rather optimistic projections from the IMF for 2018-2019, over the five years from 2015, only one out of seven largest advanced economies (Germany) is expected to post shallower average deficits when compared against the real GDP growth.

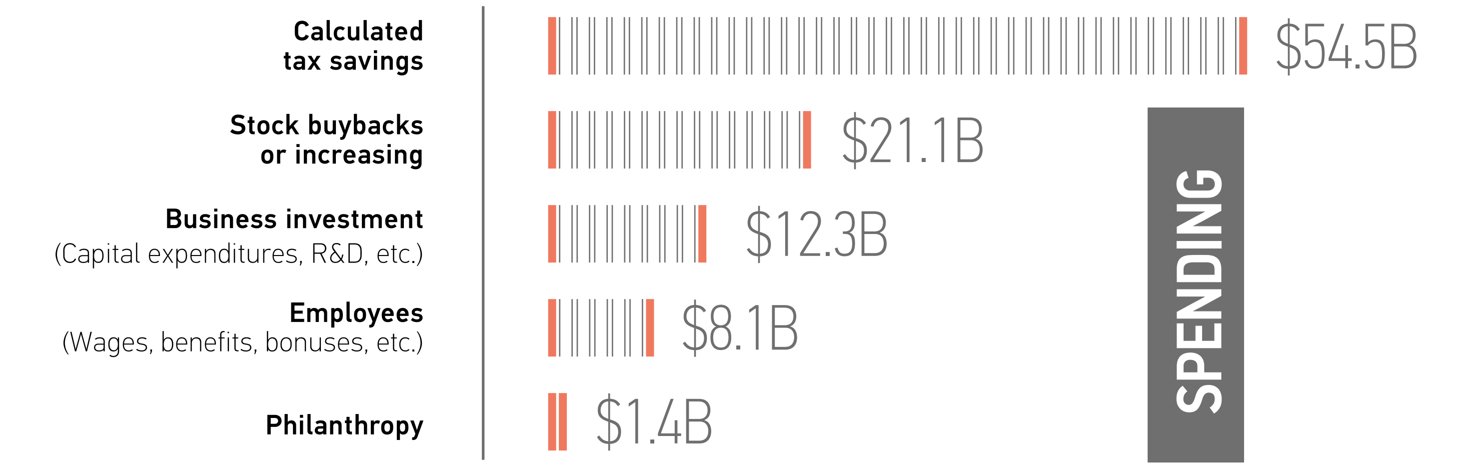
And, as is the case with the monetary policies, more recent deficits have shown a weaker ability to stimulate economic growth. On a per-dollar deficit spending, the last three years have seen weaker increases in GDP than during the previous periods in almost every advanced economy. About the only economy that has gained in its longer term economic potential and had a historically stronger period of growth since 2014 is Germany - an economy which has undergone dramatic deleveraging and has managed to turn deficits into fiscal surpluses.

Meanwhile, in the U.S., early data on the Trump Administration's largest fiscal stimulus to-date, the Tax Cuts and Jobs Act 2017 (or TCJA) is rilling in. Supportive of the secular stagnation hypothesis, the new data shows that the lion's share of the TCJA-triggered increases in corporate profits will be allocated not to increasing real investment in the economy or paying higher wages to workers, but to shares buybacks. As Bloomberg reported earlier in March, U.S. companies estimated total tax savings from TCJA of US$ 54.5 billion. Per companies' announcements, increased business investment will take some US$12.3 billion of these, while higher wages will amount to US$8.1 billion. The balance will be used to either increase shareholders' dividends or to repurchase company stock. On the net, Bloomberg research concludes that "roughly 60 percent of the gains from the tax bill are going to shareholders, compared with 15 percent for employees", with 2.5 percent more flowing to philanthropic causes. This leaves less than 23 percent of the total TCJA stimulus to fund new investment (www.bloomberg.com/gadfly/articles/2018-03-05/five-charts-that-show-where-those-corporate-tax-savings-are-going).

CHART 2: **TAX DOLLARS AT WORK**

Source: Blomberg reporting

Companies have devoted more than twice to buybacks as they have to employees



Note: Figures represent the first year of tax and spending changes

FOR WHOM THE BELL TOLLS?

So with both, fiscal and monetary pumps primed and running, the U.S. economy, and inevitably the rest of the advanced economies with it, is still struggling. The Federal Reserve Bank of San Francisco research, mentioned above, has found that adjusting for cyclical effects of the past crisis and the subsequent recovery, the U.S. economic growth continues to exhibit the signs of the secular stagnation. In simple terms, the Fed research shows that starting around 2006, the U.S. economic growth has entered a period of a major slowdown in its trend or longer-term potential. Per authors, "The seeds of the disappointing growth in output were sown before the recession in the form of slow productivity growth and a declining labor force participation rate. Quantitatively, relative to the recoveries of the 1980s, 1990s, and early 2000s, cyclically adjusted output per person has grown about 1¾ percentage points per year more slowly since 2009. According to our analysis, about a percentage point of this is explained by the shortfall in productivity growth and about ¾ percentage point is explained by the shortfall in labor force participation."

To put these results into perspective, the entire Republicans-passed TCJA 2017, heralded as the biggest reform of the U.S. tax system since the 1980s, is estimated to contribute between 0 and 0.3 percent to the long-term growth potential of the economy. "The U.S. roars; China yawns as the U.S. shoots a steel bullet in its foot" is how Bloomberg Gadfly team described the latest President Trump's protectionist 'stimulus' to the American economy - a rise in tariffs on steel and aluminium. The same stands for the rest of the fiscal shenanigans.

In recent years, the U.S. policies have increasingly shifted toward protectionism, narrow self-interest and support for domestic rent seeking mega-corporations. The losers in this game have been the more dynamic, younger and technology and innovation-intensive American companies - net importers of raw materials, and net consumers of foreign and domestic capital. Both of these inputs are now increasingly scarce for the innovative firms, as stock markets and corporate debt markets swallow the U.S. and global savings. Take a simple statistic: according to the research from Bank of America, in 2016, just one investment group, the ETF giant Vanguard, held 6.8 percent of the entire free float of S&P 500, up from 3.3 percent in 2010. Put differently, a massive amount of the U.S. and global savings has been sucked into passive investment funds that provide no meaningful supports for productive new investment. In 2017, 49 percent of all S&P 500 capitalisation was held by passive investment funds that simply index various markets and do not pursue active selection of companies they invest in. In Japan, the same figure was 67 percent.

Not surprisingly, the whole 'recovery' period in the advanced economies produced no uplift in corporate investment in technologies or people. The end result is structurally lower growth rates in all forms of productivity. Returns on equity are rising across the globe, yet value added to the real economy from that equity is barely moving.

> *"Ring the bells (ring the bells) that still can ring*
> *Forget your perfect offering*
> *There is a crack in everything (there is a crack in everything)*
> *That's how the light gets in"*

is the famous refrain to Leonard Cohen's ballad, Anthem.

The bells are ringing for the developed world's Bull Markets and Goldilocks Economies. The crack through which the light of reality is likely to pour into the dark cave of political and monetary denial will be the unwinding of the policies of the last decade. Buckle your seat belts, fellow investors.

Dr Constantin Gurdgiev is the Adjunct Assistant Professor of Finance with Trinity College, Dublin and serves as a co-founder and a Director of the Irish Mortgage Holders Organisation Ltd and the Chairman of Ireland Russia Business Association. He holds a non-executive appointment on the Investment Committee of Heniz Global Asset Management, LLC (US).

In the past, Dr Constantin Gurdgiev served as the Head of Research with St Columbanus AG (Switzerland), the Head of Macroeconomics with the Institute for Business Value, IBM, Director of Research with NCB Stockbrokers Ltd and Group Editor and Director of Business and Finance Publications. He also held a non-executive appointment on the Investment Committee of GoldCore Ltd (Ireland) and Sierra Nevada College (US).

Born in Moscow, Russia, Dr. Gurdgiev was educated in the University of California, Los Angeles, University of Chicago, John Hopkins University and Trinity College, Dublin.

HAUNTED BY THE PAST:

A third of all Irish people still face the consequences of financial mistakes

Life insurer recommends that schools teach about personal finance.

Aviva Life Insurance recently performed a study which found that a third of Irish people are still haunted by financial mistakes made several years ago. The company believes that personal finance education in schools might help avoid future regrets.

Approximately 35% of the 1,051 respondents found personal finance management confusing, while 54% had never received any financial management education.

According to leader of Aviva's retail life insurance business, Ann O'Keefe, the outcomes of the study show that financial management education should happen earlier in the life of Irish people. She suggests that personal finance education in secondary schools will help empower young people with the tools and knowledge needed to make good financial decisions when they are adults.

Close to 60% of respondents in the study wished that they had made different financial decisions in the past, while three quarters admitted that they had the opportunity to learn about financial management when they were at school. O'Keefe believes that the public would welcome adding financial management to the school curriculum.

The study also looked at the impacts of gender on financial management skills and found that 35% of Irish women were more likely to be the sole financial decision-makers, compared to 29% of men. On the other hand, twenty-seven per cent of men were motivated to ensure that their loved ones were financially secure in the event of serious illness or death, while the same was true for 14% of women.

Avoiding debt was considered a higher priority for women (69%) than for men (56%), which shows women to be more cautious in terms of financial decision making. This shows that women are less likely to end up regretting financial mistakes caused by taking on debt.

Strangely enough, only 39% of women are likely to invest in life insurance products, compared to men (47%), while women (45%) are less confident about their families' financial security in the event that they should pass away (61%).

Men and women both view saving for a holiday as a priority (26% and 28%), while 21% of men consider it a priority to save up to buy a home, compared to only 15% of women.

Introducing the New State Credit Register

The new Central Credit Register, which went live on March 20th, was designed with the intention of making lending safer. It will not list bankrupts, but it will show the credit card debts, overdrafts, loans and mortgages of normal families. Lenders and consumers will be able to access the details of loan performance. Consumers can access this service, which is free to them, at centralcreditregister.ie.

The International Monetary Fund, European Central Bank and European Commission bailout troika in 2010 identified the need for an official credit register as a key to reform.

Since June last year, around three hundred lenders - mainly credit unions and banks - have contributed to the effort by submitting details regarding credit card debts, overdrafts, loans, and mortgages. Although this services has been in the making for years, it still contains a variety of significant gaps.

The new register will not record bankruptcy. It will not contain any details relating to official debt deals completed through the Insolvency Service of Ireland (ISI) or approved by the courts. Since the inception of the ISI in 2013, four thousand people have been approved for debt deals and nearly two thousand were declared bankrupt.

Furthermore, debt judgments will also be excluded. Every year, Irish courts hand down approximately twenty-thousand debt judgments, however, according to James Treacy of the Stubbs Gazette credit reference agency, most are unrecorded and unregistered.

The Central Credit Register will not record unpaid tax to Revenue, or unpaid utility bills. Local authority mortgages or moneylender loans during the first phase of the register will only be collected from the end of March.

The Department of Finance is rushing through legislative changes that will allow them to capture hire purchase and personal credit plans (PCP) in the new register. Approximately one-third of new vehicles are funded using PCPs, and according to the Competition and Consumer Protection Commission, PCP deals were used to provide 33,000 motorists to the tune of €800m in 2016. However, legislation to add PCPs to the register may not be in place until the end of 2018.

According to Dermott Jewell from the Consumers' Association of Ireland, the new register has too many gaps in it to be effective. Knowing whether someone has been declared bankrupt or had a judgment against them, or owes on taxes is important in establishing whether they are a good fit for a loan.

The Central Bank agreed to continue reviewing the Central Credit Register in the scope and context of the Credit Reporting Act 2013 and consider incorporating additional information as required in future in line with consumers' data protection rights.

LEGAL BRIEFS

MOTORISTS TO GET PENALTY POINTS FOR DRIVING TOO CLOSE TO CYCLISTS

The Government is to introduce legislation to make motorists keep a distance of between 1 metre and 1.5 meters when passing cyclists.

Breaches of the new rules will attract three penalty points and an €80 fine, Minister for Transport Shane Ross said. A report carried out by the Road Safety Authority (RSA) found there was "limited empirical evidence to support the implementation of minimum passing distance legislation". It proposed the introduction of an education and awareness campaign.

However, Mr Ross said he wanted to go the extra mile to protect cyclists. He said there was an appallingly high death toll among cyclists in 2017 and they had as much a right to protection as any other class of road user. He also said he also wanted to encourage more cyclists and fewer cars on the road. The Minister said he would introduce secondary legislation to put in place minimum passing distances for motorists overtaking cyclists. Under the new legislation there will be a minimum passing distance of 1 metre on roads with a speed limit of up to 50km/h and 1.5 metres on all other roads. He said the new legislation would be reviewed after 12 months. "I have been extremely concerned about the rise in cyclist fatalities on our roads. In 2017 there were 15 cyclists killed, which was a 50 per cent increase in 2016."

"Clearly this is an intolerable situation which has to change."

Mr Ross said every life lost on the country's roads was a tragedy and, as Minister for Transport, he was committed to doing everything within his power to end preventable road deaths. He said while the RSA report did not come up with sufficient empirical evidence to make a compelling case for minimum passing legislation it very much came down on the side of having a culture of safety.

"It is absolutely imperative from the point of view of this department and me as Minister that the culture of safety is promoted in every possible way." He said the RSA had recommended that the safety benefits associated with motorists observing safe passing distances justified the introduction of an education campaign. He said such a campaign would start in the coming days.

However, he said, "as a legislator it is not enough for me to say that simply that we have an education. My job is to introduce law and make law.

"We decided we are going to go the extra mile in pursuit of saving lives." He said the legislation would link well with policy to encourage cyclists onto the road.

"We need more cyclists. We need less cars. If we make the roads a safer place for cyclists,there are likely to be more people getting out of their cars."

The Irish Times

IRELAND AN 'ANOMALY IN EUROPE' AS LIFE SENTENCES GROW LONGER UNDER UNREFORMED PAROLE PROCESS

Life prisoners in Ireland are serving longer periods of time behind bars than in previous decades due to Ireland's unreformed parole process, new research has found.

According to new figures, lifers spent an average of seven-and-a-half years in prison in the decade leading up to 1984, doubling to 14 years between 1995-2004 and 22 years between 2012-16.

Speaking to Irish Legal News yesterday, Dr Diarmuid Griffin, law lecturer at NUI Galway, said that Ireland is "an anomaly in the European context" because decisions on parole are made by the Justice Minister on the advice of the Parole Board of Ireland. He said: "There would have been a political component to parole in many countries in the early part of the 20th century to the mid-20th century, but that began to be reformed in latter decades ... and a lot of countries have now removed the political component.

"Most countries have a system whereby either a legal tribunal or a parole authority that makes the final decision is governing the whole entire process."

Dr Griffin (pictured) said it is now "best practice in Europe to remove politics from the decision-making process". He said the Parole Bill 2016, which was submitted to the Dáil by Fianna Fáil and has since secured the backing of the Government, represented "an important step towards reform". However, he also called on politicians to reconsider the imposition of mandatory life sentences on those convicted of murder.

Dr Griffin said: "The mandatory life sentence is problematic in that it doesn't allow the sentencing judge or the trial judge to distinguish between the various different types of murders, and ... there is a wide variety of different behaviours, aggravating and mitigating factors that might be applicable to one murder over another.

"The lack of discretion at that stage definitely has resulted in an increase in the life sentence population, which is quite high compared to other European countries now."

Irishlegal.com

Awesome Apps
TO HELP YOU SAVE MONEY
WHEN YOU ARE ON HOLIDAY

Technology continues to make life easier. Every day, new mobile apps rise to the top of the pile, providing innovative ways to revolutionise your life. Let's look at some of the coolest apps and websites you can use to save money while planning your holiday.

1. Find cheap flights

Google's flight search facility leads the pack, but several other options are available to help you pick a date, destination, and compare airlines to choose the best one for your budget: **Secret Flying** (The "error fares" section will guide you to mispriced fares that can help you save quite a few bob!), **Momondo**, **Skyscanner**

2. Book a Lounge

Airport lounges are much cheaper than airport shops and they offer free WiFi and free refreshments as well as comfortable seating while you wait for connecting flights. With **Loungebuddy**, you can make your booking without having to talk to a single person!

3. Find a Bed

Airbnb needs no introduction, but if you're young and adventurous, you may want to give **Couchsurfing** a try.

4. Share a Plate

Instead of spending a small fortune on restaurant meals, join **Eat With** which operates in 50 countries. Hosts are carefully vetted to ensure you receive a good, home-cooked meal for much less than you'd pay in a restaurant. You can use the app to find a host to invite you to join their dinner table for a home-cooked meal.

5. Save on Hotels

The **Hotwire** website is owned by Expedia and helps hotels to sell unsold rooms at discounted rates, although the hotels don't officially discount the rates. There is a downside, though: You don't get to see where you will be staying until you have paid and the details are emailed to you. You can take a gamble by setting a star rating and location and hope for the best.

6. Find Public Transport

Wiki Voyage is your local tour guide in just about any city. It will tell you everything you need to know about the different transport options at your disposal. Using public transport will save you a pretty penny!

7. Find Deals

Sites like **Groupon** and **Living Social** can help you find good deals on food and discounted activities in your host city. Be sure to sign up and start shopping for deals long before you travel to make the most of your options.

8. Get to Know the Area

A spectacular meal down the road from a sought-after location will cost a fraction of an average meal right by a tourist attraction. Use **TripAdvisor** to find cheaper hotels and top-rated restaurants near your destination. The mapping function is a really great help!

9. Book Your Meals in Any Language

Booking your meals can help prevent disappointment, but if you don't speak the language, it may have disastrous consequences. **The Fork** will help translate your booking at any of more than 30,000 restaurants across Europe.

10. Get Free WiFi!

No trip is complete without WiFi. Use **Free WiFi Finder** to locate WiFi hotspots using GPS all over the world. Once connected, you can use Viber or Skype to make free calls and connect with your loved ones back home.

11. Find a Travel Insurance Deal

Finding a great deal on essential travel insurance has never been easier. Use **Compare Travel Insurance Ireland** to do just that.

WHISTLEBLOWING: THE SYSTEM AND THE MYTHS

Change the culture of your organisation by encouraging people to speak up

These days, it seems as though there's a new whistleblowing scandal in well-known Irish companies every day. It is something that affects every senior manager in every Irish company.

The Protected Disclosures Act 2014 has made it compulsory for companies to provide robust whistleblowing systems and made it easier than ever for people to speak out about what they perceive as wrongdoing within companies. Businesses are under pressure to take whistleblowing seriously, and to ensure that whistleblowing employees are protected. As such, companies that fail to provide robust whistleblowing systems may risk prosecution.

However, many companies have not yet implemented such systems, and those that have done so, often report that it is not effective. The gap is created by a lack of training. Staff do not know how to use the protocols, which leads to a «box-ticking» approach, which can be dangerous, as it makes employers vulnerable.

Employers are aware of the fact that they are at risk, and as such, more than half of all managers prefer not to speak up about possible wrongdoing, rather than risking their career prospects as a result of damaging their reputations. Systems will need to be changed for whistleblowing to become effective.

Kate Kenny of the Queen's University Belfast conducted some research into best practices for whistleblowing among UK colleagues, and studied international government sectors as well as engineering, banking and health organisations and identified **three common myths:** →

1 IT'S GOOD ENOUGH TO ENCOURAGE DISCLOSURE

The success or failure of a whistleblowing system depends on whether it is trusted. Building this type of trust is a challenge for most companies, no matter how well-meaning they may be.

After making a disclosure, the whistleblower waits for signs that their claims were taken seriously and that the company is doing something about it. Companies, on the other hand, often face legal limitations that prevent them from making the results of their investigations known. In the case of anonymous disclosures, there is no way for the company to reach out to the whistleblower.

Even if the company does impose sanctions on the wrongdoer, the whistleblower may never become aware of the formal warning or reprimand resulting from the disclosure.

When the employee who disclosed does not receive any feedback, he or she might be concerned that the disclosure was ignored and as such assume that the whistleblowing system failed them.

Companies can help encourage disclosure by clearly communicating the steps that will be taken in the event of a report. They can also communicate the level of feedback - if any - whistleblowers can expect.

2 SENIOR MANAGEMENT CAN'T BE TRUSTED WITH DISCLOSURES

No matter how sophisticated a company's whistleblowing system, if employees don't trust the system, they will not use it. Forty per cent of respondents in a recent study felt that senior managers at their companies did not support whistleblowing. Therefore, it is a good idea to offer an independent disclosure channel.

Some companies have a compliance department, but in some cases, employees saw that as a «policing» initiative. Respondents in the studies found the HR departments to be more likely to care for employees. Secondly, an external organisation with no contractual obligation to report to the company's senior management might be a good addition to a suite of whistleblowing options.

The main driver behind offering trusted options for disclosure, is the importance of maintaining confidentiality and anonymity. When an employee fears that the lack thereof, it bars them from disclosing.

Companies with senior managers who show sustained and visible support for whistleblowing initiatives are most likely to foster trust with their employees. These companies showcase their responsiveness, even in minor grievances and irrelevant matters, and the companies provide clarity around the validity of a disclosure to all employees.

3 WHISTLEBLOWING IS A SOLUTION TO CORRUPTION

Creating a culture of whistleblowing in a company requires a genuine change. It takes time and careful cultivation of trust to develop an effective system. It can take years for a culture to emerge and it starts with building sufficient trust for the employees to come forward.

BUSINESS BRIEFS

IRISH PUSH FOR STRONGER SERVICES MARKET INTEGRATION WITH EU TRIO

Ireland is joining with three other small European Union members to carry out a study of the potential economic benefits of closer integration of the single market for services.

The Government has teamed Ireland up with Denmark, Finland and the Czech Republic to examine the benefits of greater liberalisation in cross-border service provision.

Services account for 70pc of the size of the European Union economy and for a similar share of jobs.

But only a fifth of services, representing around 5pc of the overall EU economy, are actually provided across borders, according to data provided by the European Parliament.

That's in marked contrast to manufactured goods, such as cars - which are sold all over the EU by the same manufacturers.

A briefing note provided to the parliament in 2016 noted that further integration of services would bring about significant economic gains, but that many obstacles to greater integration persist, including differing regulation of services across member states, such as the rules to recognise lawyers or pharmacists.

The Department of Business, Enterprise and Innovation in Dublin said that the single market aims to confer on European businesses and citizens the benefits of four freedoms - free movement of goods, services, capital, and people.

But it added that even after 25 years, there is still work to be done on fully realising free movement of services.

"Deepening mutual access to member states' respective markets for European firms is aligned to the broader access to trading opportunities that is facilitated by the EU's suite of market-opening and comprehensive preferential Free Trade Agreements (FTAs), and to Europe's competitiveness as a trading bloc in these integrated global markets," the department said, in a tender document outlining its request for a consultancy to carry out the study.

"Indeed, some evidence suggests that it may be easier for EU companies to buy or sell services with third countries under these FTAs, than to trade in services with another EU member state."

A spokesman told the Irish Independent that given that 2018 is the 25th anniversary of the single market, it is an appropriate time to carry out the study.

It said Ireland and the other three countries work together as part of a range of "like-minded" groups of states on single market issues.

"The four sponsoring member states have a shared objective of making it easier to trade in services within the single market," the spokesman added.

The department also said that, while there have been previous studies which have sought to demonstrate the economic benefits that can flow from a greater liberalisation in cross-border service provision within the EU, the existing evidence has not so far been persuasive in bringing about a far greater level of freedom in the EU services market.

"Many restrictions, both administrative and, more significantly, regulatory, remain," the department noted.

"Yet, on the other hand, the EU is seeking to make progress in meeting the competitiveness challenge across a suite of crucial emerging policy domains - including most notably digital, innovation, manufacturing, and industrial strategy."

The Government separately announced a week ago that it was aligning itself with a group of eight small and medium EU countries - which includes non-euro members Denmark and Sweden, as well as the Netherlands, one of the founding states of the EU's predecessor - cautious about further plans for deepening eurozone integration.

In a joint statement, they said there are economically liberal and open but want more power retained at national level.

Irish Independent

FIRMS AFFECTED BY THE LOOMING BREXIT CAN AVAIL OF LOANS UP TO €1.5M AT RATES OF 4PC OR LESS

In preparing businesses for the upheavals to be caused by Britain's departure from the EU, Ireland has created a €300m loan scheme.

The Brexit Loan Scheme has the potential to help more than 5,000 businesses impacted by Brexit to prepare.

It will be open to eligible businesses with up to 499 employees from today (28 March).

The loan scheme, which will be open through Bank of Ireland and Ulster Bank, with AIB following in June, will provide loans of up to €1.5m at a rate of 4pc or less.

The scheme is being delivered in a partnership between the Government of Ireland, the European Investment Bank and the European Commission (EC).

In last October's budget, €14m was secured by the then Minister for Business, Enterprise and Innovation, together with €9m by the Minister for Agriculture, Food and the Marine, for the Brexit Loan Scheme.

Earlier this year, current Minister for Business, Enterprise and Innovation Heather Humphreys, TD; Minister for Agriculture, Food and the Marine Michael Creed, TD; and Minister for Finance, Public Expenditure and Reform Paschal Donohoe, TD, signed a counter-guarantee agreement backed by the EC through the European Investment Fund.

Through this, the €23m secured in Budget 2018 can be leveraged to provide €300m to Irish businesses affected by Brexit.

The Department of Agriculture, Food and the Marine's share of funding ensures that at least 40pc of the fund will be available to food businesses.

"Coming from a business background, I am acutely aware of the challenges that Brexit poses to firms," Humphreys said.

"This €300m Brexit Loan Scheme is one of a number of supports that the Government has put in place to help companies prepare.

"The scheme will provide much-needed finance to eligible business impacted by the UK's decision to leave the European Union. I am confident that it will make a real difference to firms, enabling them to adapt, change and innovate.

"This, in turn, will help them to become more competitive – a fundamental trait in any resilient business," Humphreys added.

SiliconRepublic.com

IRISH BUSINESSES OPTIMISTIC ABOUT THEIR TRADE OUTLOOK

Irish businesses say that they are optimistic about their trade outlook over the coming months, however they remain worried about Brexit.

This is according to a new report from HSBC, "Navigator: Now, next and how for business."

The report, which combines an economic forecast of medium to long-term bilateral trade and a global survey gauging business sentiment, found that of the Irish businesses surveyed, 71pc say expecting an increase in their trade volumes over the next 12 months, largely being driven by a favourable economic environment and increasing demand for individual products.

However, three in four businesses say that they are worried about the negative impact Brexit may have on their business.

"The latest Navigator report shows that while Irish exporters are unsurprisingly negative about the UK's departure from the EU, they are optimistic about the outlook for trade with the UK," Alan Duffy, HSBC Ireland chief executive, said."Irish businesses are set to continue diversifying their global trading links with emerging economies, with the markets once again identified as being of most importance in driving export growth, with sales to China, India and the UAE all set to rise."

Despite concerns from businesses around Brexit, the report findings identifies the UK as the top growth market for Irish firms followed by the US and Germany. Meanwhile, the report predicts that the top destinations for export sales growth for Irish companies will be dominated by emerging economies. Sales to China, India and the UAE are forecast to rise by 6-8pc per year from 2021-2030, with the top 10 export destinations for Ireland also including several advanced economies such as Singapore and Canada, according to the report.

Over 120 Irish companies were surveyed as part of the report, all of whom trade internationally.

The Irish Times

ENTERPRISE IRELAND OFFERS BACKING FOR GRADUATE-LED START-UPS

Enterprise Ireland is to provide funding for early-stage start-ups established by graduates working across a number of technology subsectors, including cloud computing, software-as-a-service, enterprise software, cleantech, gaming, mobile and apps.

Under the organisation's €500,000 competitive start fund, Enterprise Ireland will provide up to €50,000 in equity funding for a 10 per cent stake in start-ups run by graduates.

Applications for funding open on Tuesday, April 10th, and close two weeks later. In addition to written online applications, companies will be expected to deliver an online video pitch for the judges.

"Entrepreneurship can be embarked upon at different stages of life and there are real opportunities right now in Ireland for graduates to travel the exciting journey of starting a high-potential business. Graduate entrepreneurs can sometimes be overlooked; however, we understand the value in their ideas and their businesses to the start-up ecosystem," said Sarita Johnston of Enterprise Ireland.

"This competitive start fund call is a kick-start for innovative early stage companies led by graduates to get off the ground while receiving a critical funding boost of up to €50,000," she added.

The Irish Times

HAVING TROUBLE SLEEPING? THESE APPS COULD HELP

Sunday Business Post

There are many apps which promise to help people get a better – and longer – sleep each night. A recent study of 1,000 adults in Ireland found one-third of adults are getting by on less than six hours sleep each night. The World Health Organisation recommends sleeping between seven and nine hours each night. And sleep deprivation is not a problem confined to adults. Recently, a Sleep Programme – funded by the National Youth Council of Ireland – was launched in Arklow, Co Wicklow aimed at helping young people improve their sleep habits.

The resource – available from crosscare.ie, kwetb.ie and docchildandfamily.ie – hopes to tackle sleep deprivation by addressing stress, diet, physical activity, drug and alcohol use and encouraging changes to poor sleep hygiene. There are many apps on the market which promise to help people get a better – and if the person's situation allows, longer – sleep each night. Here are just two of those apps available (on iOS and Android).

F.lux

"Most phones today have some piece of software that can help lower blue light in the evenings. This may not filter it out, but it can be helpful. My favourite is f.lux," says "sleep doctor" and clinical psychologist Dr Michael Breus.

Applicable to PCs, laptops and tablets, f.lux is particularly effective for smart phones, owing to the sheer volume of use, especially after dusk. Calibrated to sunrise and sunset for each day of the year, it makes the colour of your screen's display adapt to the time of day, being warm at night and more like sunlight during the day, helping you to sleep better, longer and deeper.

Cost: **Free**.

S+

Since first coming on the market, sleep tracker apps haven't always lived up to their promises. Many struggle to distinguish between any movement and bad sleep, while others can't differentiate between your quality of sleep and your partner's. "I like the S+ by ResMed," says Breus. "Not only is it created by a company that has been in sleep for 30-plus years, and is extremely accurate, but it gives personalised advice about your sleep and how to make it better."

Synching with smartphone or tablet, S+ is a non-contact "sleep system" device placed beside your bed. It measures your breathing and body movements throughout the night; analyses light, noise and temperature levels in your bedroom; creates daily sleep scores and charts to help you understand your sleep pattern, while delivering personalised feedback.

Cost: **about €50-€60.**.

GOOGLE LAUNCHES ITS GOOGLE WIFI DEVICES IN IRELAND

The Irish Independent

Google has launched its Google Wifi devices in Ireland, demonstrating a new kind of system for fast Wi-Fi in every room, on every device.

A replacement for your existing traditional router, Google Wifi is a new type of connected system that provides seamless Wi-Fi coverage for your whole home. Individual units can be linked together in an expandable Wi-Fi mesh, which delivers strong coverage throughout your entire house, regardless of its size or shape. The result is fast Wi-Fi throughout your home, not just right next to the router.

Google Wi-Fi also features intelligent software built-in which ensures that all devices using the network are always connected to the strongest signal, without the need to reconnect – even while walking around the house. The companion app, available for Android and iOS devices, shows you which devices are connected and how much bandwidth they're using, letting you prioritise devices within your network.

You can even limit Wi-Fi access to specified devices such as those operated by your children, pausing signal to their phones or tablets during bedtime or dinnertime, for example.

Google Wi-Fi is compatible with all internet service providers here in Ireland, so there is no need to sign up to a new contract, upgrade your existing package, or change provider.

Commenting on the launch, Sanjay Noronha, Google Wi-Fi Product Manager, said: "We're delighted to bring Google Wi-Fi to Ireland. Google Wi-Fi was designed from the ground up to address the modern ways we surf the web ensuring that your Wi-Fi can support lots of devices connecting at the same time, stand up to multiple high-bandwidth activities like streaming video or gaming, and do all this in every corner of your house. Google Wi-Fi is the ideal companion to the modern user's home surfing requirements."

MEET THE TEAM

RONAN ENRIGHT SOLICITORS

RONAN ENRIGHT

Principal Solicitor

Ronan Enright qualified as a solicitor in 2007. He received a Bachelor of Commerce degree from University College Cork and later went on to receive a Diploma in Commercial Litigation, and Diploma in Commercial Property and a Diploma in Employment Law from the Law Society of Ireland. He volunteers as a Mentor to start up companies on various accelerator programmes. Ronan is also a Practitioner of the Institute of Banking.

Ronan practices extensively in both plaintiff and defence litigation. He advises clients in relation to personal injury, general litigation and commercial litigation, and acts on behalf of private clients, insurance companies and self insured bodies. He also advises clients in relation to debt collection, employment law issues, social welfare investigations and disputes, tax investigations and disputes, road traffic matters, residential conveyancing, commercial property, wills, probate, and estate planning.

Having worked for over ten years as an associate in a general practice in Cork, Ronan formed Ronan Enright Solicitors in 2017.

Contact Ronan

ronan@ronanenright.com

MICHAEL ENRIGHT

Consultant Solicitor

Michael Enright is a full-time Consultant Solicitor in the Firm. Having attended Christian Brothers College, and University College Cork, he qualified as a solicitor in 1973 and practiced for much of his career as a Partner and head of litigation in a large firm. He formed his own firm in 1994 where he was the Senior Partner until 2017.

Michael has extensive experience in litigation. Much of his work is on behalf of insurance companies and he has acted on behalf of a number of local authorities, dealing with public liability claims and employers' liability for many years. He also practices in the areas of plaintiff litigation and commercial litigation and has extensive experience dealing with claims of professional negligence and medical negligence. Michael is an experienced Arbitrator and has helped many clients resolve matters outside of the court system.

Michael is a former Council Member of the Law Society of Ireland and has served on many committees, including the Litigation Committee. He is a former President of the Southern Law Association, and was Chairman of the Litigation Committee of the Southern Law Association for over 20 years.

Contact Michael

michael@ronanenright.com

RANGE OF SERVICES

LITIGATION AND DISPUTE RESOLUTION

- Medical Negligence
- Road Traffic Accidents
- Occupiers' Liability
- Public Liability
- Product Liability
- Employers' Liability
- Company Law & Shareholder Disputes
- Contract Disputes
- Defamation
- Environmental Law
- Nuisance
- Health & Safety Legislation
- Professional Negligence
- Conciliation
- Insurance law
- Arbitration
- Insurance defence litigation
- Mediation
- Injuries Board Applications

WILLS AND ESTATE PLANNING

- Will Drafting
- Periodic Will Review
- Estate Planning
- Tax implications
- Advise beneficiaries and family members

EMPLOYMENT LAW

- Unfair Dismissal
- Workplace Discrimination
- Drafting of Employee Handbooks
- Drafting of Employee Contracts
- Bullying and Harassment Issues
- Equality Issues
- Redundancy
- Representation at the Workplace Relations Commission

FAMILY LAW

- Separation and Divorce
- Custody, Access and Guardianship Issues
- Advise relating to barring orders and safety issues
- Maintenance Payments

PROPERTY

- Buying
- Selling
- Commercial
- Residential
- Planning
- Environmental
- Landlord & tenant

COMMERCIAL LAW

- Buying and Selling a Business
- Taxation Issues
- Debt Collection
- Enforcement of Judgements
- Shareholders agreements

LICENSING LAW

- Ad Interim Transfers
- Confirmation of Transfers
- Renewal of Licences
- Dance licences
- Occassional Licences
- Restaurant Licences
- Music and Singing Licences
- Special and General Exemption Orders
- Applications for New/ replacement Licenses
- Declaratory Orders

32 South Bank,
Crosses Green,
Cork, Ireland.

021 2355443
www.ronanenright.com
info@ronanenright.com