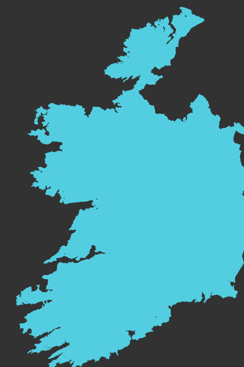
Country Guide
Ireland



Prepared by

Arthur Cox

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A GUIDE TO DOING BUSINESS IN IRELAND 2015

Prepared by:

ARTHUR COX

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1. THE COUNTRY AT A GLANCE

1.1 What languages are spoken?

The predominant language spoken in Ireland is English.

The Constitution of Ireland 1937 (or "Bunreacht na hÉireann") declares the Irish language (or "Gaelic") to be the national and first official language of the State (called "Eire" in Irish). The English language is recognised as a second official language. Despite the fact that Irish is not widely spoken, it is of significant cultural importance and is therefore given this recognition in the Constitution.

1.2 What is the local currency and what is its exchange rate against the US dollar?

On 1 January 2002, the monetary unit in Ireland changed to the euro. Prior to the introduction of the euro, the basic monetary unit was the Irish pound or punt (IR£) which was subdivided into 100 pence (100p). Irish currency ceased to be legal tender on 9 February 2002. There are precise legal requirements to cover conversion from the old Irish pound to euro where necessary.

The EUR/USD exchange rate was 1.07772 on 13 November 2015.

1.3 Describe your country's geography, proximity to other countries and climate.

The island of Ireland lies off the north-west coast of Europe, 96km to the west of Great Britain. The island of Ireland comprises both the Republic of Ireland ("Ireland") and Northern Ireland. The Republic of Ireland is a sovereign independent state, governed by a parliamentary democracy. Northern Ireland, which is part of the United Kingdom, is situated in the north-eastern part of the island. The Republic of Ireland is divided into 26 counties and Northern Ireland is divided into 6 counties.

The Irish climate is temperate. Winter temperatures range from 4˚C - 7˚C (or average 39˚ F); summer temperatures range from 14˚ C - 20˚ C (or average 61˚ F). The average temperature is a mild 10° Celsius or 50° Fahrenheit.

Local time is Greenwich Mean Time (GMT) from the beginning of November to the end of March. Summer time is one hour ahead of GMT from the end of March to the end of October. Time is five hours ahead of US Eastern Standard Time (EST).

There are nine public holidays recognized in Ireland. These are Christmas Day (25 December), St. Stephen's Day (26 December), New Year's Day, St. Patrick's Day (17 March), Easter Monday, the first Monday in May (May Day), the first Monday in June, the first Monday in August and the last Monday in October.

Ireland has a population of approximately 4.6 million people which is concentrated mostly in the East and South East. 30% of the population is under 25.

1.4 Are there cultural influences or prohibitions on the way business is conducted?

Ireland has a very open economy. In 2014, Ireland's foreign sales of goods and services increased by 6.1% in the full year to exceed €190 billion for the first time. The latest value for Exports of goods and services in Ireland was €212,878,219,438 ($234,496,000,000) as of 2013.

There are no adverse cultural influences of significance or prohibitions on the way business is conducted. There are no unusual restrictions or regulations applied to overseas companies who wish to do business in Ireland.

In common with most western countries, industry sectors such as the financial and telecommunications sectors attract regulation and for special reasons of public policy require licenses to operate.

1.5 **Are there religious influences or prohibitions on the way business is conducted?**

There are no religious influences or prohibitions on the way business is conducted.

1.6 **Explain your country's infrastructure. Be sure to explain which cities have airports, railroad systems, ports, public transportation.**

Although Ireland is an island, travel is possible to most countries.

Air services are available to all European countries and most of the business capitals of the world including transatlantic flights to the United States.

Ireland has five international airports:

- Dublin;
- Shannon;
- Cork;
- Belfast; and
- Knock, Co. Mayo.

There are other smaller airports capable of handling smaller aircrafts including:

- Kerry;
- Waterford;
- Galway;
- Donegal;
- Sligo;
- George Best Belfast City Airport; and
- City of Derry Airport.

Airlines Service providers in Ireland can be divided into the following categories:

(a) Airlines flying to Ireland from North America - Flights from USA and Flights from Canada to Ireland

 (i) Aer Lingus;

 (ii) American Airlines;

 (iii) Continental Airlines;

 (iv) Delta Airlines Inc;

(v) United Airways; and

(vi) US Airways.

(b) Airlines flying to Ireland from the UK - Flights from UK to Ireland

(i) Aer Arran;

(ii) Aer Lingus;

(iii) Air Southwest;

(iv) BMI Baby;

(v) BMI British Midlands;

(vi) British Airways;

(vii) Flybe; and

(viii) Ryanair.

(c) Airlines flying to Ireland from mainland Europe

(i) Aer Lingus;

(ii) Aer Arran;

(iii) Air Baltic;

(iv) Air France;

(v) Air Malta;

(vi) Alitalia;

(vii) Austrian Airlines;

(viii) BMI Baby;

(ix) BMI British Midlands;

(x) British Airways;

(xi) City Jet;

(xii) CSA Czech Airlines;

(xiii) Flybe;

(xiv) Germanwings;

(xv) KLM Royal Dutch Airlines;

(xvi) Lufthansa;

(xvii) Luxair;

(xviii) Malev; and

(xix) Ryanair.

(d) Airlines flying to Ireland from Other parts of the world

(i) Belavia;

(ii) Etihad Airways; and

(iii) Emirates

The main commercial port is Dublin Port. It handles approximately 44% of all national shipping tonnage and 42% of Ireland's Gross Domestic Product ("GDP").

The passenger ports are:

- Dun Laoghaire (County Dublin);
- Rosslare (County Wexford, South East of Ireland); and
- Cork (County Cork, South of Ireland) providing transatlantic cargo services to the United States and Canada.

Public road and rail services are operated by subsidiaries of the national transport company, Córas Iompair Éireann (CIE) and it provides both passenger and freight services between the main cities and towns.

Railroad Systems: Iarnród Éireann (www.irishrail.ie) provides intercity transportation. There are two centre city stations from which inter-city trains and buses depart, namely, Heuston Station, Dublin 8 and Connolly Station, Dublin 1.

Public transportation: In Dublin, CIE operates a bus service around the city and suburbs. The relevant website address is www.dublinbus.ie.

There is a suburban rail called DART (Dublin Area Rapid Transport) which operates around the city and suburbs. The two most central DART stations are Pearse Station, Dublin 2 and Tara Street Station, Dublin 2.The relevant website address is www.irishrail.ie.

Dublin also has a light rail or tram system called Luas. There are currently two Luas lines. The Green Line commenced operations on 30 June 2004, while the Red Line opened on 26 September 2004. The two most central Luas stops are St. Stephen's Green and Abbey Street. The two Luas lines in Dublin will be joined by a city centre link-up, although the project will not be completed until the end of 2017. The relevant website address is www.luas.ie.

There are currently plans to build a metro system (Metro North) which will connect Dublin Airport and Swords to Dublin City Centre. Work is due to begin on Metro North in March 2021, subject to funding. It is expected that construction will take ten years to complete.

Cars are driven on the left hand side of the road and the speed limits on most roads range from 60km/h to 120km/h. Ireland's national road network has been substantially improved and upgraded in recent years.

The Dublin Port Runnel is an underground tunnel for use by motor vehicles linking Dublin Port and Dublin City Centre with Dublin Airport and the main national road to Belfast, Northern Ireland.

1.7 Explain the communication system.

Over the past decade there has been a move away from the regulation of the telecommunications market in Ireland. Previously controlled by the State, the main provider of fixed line and mobile telecommunications services is now controlled by a leading Irish business consortium.

Some of the telecommunications providers which are active in Ireland include Eir, Three, Virgin Media Ireland, Talk Talk, Vodafone and Cable and Wireless.

The Commission for Communications Regulation (ComReg), established in 2002, is the body responsible for the award of the various telecommunications licences and its establishment has led to increased competition in the telecommunications market.

The country code for telephoning the Republic of Ireland is +353 followed by the city code without the starting zero:

Dublin	+ 353 1
Galway	+ 353 91
Limerick	+353 61
Cork	+ 353 21
Waterford	+ 353 51

There are several Irish radio (national and regional) and television stations. In addition, Ireland has international telecommunications links and direct satellite links with many countries including the United Kingdom, the United States, Canada, Australia, France and Germany.

Postal services are provided by An Post which is a State-owned body and it provides a delivery of first class mail and air mail. Businesses may also use international (e.g. DHL) and privately run courier services which are available in the country.

The liberalisation of the markets coupled with the massive investment in the telecommunications infrastructure by the State in the last two decades has placed Ireland at the forefront of information technology in Europe.

1.8 Describe the public services – i.e. water, electricity, gas. Are they publicly or privately owned?

Electrical power is available throughout Ireland. The Irish electricity market has been going through a process of liberalisation since 1998. Prior to this, the Electricity Supply Board (the "ESB") operated as a state owned monopoly. The liberalisation has happened in phases with sectors of the market being progressively opened for competition, with the market wholly open to competition since 2004. There are now a number of independent suppliers. There are currently three major retail electricity suppliers in Ireland – SSE Airtricity, Ervia (formerly Bord Gáis Energy) and Electric Ireland – with Energia entering the market in February 2014. Bord Gáis Energy was sold to Centrica plc in 2014 and as part of the sale the Bord Gáis name transferred to the new owners. As a result Bord Gáis Éireann was renamed Ervia in June 2014.

Mains gas is available in many parts of the country. There are proposals to extend the present network to the west of Ireland and some of the other remote parts of the country. The Irish gas market has also been going through a process of liberalisation. Prior to this Bord Gais Eireann (now Ervia) operated as a state owned monopoly. However, since 1 July 2007 Ireland's retail gas market has been open to competition. Ervia, Electric Ireland, Energia, Flo Gas Ireland, Pinergy, PrePayPower.ie and SSE Airtricty now operate in this market.

Both the electricity and gas markets are regulated by the Commission for Energy Regulation (the "CER").

Since 1 January 2014, responsibility for the efficient supply of water to homes and businesses has transferred from local authorities to Irish Water, which is the new national water utility responsible for providing and developing water services throughout Ireland. Incorporated in July 2013 as a company under the Water Services Act 2013, Irish Water has combined the public water and wastewater services of the 31 Local Authorities together under one national service provider. Local authorities will now provide certain services on behalf of Irish Water through a Service Level Agreement. Irish Water was established as a subsidiary of Bord Gáis Eireann in 2013 and as mentioned above it is now part of the Ervia group.

Irish Water has two main regulators: CER is the economic regulator and the Environmental Protection Agency (EPA) is the environmental regulator.

2. GENERAL CONSIDERATIONS

2.1 Investment policies

- **Does the country generally welcome investment?**

The government welcomes investment and generally there are no restrictions intended to prevent ownership of Irish companies or businesses, either of which may be wholly owned by overseas interests. Most sectors are open to private enterprise, although there are a few remaining restrictions to government agencies e.g. postal services and some transport services. The low corporate tax rate of 12.5% on trading profits makes Ireland an attractive place to do business.

The Irish Government encourages international companies to choose Ireland as a European base. Part of the incentive package offered can be state financial assistance, in the form of grants to cover start-up or other costs. The Industrial Development Authority ("IDA Ireland") is Ireland's Foreign Direct Investment agency and has assisted more than 1000 entities in establishing and extending their Irish presence. Many other supports, both financial and non-financial, are available from Government departments, offices and agencies. Ireland has an impeccable track record for attracting Foreign Direct Investment for over 50 years, helping Ireland's economy beat global trends. Ireland ranked as the best country in the world in which to do business in a recent study carried out by Forbes.

Note that non-EEA (European Economic Area) nationals intending to come to Ireland to establish a business are required to obtain the permission (known as "business permission") of the Minister for Justice and Law Reform. This requirement applies to most non-EEA nationals. The criteria that must be met are that the business must result in the transfer to the State of capital in the minimum sum of €300,000, it must create employment for at least two EEA nationals, the proposed business must add to the commercial activity and competitiveness of Ireland and it must be a viable trading concern. There are some exceptions, such as where the applicant has been granted refugee status by the Minister for Justice and Law Reform, where the applicant is a dependant relative of an EEA national exercising a valid right to reside in Ireland or; where the applicant is a writer, artist or craft person. Additionally, most non EEA nationals require an employment permit to work in Ireland.

- **Are there governmental or private agencies devoted to the promotion of investment?**

There are several governmental agencies devoted to the promotion of investment:

(a) **IDA Ireland**

IDA Ireland is the primary government agency with responsibility for the promotion of foreign direct investment in Ireland and the development of the existing base of overseas companies. It is a non-commercial, semi-state body promoting Foreign Direct Investment into Ireland through a wide range of services. They partner with potential and existing investors to help them establish or expand their operations in Ireland. IDA Ireland has its headquarters in Dublin with 17 overseas offices, six in the United States, four in Europe and six in Asia/Pacific. Its web-site is www.ida.ie.

IDA Ireland has attracted a large number of different industries to Ireland ranging from healthcare and pharmaceuticals to electronics and engineering, data processing

and tele-services. Ireland hosts operations from 9 out of the world's top 10 ICT companies, all of the world's top 10 pharmaceutical companies and 17 of the world's top 20 medical devices companies.

(b) **Enterprise Ireland**

Enterprise Ireland was established in 1998 and is the government organisation responsible for the development and growth of Irish enterprises in world markets. It works in partnership with Irish enterprises to help them start, grow, innovate and win export sales on global markets. In this way, it aims to support sustainable economic growth, regional development and secure employment.

Enterprise Ireland works in partnership with Irish enterprises to help them start, grow, innovate and win export sales on global markets. Its website is www.enterprise-ireland.com.

Enterprise Ireland provides a number of services to companies including funding supports, export assistance, supports to develop competitiveness, incentives to stimulate in-company research & development ("R&D"), connections and introductions to customers overseas and assistance with R&D collaboration.

Enterprise Ireland works with entrepreneurs and business people across the full business development spectrum - from early-stage entrepreneurs, to established business owners and Irish multinational companies.

(c) **The Department of Jobs, Enterprise and Innovation**

The Department of Jobs, Enterprise and Innovation is responsible for the formulation of policies for the development of enterprise, trade, science, technology and innovation in Ireland.

(d) **Shannon Development**

This State agency was set up to develop the Shannon region of Ireland (County Limerick, County Clare, North Kerry, North Tipperary and South Offaly). Shannon is recognized as a base for international industrial activity, particularly in the aerospace, technology and life sciences sectors.

Shannon Development is responsible for a number of areas of development of the region including tourism and industry.

The agency is responsible for the Shannon Free Zone, an international business park adjacent to Shannon Airport that has served to attract a large number of multinationals, and the Shannon Development Knowledge Network which includes National Technology Park, a Science and Technology Park on which the University of Limerick is located.

Shannon Development provides financial assistance to companies wishing to locate in the Shannon Free Zone or expand existing operations. Grants available from Shannon Development are broadly in line with those offered by IDA Ireland, though it also supports service industries which might not qualify for IDA grants.

Shannon Development also provides a wide range of property solutions in the region.

Its website address is www.shannondevelopment.ie.

(e) **Udarás na Gaeltachta - the Gaeltacht Authority**

Udarás Na Gaeltachta was established in 1980 to promote the economic, social and cultural developments of Gaeltacht areas which are areas where Irish is spoken as the community language. Broadly speaking, these areas comprise large parts of Counties Donegal, Galway, Kerry and Mayo and smaller areas of Counties Cork, Meath and Waterford.

Udarás Na Gaeltachta assists prospective investors through all stages of start up from site identification to help with recruitment, training and legal requirements. As a regional development agency, it is responsible for the creation of jobs in manufacturing, natural resources and modern services. It assists industries such as engineering, media, aquaculture, farming, fishing and textiles.

Údarás can provide a range of financial incentives in the form of grant assistance to aid your varied business needs. Support incentives include: Feasibility Study Grants; Research and Development Grants; Capital Grants; Employment Grants; Training Grants; Commercial Aquaculture Development Schemes; Equity Investments; Consultancy Services Grant; Development of Market Research Skills; Trade Fair Participation Schemes and Innovation Voucher Initiatives.

Údarás also offers:

• Business Premises: ready-to-occupy factories and offices on workspace, buildings, offices, or individual sites and within industrial parks are available;

• Help in the recruitment and training of staff; and

• Advice from our experienced business advisors.

Its website is www.udaras.ie.

(f) **Solas**

SOLAS is the new Further Education and Training Authority in Ireland. It is responsible for funding, planning and co-ordinating training and further education programmes. It was formally established on the 27th October 2013 and replaces FAS, the state jobs and training agency.

SOLAS has been established to develop and give strategic direction to the Further Education and Training Sector in Ireland. Its responsibilities include funding, planning and co-ordinating a wide range of training and further education programmes and it has a mandate to ensure the provision of 21st century high-quality programmes to jobseekers and other learners.

SOLAS focuses specifically on planning, funding and driving the development of a new, integrated Further Education and Training service. It strives to ensure that every learner has access to the best possible Further Education and Training (FET) and will work to build a new learner focused FET service in Ireland that is fit for purpose and future focused.

To achieve this, SOLAS works closely with a wide range of stakeholders including Learners, Employers, Education & Training Boards, Government Departments, State Bodies, Quality and Qualifications Ireland (QQI), the Higher Education Authority (HEA), Institutes of Technology (IOTs) and Representative Organisations. The aim is to build a clear, integrated pathway to work for learners through Further Education and Training.

- **What is the rate of inflation?**

At the end of September 2015 the rate of inflation stood at 1.2%.

- **Explain any sector exceptions, incentives or restrictions on foreign investment?**

Ireland currently offers a favourable tax regime. Its low rates of corporation tax (12.5%), outward withholding tax exemptions under domestic law and a treaty network with good coverage and low withholding tax provisions in Europe, North America and Asia act as the cornerstone of Irish Foreign Direct Investment policy. See under tax headings below. Other measures include:

• A tax credit for expenditure incurred on qualifying R&D activities. Prior to 2012 qualifying R&D expenditure was reduced in full by the base year expenditure in calculating the relief. For accounting periods beginning on or after 1 January 2015, the requirement to subtract base year (2003) expenditure has been removed and all qualifying R&D expenditure will be eligible to a 25% tax credit;

• Tax depreciation for capital expenditure incurred to acquire a variety of intangible assets over a 15-year period;

• Wide domestic exemptions from withholding tax on dividends and interest payments made by an Irish company; and

• An exemption from capital gains tax for Irish holding companies disposing of qualifying shareholdings in subsidiaries.

- **Describe de facto restrictions on investment, if any, such as bureaucratic discretion**.

There are no legal or regulatory restrictions specific to Foreign Direct Investment into Ireland. In general the same rules apply to overseas owners of, and investors in, businesses as apply to domestic owners and investors. However many sectors require businesses to obtain specific permits or authorisations to operate. Although there are no particular prohibitions or restrictions on Foreign Direct Investment into these sectors, the terms of the permits or authorisations may well contain consent rights for the relevant regulator or other provisions which will have to be considered in connection with FDI. Examples include:

• **Energy:** Gas and Electricity industries are regulated by the Commission for Energy Regulation (CER), and it will be necessary for companies involved in these sectors to obtain a CER licence. This will be relevant when considering an investment in, or acquisition of, a licence holder.

• **Broadcasting**: It will be necessary to obtain a license from the Commission of Communication Regulation (ComReg) if an entity is providing television or radio services. These licences generally contain an obligation to notify ComReg of a substantial change of shareholding or control. Restrictions on ownership of a broadcasting company apply equally to domestic and foreign acquirers, and there are no FDI specific considerations.

• **Water and sewage**: Water and Sewage companies in Ireland are regulated by the Environmental Protection Agency (EPA). The EPA grants both Integrated Pollution Prevention and Control (IPPC) licences and EPA waste licences for certain activities. IPPC licences are generally open-ended, subject to compliance with their conditions,

although a time limit can be included as a condition. Waste licences often have a limited time span. IPPC and EPA waste licences can only be transferred with the EPA's prior consent. The EPA will not consent to such a transfer unless it is satisfied as to both the technical and financial competence of the proposed transferee.

- **What types of businesses are conducted in the country?**

Ireland has undergone enormous change in recent times in respect of the kind of business conducted in the country. Agriculture and Tourism were previously the main industries, but today the more important industries are as follows:

- **Electronics** - Ireland is especially attractive for investment in information and communications technology because there is a young and highly educated workforce.

- **IT Services / Computer Software / Hardware:** This has become a key sector for Ireland and as a result of the availability of highly skilled IT professionals here, Ireland has become an attractive place to do business for many high profile companies i.e. Google and Facebook. There is a huge possibility that the IT outsourcing market could boom as employers are frequently looking to third party service providers in order to cut costs.

- **Engineering** - There are over 170 overseas-owned engineering firms in Ireland. There has been significant growth in the production of automotive components and aerospace technology.

- **Accounting and Auditing:** There is a demand for accountants and auditors as a result of a huge focus on company books of account at present. Companies are becoming more focused on effective corporate governance and compliance at present.

- **Innovation and Intellectual Property Related Enterprises:** This sector is beginning to prosper in the wake of a new tax relief which has been introduced by the government on capital expenditure incurred in the acquisition of IP.

- **Green Sector Jobs:** Employment has risen in areas such as Renewable Energy and Environmental and Energy Efficient Technologies. There is an increased demand for those qualified in environmental biology, renewable and electrical energy systems, environmental management and specialist fields within science and engineering.

- **Pharmaceuticals** - All of the top ten pharmaceutical companies in the world have operations in Ireland. The infrastructure is well suited to the industry with state-of-the-art equipment and stringent quality control of products.

- **Medical devices** - 160 companies including 17 of the world's top 20 medical device companies have significant operations in Ireland, making it one of the largest industry sectors.

- **Software** – The indigenous software sector employs over 105,000 people across an array of diverse companies. Nine of the world's top ten ICT companies have operations in Ireland.

- **Telesales** - Ireland is a leader in Europe in this field.

- **Financial Services -** The International Financial Services Centre ("IFSC") is a major international centre for collective investment fund management and ranks as one of the leading locations worldwide for international banking, corporate treasury and some specialised insurance activities. It has become one of the leading hedge fund service centres in Europe, and many of the world's most important financial institutions have a presence here.

2.2 Diplomatic Relations

- **Explain any established diplomatic relations your country may have**.

Ireland has a well-developed diplomatic service with representation in most countries. Ireland is militarily neutral and maintains an active membership of the United Nations.

- **Give addresses and telephone numbers for the embassies or consulates in your country?**

These are listed in the business section of the telephone directory under "Diplomatic & Consular Missions".

- **Are there prohibitions or restrictions on certain business dealings with the country?**

There are no prohibitions on business dealings with the country. However, the Irish government maintains a list of countries/groups that are subject to financial sanctions. See Section 5.

- **Explain any travel restrictions to or within the country?**

There are no travel restrictions to or within the country. However, as Ireland is an island, it is necessary to travel to it by ferry or by air. See below for immigration requirements in Section 16.

2.3 Government

- **Explain your country's election system and schedule. Is there an anticipated change in the present government?**

Governments are elected by the People for terms of a maximum of five years. Ireland has a President and two houses of Parliament. The Parliament is known as the Oireachtas and is made up of two chambers namely the Dáil and the Seanad. The government is the party or coalition holding a majority in the Dáil.

Under the Irish Constitution every citizen has a right to vote and voting is by secret ballot.

For the purposes of the election the country is divided into constituencies with the political parties putting up candidates for election for a specified number of seats in each constituency. The system of election is proportional representation by means of a single transferable vote. This involves a quota made up of total valid votes/total seats + 1.Every candidate who reached the quota is elected and his surplus is distributed to the second preferences. The process continues until all the seats are filled.

The Government of the 31st Dáil is the present government and it was formed after the 2011 general election. Fine Gael and Labour entered discussions and this culminated in a joint programme for government. The next general election is planned to take place in early spring 2016.

- **Is the present government stable? Briefly explain your country's political history in the last decade**.

The main political parties in Ireland are Fianna Fáil, Fine Gael, Labour and Sinn Féin and they have similar policies to western European political allegiances. There are fifteen Government Departments, each headed by a Minister. The Ministers collectively form the Government. Executive power is exercised by or on the authority of the Government, which is responsible to the Dáil (House of Representatives). The Head of the Government is the Taoiseach while the Deputy Head of the Government is the Tánaiste. In 2011, Fine Gael and the Labour Party formed a Government with Mr. Enda Kenny (the leader of Fine Gael) elected Taoiseach. The latest the current government can be dissolved is the 9th March 2016. As noted earlier, the next general election is set to take place in spring 2016.

Ireland had a period of extraordinary growth from 1993 to 2007, becoming one of the world's most dynamic, innovative and globalised economies, with extensive external trade and investment links. In 2008, partly due to the open nature of its economy Ireland began to feel the effects of the global economic downturn. Pressure on the economy was significantly accentuated by the end of a prolonged Irish property market boom and issues within the domestic banking system. This led to a period of recession and a sharp contraction in economic output.The last six months has seen good news on most fronts: unemployment is down, employment is up, emigration has fallen and tax receipts are up. Ireland's ongoing economic recovery is generally attributed to its educated and flexible workforce, government measures to ensure macroeconomic stability and to attract foreign investment and membership of the European Union, which now provides a market of almost 500 million people. Ireland continues to be one of the most open economies in the OECD and is now ranked as having the fastest growing economy in Europe.

2.4 Explain your country's judicial system:

In the Treaty of 1922, the British control of the court system was handed over to the Irish Free State. The system of courts was established under the provisions of the Constitution of Ireland, which became law in 1937.The system of courts is based on that already in existence in 1924.The Constitution of Ireland provides that justice shall be administered in public in courts established by law by judges appointed by the President on the advice of the Government. The administration of justice is assigned to the Courts of First Instance and a Court of Final Appeal (known as the Supreme Court).The Courts of First Instance include the High Court and also courts with local and limited jurisdiction (the Circuit and District Courts).The Rules of the Superior Courts regulate the matters brought in the Superior Courts. There are simpler rules in the Lower Courts.

The Court of Appeal was established on 28 October 2014 under the Court of Appeal Act 2014. The Court of Appeal has the jurisdiction which prior to the Act was vested in the Supreme Court, the Court of Criminal Appeal and the Courts-Martial Appeal Court, the latter two courts having been abolished by the Act. As such, it will be the default court for all appeals from decisions of the High Court and its decision will be final (save in certain limited circumstances). It is possible in exceptional circumstances to bypass the Court of Appeal and appeal a ruling of the High Court

directly to the Supreme Court ("a Leapfrog Appeal"). Permission to bring a Leapfrog Appeal must first be obtained from the Supreme Court.

In 2004, a new division of the High Court, known as the Commercial Court, was established to provide efficient and effective dispute resolution in larger commercial cases.

In most commercial cases, evidence is heard before a Judge (or several Judges if in the Supreme Court) who decides the proper interpretation of the law. He or she may give his judgment immediately (ex tempore) or at a later stage. Mostly civil cases are not heard by a jury; however defamation cases brought in the High Court are decided by Judge and Jury.

Remedies are available at common law, equity & also those in conjunction with statutory rights. There is no political method for resolving disputes in this jurisdiction. Decisions of Irish Courts may be referred to the European Court of Justice.

- **Is the judicial system generally perceived to be impartial?**

  The Judges in all the courts are, under the Constitution, completely independent in the exercise of their judicial functions and the judicial system is perceived to be impartial and independent.

- **Must disputes be resolved in the country?**

  The international jurisdiction of the Irish courts in civil and commercial matters is now governed by the Brussels Convention and the Lugano Convention. The jurisdiction of the Irish Courts to hear disputes relating to non-convention countries is determined by Irish conflict of law rules. Similarly, judgments from countries who are party to the Brussels and Lugano Conventions are enforceable in this jurisdiction under Jurisdiction of Courts and Enforcement of Judgments Act 1998. Judgments from countries not party to those conventions are enforceable in this jurisdiction subject to Irish rules of conflict law.

- **Is there a political method of resolving disputes?**

  There are no political methods of resolving disputes in Ireland.

- **Are alternative methods of dispute resolution permitted?**

  If you have a dispute with a company in Ireland it should first be attempted to solve the dispute directly with the company. If this fails, it is possible to take a claim to the Small Claims Court which is particularly useful for claims that are less than €2,000. Alternatively you can use a mediation service provided by a third party.

  In Ireland, disputes may also be settled by arbitration as laid down in the Arbitration Act 2010. Historically, arbitration was confined to such matters as settlement of rents under review clauses in leases, official arbitration to settle compensation on compulsory government acquisition of property, insurance and construction contracts. However, the Arbitration (International Commercial) Act 1998 has adopted the UNCITRAL Model law on International Commercial Arbitration and this has led to an increased number of provisions for arbitration in international commercial agreements.

In addition the American Association of Arbitration has opened its European Centre for Dispute Resolution in Dublin, the ICDR. This will also impact on the number and kind of disputes that may be resolved in this manner in this jurisdiction.

The advantages of using Alternative Dispute Resolution mechanisms in Ireland are it provides confidentiality, it is easy to use and it can be more cost effective than going to court. It is particularly useful where there is a consumer complaint against a company based in another EU country. The network of European Consumer Centers (ECC) helps to solve cross-border consumer problems within the EU. Each ECC first tries to mediate on behalf of the consumer with the retailer or service provider in the other EU member state. If this fails it puts consumers in touch with relevant alternative dispute resolution (ADR) organisations in Ireland and Europe.

- **How long does it take to resolve disputes?**

Prior to the establishment of the Court of Appeal, there were considerable delays in having appeals heard by the Supreme Court. The court of Appeal has now reduced the length of time it takes to have an appeal from a decision of the High Court heard and determined from 4 years to an average of 12-18 months. The Government has also taken additional measures to improve the efficiency of the courts by adding two new members to the Supreme Court and introducing legislation to increase the jurisdiction of the circuit court so that fewer cases have to be heard in the High Court in the first instance. The Supreme Court, as a court of last resort, will now only hear cases of public significance or cases where an important aspect of the law or the Constitution is in issue.

The Irish Commercial Court has proven an effective, practical and cost effective forum for commercial dispute resolution. It is effectively a fast track division of the High Court providing efficient dispute resolution in commercial cases (on average cases are resolved within 14 weeks of entry to the commercial list). For proceedings to be admitted to the commercial list, generally the disputed claim must be for a minimum of €1,000,000 and be of a commercial nature, such as a dispute over a business contract, intellectual property, insurance or re-insurance. The Judge in charge of the Commercial Court has an overall discretion to allow or refuse to enter a case and quite often any material delay in bring an application for entry will result in the application being refused.

- **Can foreign judicial decisions be enforced in the country?**

The enforcement of judgments between the EU member states is regulated by the Recast Brussels Regulation which replaced the Brussels Regulation on 10 January 2015. The Recast Brussels Regulation now governs jurisdiction and the recognition and enforcement of judgements and civil matters across the EU. The Brussels Convention applies between the EU member states and Denmark. The Lugano Convention 1988, ("the Lugano Convention") which created an almost identical system to the Brussels Convention, applies between the EU member states and the members of EFTA, Switzerland, Iceland and Norway. Both the Brussels Convention and the Lugano Convention ("the Conventions") are implemented into Irish Law by the Jurisdiction of Courts and Enforcement of Judgments Act, 1993.

- **Can decisions from the country be enforced outside the country?**

  The Recast Brussels Regulation has simplified and streamlined the procedure for enforcing judgements in another member state. The judgement creditor is now only required to present a copy of the judgement and a standard form certificate issued by the court which granted the judgement. It can then begin whatever enforcement measures are available under local law. The onus is on the judgement debtor to oppose enforcement and the grounds on which it can do so are very limited.

- **Are there separate tribunals depending upon the subject matter of the case?**

  An investigatory inquiry can be established to investigate matters of significant public importance. The purpose of such tribunals is to establish the facts in relation to the particular matter of public concern, which has been identified by its terms of reference. Irish law makes provision for a number of different types of investigatory inquiries. These range from special inquiries established to investigate a particular event or series of events, such as tribunals of inquiry, to other inquiries such as planning inquiries. Not all inquiries are established using legislation, that is, tribunals on a statutory basis. The findings of a particular inquiry may lead to other forms of inquiry being set up.

  There are also a number of other forums for disputes depending on the nature of the case including:

  (i) **The Employment Appeals Tribunal:**

  This is an independent body established to provide a speedy, inexpensive and relatively informal means for adjudication of disputes on employment rights under the various legislation that come within the tribunal's scope. There are two types of application to the Tribunal: a) a direct claim b) an appeal from the Rights Commissioners Service. Following the hearing of a case the Tribunal will make a determination which is final and conclusive, subject only to the appropriate avenue of legal appeal to the Higher Courts.

  (ii) **The Labour Court:**

  The Labour Court was established under the Industrial Relations Act, 1946. The functions of the Court have been altered and extended by subsequent legislation including the Workplace Relations Act 2015 which provided for the most profound changes since the 1946 Act. Under the provisions of the Act the Labour Court now has sole appellate jurisdiction in all disputes under employment rights enactments. The Labour Court is not a court of law. It operates as an industrial relations tribunal, hearing both sides in a case and then issuing a Recommendation (or Determination/Decision/Order, depending of the type of case) setting out its opinion on the dispute and the terms on which it should be settled. Recommendations made by the Court concerning the investigation of disputes under the Industrial Relations Acts 1946 – 2015 are not binding on the parties concerned, however, the parties are expected to give serious consideration to the Court's Recommendation. Ultimately, however, responsibility for the settlement of a dispute rests with the parties.

The Court's determinations under the Employment Rights enactment are legally binding.

(iii) **Financial Ombudsman:**

This is a statutory officer who deals independently with unresolved complaints from consumers about their individual dealings with all financial service providers. It is a free service to the complainant.

(iv) **Small Claims Court:**

The aim of the Small Claims Court procedure is to provide an inexpensive, fast and easy way for consumers to resolve disputes without the need to employ a solicitor. Both the claimant and the respondent must be living or based within the State. If either party lives or is based in another EU member state, the European Small Claims Procedure should be used. The Small Claims service is provided in the local District Court offices. The procedure can be used to resolve consumer complaints. Certain other types of disputes are also eligible. Since January 2010, businesses can make claims against other businesses. Claims cannot exceed €2,000.

(v) **Private Residential Tenancies Board:**

The PRTB was established in 2004 on foot of the Residential Tenancies Act (RTA). The PRTB is an agency of Government with statutory powers. The central role of the PRTB is to support the rental housing market and to resolve cheaply and speedily disputes between landlords and tenants, affording protection to both parties without having to resort to the Courts. As a statutory body, the PRTB has been responsible for the operation of a national registration system for all private residential tenancies and for providing a more timely and cost effective dispute resolution service, as well as disseminating information, carrying out research and offering policy advice regarding the rental housing sector.

- **Are there different legal systems within the country or its political subdivisions?**

  Irish law is based on Common Law as modified by subsequent legislation and by the Constitution of 1937. The *European Communities Act 1972*, as amended, provides that treaties of the European Union are part of Irish law, along with directly effective measures adopted under those treaties. It also provides that government ministers may adopt statutory instruments to implement European Union law and that as an exception to the general rule such statutory instruments have effect as if they were primary legislation. Ireland is a dualist state and treaties are not part of Irish domestic law unless incorporated by the Oireachtas. The dualist approach in international law contained in the Irish Constitution allows the state to sign and ratify treaties without incorporating them into domestic law.

- **Can the investor choose to be subject to the country's jurisdiction or not?**

  Yes, in general an investor can provide that a contract can be governed by the laws of a different jurisdiction and the courts of Ireland will give effect to

such clauses. Jurisdiction or “choice of court” agreements are commonly used in commercial agreements. Previously EU Member States were obliged to recognize such agreements, provided at least one of the parties was domiciled in the EU. The Recast Regulation removes the domicile requirement. Now, where parties to a contract, regardless of their domicile, agree that the courts of a particular EU member state will have jurisdiction to settle any disputes which arise in connection with the contract, the jurisdiction clause must be recognized by all EU member state courts.

The Recast Regulation gives priority to the chosen court and requires any other court first seised to stay its proceedings until the chosen court decides whether it has jurisdiction. If the chosen court decides that it has jurisdiction, it can proceed to determine the substantive issue irrespective of whether the court first seised has granted a stay of the proceedings. However, this solution only applies where there is an exclusive jurisdiction clause. It is important to note that many standard form contracts, particularly in the finance sector, contain what are known as unilateral or asymmetric jurisdiction clauses. It is yet unclear whether such clauses will be regarded as exclusive jurisdiction clauses for the purpose of the Recast Regulation.

Under the Recast Regulation where the proceedings brought before the non-EU member state court are first in time, the EU member state court can stay any parallel proceedings brought before it in breach of the jurisdiction clause.

Ireland does not have a single overarching body responsible for regulating investment into Ireland. However, depending on the circumstances of the investment and the nature of the industry, compliance with a regulatory regime and approval from a regulatory body may be required. The government is keen to ensure that there are no significant barriers to international trade or foreign investment in Ireland. However, certain types of investment and industries are subject to approval, regulation, or both, under Irish law.

2.5 **Explain your country’s legislative system:**

Ireland is a parliamentary democracy. Its law is based on Common Law and legislation enacted by the Oireachtas (Irish Parliament) under the Constitution. In addition, regulations and directives enacted by the European Union have the force of law in Ireland. Ireland’s legal system has been greatly influenced by Brussels since joining the European Union in 1973. All legislation must accord with the Irish Constitution.

The legislative power lies with the Oireachtas. There are two levels of legislation, superior legislation and sub-ordinate legislation. The sub-ordinate legislation usually pertains to administrative law matters.

The procedural requirements for the introduction of legislation vary with the kind of legislation. An ordinary bill must be passed by the Dáil, and then by the Seanad. The Seanad has 90 days in which to consider a Bill and may not hold up a Bill indefinitely. Different procedures apply to financial legislation (also called a Money Bill).For that kind of legislation, the Seanad has a shorter period in which to consider the legislation.

The Oireachtas may not pass legislation that is in breach of the Constitution. The Oireachtas does not have unlimited power and after a Bill has been passed by the Oireachtas, the President has the option of seeking the advice

of the Supreme Court in relation to a piece of legislation. The other possibility is for a person affected by the legislation to take an action in the courts to have it declared constitutionally invalid.

2.6 Environmental Considerations

- **What is the public/government attitude toward environmental regulation?**

Irish environmental policy and regulation has been, and continues to be, very much shaped and influenced by EU legislation and policy in this area. Irish environmental legislation is modern and regularly updated to transpose European law. The responsibility for enforcement and administration of environmental law in Ireland lies with several authorities.

The Department of the Environment, Community and Local Government is the principal governmental department responsible for developing environmental policy and the drafting of environmental legislation. The Environmental Protection Agency (the "EPA") has responsibility for licensing, enforcement, monitoring and assessment of activities associated with environmental discharges, emissions and waste handling. Where an activity is not licensed by the EPA, local authorities, such as city and county councils, play an important role in environmental control and pollution control as they are a consent authority for lesser environmental licences for activities located in their respective functional areas. However, other agencies, such as Irish Water and other governmental departments also have a role in licensing certain activities which can impact on the environment.

Local authorities also have a particular responsibility in the planning process. Planning decisions made by local authorities can be subject to appeal to an independent national planning appeals board (An Bord Pleanála).

In terms of enforcement, breaches of environmental law are principally enforced by the EPA whereas breaches of planning law are principally enforced by local authorities.

The Office of Environmental Enforcement ("OEE") of the EPA has published an Enforcement Policy. It sets out that the OEE will only pursue a prosecution after full consideration of the event giving rise to environmental concerns and other relevant factors, including the environmental effects of the offence, the foreseeability of the offence, and the intent of the offender. A prosecution will not be commenced or continued by the OEE unless it is satisfied that there is sufficient, admissible and reliable evidence that the offence has been committed and that there is a realistic prospect of conviction. The most recent Annual Report of the EPA states that twelve prosecutions were initiated by the EPA in 2013. In addition, the OEE encourages local authorities to adopt a similar approach to prosecution in relation to enforcement of environmental legislation.

- **Explain any environmental regulations**

Many activities may require both a planning permission (to permit the construction of a particular development and the use of it for a particular activity) and an environmental operating licence (to permit the carrying on of a particular activity that may impact on the environment). Depending on the nature of the activity to be carried out, more than one environmental operating licence may be required.

Large-scale developments will typically require an environmental impact assessment ("EIA") under the EIA Directive 2011/92/EU to be carried out before the grant of planning permission and/or an environmental operating licence. In some cases, an EIA is mandatory for certain developments or activities, irrespective of the size of the development. In most cases, however, a threshold is set and if this is exceeded, the project must then be subject to EIA. Even if the thresholds are not exceeded, the relevant authority can require the preparation of an environmental impact statement to allow it to carry out an EIA if it considers that the project would be likely to have significant effects on the environment. The full list of projects for which an EIA is required, together with the relevant threshold limits, is set out in Schedule 5 to the Planning and Development Regulations 2001 to 2013 (the "Planning Regulations").

In addition to an EIA, an "appropriate assessment" pursuant to the Habitats Directive 92/43/EEC may be required to be carried out by the consent authorities. An "appropriate assessment" is required to be carried out on any plan or project not directly connected with or necessary to the management of a protected site but likely to have a significant effect on the site (either individually or in combination with other plans or projects).The consent authorities shall agree to the plan or project only after having ascertained that it will not adversely affect the integrity of the protected site(s) concerned.

Although the statutory regimes governing the granting of planning permission and environmental operating licences are separate, the relevant public bodies are statutorily required to consult with each other in assessing applications for planning permission and/or environmental operating licences in respect of the same project to ensure compliance with EU law.

Planning Legislation

Planning and development in Ireland is governed by the Planning and Development Acts 2000 – 2014 (the "Planning Acts") and the Planning Regulations. The development of land or buildings, including material changes of use requires planning permission under the Planning Acts, unless such development falls under an exemption provided for by the Planning Acts and the Planning Regulations. The planning process is largely administered by local authorities who may, on submission of an application to them, refuse or grant permission with or without conditions. A decision of a local authority may be appealed to An Bord Pleanála by the applicant or a third party.

There is a streamlined procedure for planning applications for approval of significant developments of strategic economic or social importance to Ireland. Such developments, known as strategic infrastructure developments, are made directly to An Bord Pleanála. These applications relate to large scale developments comprising energy, transport, environmental and health infrastructure. Examples of developments to have benefited from this process include offshore gas field developments, waste-to-energy plants, combined heat and power plants, mechanical biological treatment plants and wind farms generating in excess of 50 MW of electricity. An Bord Pleanála has a statutory objective to determine strategic infrastructure cases within eighteen weeks, although this period can be extended.

Emissions Licensing

In addition to planning permission, and depending on the nature of the activity to be carried out and any resultant emissions or discharges to the environment, a person may require an environmental operating licence permitting the activity.

Activities that require either an Industrial Emissions Licence ("IE Licence") or an Integrated Pollution Control Licence ("IPC Licence") from the EPA are listed in the First Schedule to the Environmental Protection Agency Act 1992 (as amended) (the "EPA Act"). The purpose of the licensing system under the EPA Act is to ensure that all emissions from a licensed activity are regulated under a single licence. Activities requiring an IPC Licence are generally either below certain thresholds or criteria for an IE Licence and/or comprise an activity of a less industrial nature e.g. certain activities in the food and drink sector.

Most licences for new activities are granted within six months to a year of a valid application being submitted to the EPA.

Other activities that do not require an IE or IPC Licence but may still have an impact on the environment may require a licence or permit from another consent authority. For example, an air pollution licence pursuant to the Air Pollution Act 1987 (as amended) may be required from the relevant local authority for emissions to air or a trade effluent discharge licence pursuant to the Local Government (Water Pollution) Acts 1977 to 2007 may be required from Irish Water and/or the relevant local authority for discharges of trade effluent.

Waste Licensing

The recovery and disposal of waste in Ireland is primarily governed by the Waste Management Acts 1996 – 2013 and the EPA Act. Certain categories of waste activity which fall under the First Schedule to the EPA Act now require an IE Licence since the commencement of the European Union (Industrial Emissions) Regulations 2013. Therefore, a waste operator may be required to obtain and hold either an IE Licence or a waste licence from the EPA (for the most significant waste activities), a waste facility permit from the local authority (for more environmentally benign waste activities), a waste certificate of registration/registration certificate from the local authority or the EPA (for local authorities' waste activities) or a waste collection permit from the local authority.

There are specific regulations relating to the handling, storage, treatment and shipment of hazardous waste which are enforced by the local authorities, the EPA and the National Trans Frontier Shipment Office. There are also specific regulations applicable to producers of packaging waste, waste electrical and electronic equipment and batteries. In general terms, these impose responsibility for such waste on producers and can be discharged by self-compliance or by joining an approved compliance scheme.

- **Regulation of Hazardous and Dangerous Substances**

There are a large number of specific regulations dealing with hazardous and dangerous substances, including, for example, in relation to radioactive substances, agrichemicals, cosmetics and poisons.

Establishments where dangerous substances are present in amounts equal to or exceeding certain threshold quantities are required to comply with the Chemicals Act (Control of Major Accident Hazards involving Dangerous Substances) Regulations 2015. These regulations implement Council Directive 20128/EU (the "Seveso III Directive").

The Seveso III Directive imposes duties in respect of safety management systems, preparation of safety reports and emergency preparedness and also affects development proposed on or near a "Seveso" site (which may be restricted). A

number of authorities are involved in the administration and enforcement of these requirements, particularly the Health and Safety Authority and local authorities.

The Health and Safety Authority is also primarily responsible for enforcement of legislation governing the transport of dangerous goods by road pursuant to the Carriage of Dangerous Goods by Road Act 1998 (as amended) and regulations made thereunder. The Health and Safety Authority has published a number of relevant guidance notes.

Controls over radioactive substances are exercised principally under the Radiological Protection Act 1991 (as amended).The EPA is the body responsible for the handling and disposal of radioactive materials in Ireland in addition to regulating all sources of ionising radiation, natural as well as artificial.

- **Climate Change, Renewable Energy and Energy Efficiency**

Ireland is bound by the European Commission's climate and energy legislative package, which is to be met by 2020. The targets include:

- A reduction in EU greenhouse gas emissions of at least 20% below 1990 levels;
- 20% of EU energy consumption to come from renewable resources; and
- 20% reduction in primary energy use compared with projected levels, to be achieved by improving energy efficiency.

Renewable Energy

Wind farms, which are the largest source of renewable energy in Ireland, can potentially generate 2281 MW of electricity in the Republic of Ireland. In order to achieve the target set for energy consumption from renewable resources by 2020, an estimated 5,500-6,000 MW of electricity generation by wind is required. Permission for the development and operation of wind farms is granted through the planning process and no environmental operating licences are required from any other consent authority.

Other sources of renewable energy are also available in Ireland. Biomass is used for electricity generation by co-firing with peat in existing power plants, with a small amount also used in combined heat and power plants. In 2013, 215 GWh of electricity was produced from the co-firing of biomass in conventional plant while a further 14 GWh of electricity was produced from biomass in combined heat and power plants. In addition, biogas produced from the anaerobic digestion of animal slurries, wastes in abattoirs, breweries and other agrifood industries, can be used in combined heat and power plants to generate electricity either for own use or for exporting to the grid. Such biogas facilities require additional approval from the Department of Agriculture, Fisheries and Food.

Also, given the substantial fall in the cost of developing solar electricity in recent years, solar power has also become a more attractive option and certain commercial semi-state bodies, with large amounts of land under their ownership, are now actively seeking partners to develop solar power in Ireland.

Greenhouse Gas Emissions

A scheme for greenhouse gas emission allowance trading within the European Community was established under Directive 2003/87/EC (the “ETS Directive”). The ETS Directive has been implemented in Ireland by the European Communities (Greenhouse Gas Emissions Trading) Regulations 2012, as amended (the “2012 Regulations”).

The Emissions Trading Scheme (“ETS”) was launched on 1 January 2005 and has now entered its third phase, which will run from 2013 until 2020. The main changes in the third phase include a single, EU-wide cap on emissions, as opposed to 27 national caps, and the introduction of an auction system for allocating allowances. In addition to energy-intensive industries (e.g. large combustion installations, production and processing of ferrous metals, mineral products and pulp and paper), emissions from petrochemicals, ammonia and aluminium production were brought into the scheme.

All installations covered by the ETS require a greenhouse gas emissions permit to enable the installation to emit greenhouse gases. The applicable rules for the issuing, transferring and surrender of permits as well as the penalties for non-compliance are set out in the 2012 Regulations.

Energy Efficiency

Directive 2012/27/EU (the “Energy Efficiency Directive”) was introduced by the European Commission to assist Member States in reaching a 20% reduction in primary energy use by improving energy efficiency and has been implemented into Irish law. It requires Member States to set up “energy efficiency obligation schemes" so that energy distributors and/or retail energy sales companies achieve a cumulative end-use energy savings target by 31 December 2020, equivalent to achieving new savings each year from 1 January 2014 to 31 December 2020 of 1.5% of the annual energy sales. The Energy Efficiency Directive also requires large commercial organisations above certain thresholds to carry out energy audits of their activities by 5 December 2015.

Proposed Legislation

The Climate Action and Low Carbon Development Bill 2015 is also currently being debated in the houses of Parliament. The purpose of the Bill is to provide for the approval of plans by the Government in relation to climate change for the purpose of pursuing the transition to a low carbon, climate resilient and environmentally sustainable economy by the year 2050.

- **Environmental Liability**

Environmental liability may arise both in criminal and civil law. Liability arises in criminal law where there is a breach of a statutory duty, a failure to comply with licence or permit conditions, a failure to comply with the direction of an authorised body or person and/or where an activity requiring an environmental licence is carried on without any such licence. The sanctions for breaches depend on the applicable legislation and all environmental legislation provides for a fine and/or prison sentence. Civil liability arises from a claim of damages for breach of statutory duty, nuisance, negligence, and trespass. Criminal and civil proceedings are mutually exclusive but can be taken in parallel.

In addition, the European Communities (Environmental Liability) Regulations 2008 (as amended) (the "Environmental Liability Regulations") establish a framework of

environmental liability based on the 'polluter-pays' principle, to prevent and remedy environmental damage.

The Environmental Liability Regulations aim to make operators of activities which cause environmental damage or an imminent threat thereof strictly liable to pay compensation for that damage. Almost all activities which require an environmental operating are subject to the Environmental Liability Regulations. An operator may avoid liability for prevention and/or remediation costs if it can prove that the damage or threat of imminent damage was (a) caused by a third party despite appropriate safety measures being put in place and monitored; or (b) it resulted from compliance with an order or instruction of a public authority.

A draft Environmental Liability Bill was also published in 2008. However, no indicative timeline has been given for its enactment. The draft Bill provides for various new provisions such as that, under certain conditions, operators will not bear the cost of remedial action where it can be proven that they were not at fault or negligent. It also provides that requests for action in relation to imminent threats of environmental damage that are deemed vexatious may be dismissed by the EPA.

3. INVESTMENT INCENTIVES

3.1 Explain any export incentives or guarantees. Be sure to answer the following questions:

- **Are there tax incentives for exports?**
- **If so, are they limited to certain types of products?**
- **Is export financing available from government or private sources? If so, what forms of financing or guarantees are available?**
- **Is there any governmental insurance for exports?**
- **Must a national be a participant in the enterprise in order for the investor to benefit from these incentives?**

There are no significant tax incentives for exports. Exporters are liable to corporation tax in the manner outlined in Section 12 below.

3.2 Explain any grants, subsidies or funds your country offers foreign investors.

Be sure to answer the following questions:

- **Are grants and subsidies restricted by the type of activity?**
- **What is the process for obtaining approval for these grants or subsidies?**
- **How long does it take to receive approval?**
- **Can the investor receive loans from the government or governmental agencies?**
- **Must a national be a participant in the enterprise in order for the investor to receive these grants or subsidies?**

See Section 2.1 for details of governmental agencies.

IDA Ireland provides grants specifically tailored to meet the needs of a company proposing to invest in Ireland. To obtain grant assistance a potential investor must first obtain approval from IDA Ireland. The grant approval process involves negotiations between the Applicant Company and IDA Ireland. The timescale for such negotiations depends, to a large extent, on the speed with which the applicant company can respond and provide information to IDA Ireland.

IDA Ireland requires that the aggregate level of grants paid be matched by an equal amount of equity investment by the promoters. Equity equivalent is normally acceptable up to a maximum of 75% of the total grant aid. Equity equivalent is usually in the form of subordinated loans from promoters.

IDA Ireland's grants are generally only repayable if the conditions in the Grant Agreement are breached during its term. Its term normally extends for five years after the date on which the last grant aid is paid.

It should be noted that training grants are not repayable in any circumstances.

Typically, IDA Ireland will award a grant package on a per job basis i.e. they will decide that each job in a particular project is worth so many dollars/euros and will then multiply the projected number of jobs by that figure to arrive at a total grant package. The types of grant typically offered by IDA Ireland in a start-up situation include the following:

(a) **Capital Grants**: these are available towards the cost of the fixed assets such as site purchase and development, buildings and new plant and equipment. Capital grants are paid retrospectively at agreed percentage rates.

(b) **Employment Grants**: these are geared towards companies which create employment but do not need to invest heavily in fixed assets. These grants are paid on a per job basis and the level of grant depends on the number, value and quantity of positions to be created. These grants are payable in a single instalment once the job in question has been in existence for a month. Employment grants are only available in certain designated regions of Ireland.

(c) **Training Grants:** these are available towards the cost of training workers and management for new industries. Costs covered include trainee wages and travel and subsistence expenses, either at home or abroad. Where agreed in advance, the cost of bringing training personnel to Ireland may also be recovered. Grants are based on specific training programmes agreed between the investing company, IDA Ireland and FÁS.

(d) **R&D Capability Grants**: these are geared towards companies establishing major R&D operations in Ireland or substantially expanding existing R&D functions.

3.3 **Explain any national tax incentives for foreign investors. Be sure to answer the following questions:**

- **Are the incentives restricted by the type of activity?**
- **Are the incentives restricted by the duration of the activity?**
- **What is the process of application?**

- **12.5% tax rate applies to manufacturing activities and activities that are deemed manufacturing:**

Some unique provisions historically applied to companies carrying on business in the International Financial Services Centre (IFSC) and Shannon Free Zone.

- **Research and Development**:

There is relief available from corporation tax where a company incurs expenditure on R&D in Ireland, which acts as a strong incentive for investors locating R&D hubs in Ireland. Further details are outlined in Section 12.

A new corporation tax relief, the "Knowledge Development Box", was introduced in Budget 2016 which provides a 6.25% rate of corporation tax to apply to the profits arising to certain patents and copyrighted software which are the result of qualifying R&D carried out in Ireland.

- **Dividends and Interest**:

Ireland has withholding tax on dividends although generally payments to shareholders located in the EU or countries with which Ireland has a double tax treaty ("DTT Countries") may be made gross. Please see Section 12 below.

- **Film Making Reliefs**:

Tax deductions are available to investor companies in the production of certain films.

- **Artist Exemption**:

An exemption from income tax is, subject to certain conditions, available to individuals who produce musical compositions, books, painting and sculptures. This exemption is subject to a €50,000 ceiling.

- **Other Reliefs**:

Specific reliefs exist with respect to woodland and forestry areas.

3.4 **Explain any regional tax incentives open to foreign investors. Be sure to answer the following questions:**

- **Are there tax incentives for the investors that exist only in certain regions of the country?**
- **Does the investor need to receive approval to be eligible for these incentives? Are the incentives restricted by the type of activity?**
- **Arc the incentives restricted by the duration of the activity?**
- **What does the process of application involve?**

There are certain employment and trading grants available from IDA Ireland.

4. FINANCIAL FACILITIES

4.1 Banking/Financial Facilities

- **What kind of financial institutions exist?**

- **What is the type of financial system in the country?**
- **How is the banking system structured?**

A wide range of Irish financial institutions are required to be authorised by the Central Bank of Ireland. Credit institutions regulated by the Central Bank of Ireland include banks, building societies and covered bond banks. The Central Bank of Ireland also maintains a register of those European credit institutions authorised in other Member States and operating in Ireland, either on a branch or a cross-border basis. Other financial institutions such as insurance companies, payment institutions, retail credit firms, credit servicing firms and investment firms are also regulated by the Central Bank of Ireland. The Central Bank of Ireland also regulates credit unions through the Registrar of Credit Unions.

From November 2014, banks have been subject to EU-wide regulation under the Single Supervisory Mechanism (the "SSM"). Under the SSM, banks within the Eurozone have been categorised as "Significant Institutions" and "Less Significant Institutions". The supervision of Significant Institutions is split between the European Central Bank and the Central Bank of Ireland. The European Central Bank is responsible for core supervisory activities relating to Significant Institutions, while responsibility for non-core supervisory activities remains with the Central Bank of Ireland. Less Significant Institutions will continue to be directly supervised by the Central Bank of Ireland.

In brief summary, there are two broad categories of mutual funds in Ireland. The first category comprises of UCITS (Undertakings for Collective Investment in Transferable Securities). The second category comprises of AIFs (Alternative Investment Funds) which primarily include unit trusts established under the Unit Trusts Act 1990, investment companies with variable capital established under Part 24 of the Companies Act 2014 ("2014 Act") and Irish collective asset-management vehicles established under the Irish Collective Asset-management Vehicles Act 2015. The main differences lie in the areas of marketing and investment policies. The Central Bank of Ireland is the regulatory authority responsible for the approval and supervision of all mutual funds in Ireland. The requirements for the approval of the various kinds of funds differ.

As a member of the European System of Central Banks, the Central Bank of Ireland has a mandate to ensure financial stability within Ireland and across the euro zone. In this capacity it also has direct input into monetary policy at the ECB level. The Central Bank in Ireland is also responsible for market regulation and supervision in the Irish financial markets.

Financial institutions in Ireland are subject to a wide range of domestic and European legislation governing all aspects of their business. Credit institutions operating in Ireland must also comply with the licensing and supervision requirements and standards for credit institutions, which are set by the Central Bank of Ireland. These non-statutory requirements deal with the authorisation and ownership of credit institutions, the board and management of credit institutions, internal controls, consolidated supervision, capital adequacy, liquidity, funding, lending, annual accounts of credit institutions, external activities, money laundering, acquisitions by credit institutions, asset securitisation, branding and cross-border services and deposit protection.

In response to the international financial crisis, a state bank guarantee was introduced in Ireland under the Credit Institutions (Financial Support) Act 2008.Although this

guarantee has since lapsed, a further guarantee of certain eligible liabilities was introduced by the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 (the "ELG Scheme") with the approval of the EU Commission. Under this additional guarantee, the Irish State may guarantee certain eligible liabilities (including deposits) of participating institutions of up to five years in maturity. The closure of the ELG Scheme was announced in January 2013 so that new liabilities would not be guaranteed with effect from 28 March 2013. Liabilities already guaranteed as of March 2013 are not affected by the closure.

- **Must the investor maintain a bank account in the country**?

There is no requirement to maintain a bank account in the country.

- **What are the requirements for opening a bank account**?

Under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (the "CJA") which implements the Third Anti-Money Laundering Directive 2005/60/EC, banks, as 'designated persons', are obliged to engage in client due diligence in order to identify new account applicants. Where the account is being opened by a legal entity, such as a company or a partnership, this obligation will extend to identifying its beneficial owners. Furthermore Section 35(1) of the CJA obliges the bank to gather information on the purpose and intended nature of the business relationship.

If a prospective accountholder already has a bank account in another EU member state it might not be necessary to repeat the due diligence procedure in Ireland. This is because Section 40 of the CJA contains provisions allowing for arrangements whereby banks can rely on the due diligence performed by other banks within the EU.

- **What are the restrictions, if any, on the investor's use of the account**?

Section 7 of the CJA provides that a person is guilty of money-laundering if he conceals, disguises, converts, transfers or removes from the State any property while knowing or believing it to represent (or being reckless as to whether it represents), in whole or in part, directly or indirectly, the proceeds of criminal conduct.

Where it is suspected that a customer is engaged in money laundering or terrorist financing the Irish Police (an Garda Síochána) are empowered under Section 17 of the CJA to delay a suspicious service or transaction from being performed so as to allow them to conduct the necessary investigations. The performance of the suspicious service or transaction may be delayed for 7 days on the direction of a police superintendent and by an additional 28 days by court order.

- **Is there a stock market?**

The Irish Stock Exchange ("ISE") was established in Dublin over two hundred years ago and is one of the oldest stock exchanges in Europe. Trading on the ISE is performed electronically, through the ISE Xetra system.

The ISE is authorised as a market operator by the Central Bank of Ireland and operates multilateral trading facilities ("MTF's") under the European Communities (Markets in Financial Instruments) Regulations 2007 (the "MiFID Regulations").

The ISE admissions to trading rules apply for securities which are traded on the ISE's markets, along with appropriate trading, settlement and clearing arrangements which are in place to comply with the MiFID Regulations.

The main securities market of the ISE is a regulated market and constitutes the principal market for Irish and overseas companies, while the ISE also runs three MTFs: the Enterprise Securities Market, an equity market designed for growth companies; the Atlantic Securities Market, an equity market for US listed issuers; and the Global Exchange Market, a specialist debt market for professional investors. The ISE is also a leading centre for investment funds listings.

The ISE has had a close association with the London Stock Exchange for a number of years and operates equivalent standards and similar rules in relation to the admission of securities to listing and governing the continuing obligations applicable to listed companies. In common with the London Stock Exchange, the ISE uses the CREST settlement system which provides real-time settlement for Irish and UK shares.

- **Can the investor receive bank loans?**

Financial institutions offer a variety of different loan facilities including leasing facilities. In the case of leasing facilities of equipment and vehicles, rentals are fully tax deductible and Valued Added Tax ("VAT") paid is reclaimed.

5. EXCHANGE CONTROLS

The Central Bank's powers to restrict the transfer of funds outside Ireland pursuant to the Exchange Control Acts 1954 - 1990 lapsed on 31 December 1992 when these Acts were replaced by the Financial Transfers Act 1992. This Act empowers the Minister for Finance to restrict financial transfers between Ireland and other countries provided such restriction is made in conformity with the Treaties governing the European Communities.

The Irish government maintains a list of countries and groups that are currently subject to financial sanctions under the framework of the European Common Foreign and Security Policy. The list of sanctions in force and information regarding the relevant EU regulations and statutory instruments are available on the website of the Department of Finance: www.finance.gov.ie.

6. IMPORT/EXPORT REGULATIONS

6.1 Customs Regulations

- **Is the country a member of GATT?**

Ireland has been a member of GATT since 1967.

- **Is the country a member of the EC?**

Ireland became a member of the European Communities in 1973.

- **Is the country a party to a regional free trade agreement?**

The source of all import and export regulation is at EU level. The EU is party to some free trade agreements with other third countries which allow exports from the EU to enter the markets of these countries at a reduced or nil rate of duty. They also allow imports from these countries into the EU at a reduced or nil rate of duty. These agreements are also known as Preferential Trade Agreements and the duties involved are referred to as preferential rates of duty.

- **Does the Customs Department value the goods?**

The onus is on the importer of the goods to make a declaration to the Customs Authorities setting out details of the goods including its value. The method used for the valuation of imports is the transaction value method i.e. the price paid by the buyer.

- **How are goods cleared through customs?**

The importer of the goods must make a declaration containing details about the goods on the Single Administrative Document ("SAD").The SAD is declared to Revenue's Automated Entry Processing ("AEP") System. Importers or their agents may clear consignments at import using the AEP system and pay any charges (customs duty, VAT, excise duty) to affect the release of the goods.

- **Are there applicable tariffs?**

The EU has an Integrated Customs Tariff ("TARIC") which provides the classification/codes for goods for customs duty purposes which are used to clarify the relevant customs duties.

6.2 Exports

- **Are there restrictions on exports?**

In general there are no prohibitions or restrictions on exporting goods. However, miscellaneous export prohibitions exist in relation to archaeological objects, documents and paintings of national and historical significance, drugs and firearms. The Government may impose a prohibition for policy reasons; and there are quality requirements for certain goods being exported.

- **Are export licences required?**

Licences are only required for certain restricted goods, e.g. live animals, military and dual use items.

- **Are there applicable export duties?**

There are no applicable export duties.

6.3 Foreign Trade Regulations

- **Are there foreign trade regulations on the import or export of goods involved in the business?**

There are no foreign trade regulations other than those imposed by the EU.

6.4 Imports

- **Are import licences required?**

An electronic safety and security declaration (an "Entry Summary Declaration" or "ESD") must be lodged by the carrier of the goods with the Customs Authorities at the office of entry in advance of arrival of the goods.

In general no import licence is required. However, where import is prohibited by a quota order or under other specific legislation, a licence is required. Concern for public health has also meant that the importation of certain products (e.g. certain milk products) is prohibited except under licence or permission.

- **Are there applicable import duties?**

Goods imported from other Member States of the EU are not liable to import duties. Certain goods imported from developing countries are given preferential access to the markets of the EU. Preferential treatment is given in the form of reduced or zero rates of Customs duties through the Generalised System of Preferences. Goods from other countries, however, are liable to import duties at the prevailing rates. Moreover, most imported goods are liable for value added tax at the current rates and, potentially, excise duties.

- **Are there applicable import quotas?**

There are two types of import quotas - preferential and restrictive. The former is used where there is a greater demand of supply for a product than being generated in EU countries; then duty is not imposed. This is awarded to third countries on a first come first served system. The latter type of quota allows a limited amount of a product from third countries to be imported. This is awarded on a licence system i.e. the third country will need to show that it has had a licence over a certain period of time.

- **Are there applicable import barriers?**

The main area that has the effect of creating an import barrier is that of licences. This is because, the European Commission has tended to look more favourably at the third country importers with a licence history. This is particularly seen in the case of agricultural products. It is hoped that there will be a change away from a system of licences to a first come first served basis.

Also, anti-dumping duties are imposed to protect the EU against dumped or subsidised imports from third countries.

6.5 Manufacturing Requirements

- **Must the product contain ingredients or components which are found or produced only in the country?**

- **Will the importation of certain component parts be permitted only if they are to be ultimately used in a specific product?**

These manufacturing requirements do not exist in Ireland.

6.6 Product labelling

- **Are there applicable labelling or packaging requirements (e.g. multi-lingual notices, safety warnings, listing of ingredients, etc.)?**

  Legislation governing product labelling in Ireland exists at both national and European level. Almost all products sold in Ireland will require some form of labelling, but the details which are required on the label depend on the nature of the product. Sector specific legislation outlining the relevant labelling rules exists for a large range of products, including, food; textiles; footwear; cosmetics; electrical and electronic equipment; household appliances; and toys. These rules generally implement, at a national level, various EU Directives. There are also rules relating to goods marked “Fairtrade” or “Organic”.

The primary principle governing the labelling of products in Ireland is that the information on the label must be clear and unambiguous and must not be such that it could mislead the consumer to a material degree. In addition, the information provided on the label must be easy to understand, clearly legible, indelible, easy to see and not obscured in any way. A label must also be in a language easily understood by consumers, for example, the labelling of food products in Ireland must be in English or in both English and Irish. In addition to these requirements, many products have sector specific extra labelling requirements. For example, in compliance with an EU Regulation, country of origin labelling applies to certain meat products. While the legislation usually sets down minimum requirements, there is nothing to prevent additional information being given on labels as long as it is true and accurate.

The existence of a CE mark on a product in Ireland and at EU level (for products to which CE marking applies) indicates that the product meets the essential health, safety and environmental protection requirements of the legislation applicable to the product. Products in Ireland must also comply with the provisions of the Revised General Product Safety Directive (Directive 2001/95/EC) which is implemented in Ireland by the European Communities (General Product Safety) Regulations 2004 (S.I. No. 199/2004). These Regulations place a duty on producers to provide customers with all relevant information relating to the product to enable them to assess the risks inherent in the product. A producer who fails to comply with the Regulations may be guilty of an offence and liable on summary conviction to a fine not exceeding €3,000 or to imprisonment for a term not exceeding 3 months or both. There is also a general prohibition on misleading commercial practices (including the provision of certain information in relation to a product) under the Consumer Protection Act.

7. STRUCTURES FOR DOING BUSINESS

The company is the most common form of business entity and legislation applicable to companies is contained in the 2014 Act which replaced the Companies Acts 1963-2013 ("**1963-2013 Acts**") on 1 June 2015. The 2014 Act consolidates the previous legislative regime as well as introducing some new innovations. As before, under the 1963-2014 Acts, the 2014 Act envisages the existence of a number of different company types including:

- The new model Private Limited Company Limited by Shares;
- Designated Activity Company limited by Shares / Guarantee;
- Public Limited Company;
- Company Limited by Guarantee; and
- The Unlimited Company.

The attractiveness of these structures varies dependent on the different business needs.

The 2014 Act regulates most aspects of Irish companies such as the formation and dissolution of companies, share capital, distributions, duties and conduct of directors, publication of accounts and other documents and the management and administration of companies.

7.1 Governmental Participation

- **Will the government seek to participate in the ownership or operation of the entity (e.g. depending on the type of activity involved)?**

  Semi state bodies exist in Ireland and the extent of government involvement is regulated by legislation. A semi state body comprises any entity which is financed partly or wholly by monies provided through a Minister.

- **If so, to what extent?**

  They are controlled by boards whose members are selected by the Government or a Minister. Yet, on the other hand, they are subject to a lesser degree of control, by the responsible Minister and the Dáil, than would apply to the activities of a Department of State.

- **What is the investor's potential liability to partners, investors or others?**

  The consent of the Minister for Finance should be obtained to any actions which, in the view of the relevant Minister would have significant financial consequences, notably on the debt, profitability or ability of the body to pay dividends.

  The Board and Management should accept accountability for the proper management of the organization. They must confirm to the relevant Minister that they are in compliance with the up-to-date requirements of the code in their corporate governance practises and procedures and must confirm annually to the relevant Minister that the state body has a system of internal financial control in place. State bodies should be exemplary in their compliance with taxation laws and should ensure that all tax liabilities are paid on or before the relevant due dates. State bodies, while availing of all legitimate taxation arrangements, should not engage in clearly unacceptable tax avoidance transactions.

- **Are there restrictions on capitalization?**

  The establishment or acquisition of subsidiaries, participation in joint-ventures and the acquisition of shares by any State body, by its subsidiaries or by joint ventures in which either a State body or its subsidiaries participate ("State body joint ventures") is subject to the legal capacity to do so and to the prior written approval of the relevant Minister, given with the consent of the Minister for Finance.

  Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector were issued by the Department of Finance in February 2005. These procedures apply to State bodies as well as to Departmental investments. The Chairperson of each State body should confirm in his/her annual report that these guidelines are being complied with.

- **What are the investor's tax consequences? (See also Sections 12, 13 and 14)**

  The tax consequences for an investor will depend on the mechanics/entity through which the investment is made and, also, the status of the investor. Section 12 sets out the Irish tax treatment of companies and of payments they

make to Irish and non-Irish owners. Section 13 sets out the Irish tax treatment of income to individuals and sets out Ireland's Double Taxation Agreement network. Section 14 sets out the Irish tax treatment of other legal entities (including partnerships).

7.2 Limited Liability Companies

- **Are limited liability companies permitted**?

  Limited companies are the most frequently used forms of business entity in Ireland. The advantage is that the company is an entity separate from its shareholders. In the case of a limited company the liability of shareholders is generally limited to the amounts (if any) unpaid on their shares. This means that Directors or Shareholders personal assets are generally not at risk in the event of a winding up or receivership.

There are four types of limited companies:

- **New Private Company Limited by Shares ("LTD"):**

  The liability of the shareholders is limited to any amount unpaid on their shares. The major difference between an LTD and any other type of company is that the LTD has full and unlimited capacity, in that it does not have an objects clause. In addition it will have a one-document constitution, as opposed to the other company types, which will have a two document constitution. An LTD cannot act as a credit institution or insurance undertaking, and cannot have, or apply to have, debt securities publicly listed.

- **Designated Activity Company (DAC Limited by Shares or by Guarantee) ("DAC"):**

  A DAC can have any number of members. However, it must have two directors (as is the case for every company other than the LTD). In the case of a DAC limited by guarantee (which will be a company limited by guarantee and having a share capital), the liability of a member will be limited to any amount outstanding on their shares and the amount which they have guaranteed.

- **Public Limited Company ("PLC"):**

  The key difference between a PLC and other company types is that a PLC is free to have any securities listed (whereas a DAC, for example, can have only debt securities listed, and an LTD may not have any securities listed). Therefore a PLC is the only type of company that can have shares listed on a stock exchange. Unlike the LTD or DAC, the PLC is required to have a minimum level of share capital (€25,000), (prior to the 2014 Act the minimum requirement was €38,092) of which at least 25% must be paid up. Previously a PLC was required to have a minimum of seven members, but it is now permitted to have any number of members.

- **Company Limited by Guarantee ("CLG"):**

  In a company limited by guarantee and not having a share capital, the liability of members is limited to the amount which they have guaranteed (typically a very small amount). As the members of such a company are not shareholders and do not have a distinct economic interest in their capital, it is the preferred

form of company used by sports and social clubs and by charities. A CLG will only need to have one member (previously, the minimum was seven).

Note: Co-operatives also exist in Ireland, especially in the agricultural sector. A Co-operative is an enterprise which is owned and controlled by its user members and operates for the benefit of its user members. They are governed by the Industrial and Provident Societies Act 1893 - 2005. They are useful where the principal suppliers are customers and are members themselves. In practice they have limited liability, however the amount of capital which may be held by any one member is restricted and voting is on the basis of one member, one vote irrespective of the amount of capital held. Co-operatives are also a sustainable business model for new enterprise start-ups.

Note: There are also forms of partnership in Ireland known as "limited partnerships" in which the liability of some, but not all, of the partners may be limited. A partnership occurs where a minimum of two persons conduct business with a view to making a profit. A partnership may be made up of natural persons and / or bodies corporate. A limited partnership is not a separate legal entity. It does not have a legal personality separate from that of its partners. In the legal sense, the partnership does not enter into contracts in its own name, but in the names of its partners.

The legislation governing Irish limited partnerships is the Limited Partnerships Act, 1907. The principles of the Partnership Act 1890 also apply to limited partnerships, unless inconsistent with the terms of the 1907 Act. Ireland does not have limited liability partnerships or "LLPs".

- **If so, how are they registered or incorporated?**

All companies are registered with the Companies Registration Office ("CRO"). The CRO operates under the aegis of the Department of Enterprise, Trade & Innovation and is located at Parnell House, 14 Parnell Square, Dublin 1. Its website is www.cro.ie.

A Form A1 is completed and submitted together with a constitution (a single document constitution if the company is a LTD company, a memorandum and articles of association for all other company types). Company incorporation can be completed online at https://www.cro.ie/

The Form A1 includes details of the company's name, registered office, directors, secretary and authorised and issued share capital.

In addition, a company may not be incorporated and registered unless it appears to the Registrar of Companies that the Company, when registered, will carry on an activity in the State. "Activity" means "any activity that a company may be lawfully formed to carry on and includes the holding, acquisition or disposal of property of whatsoever kind". A declaration included in the Form A1 must be signed by a director or secretary of the company.

A Certificate of Incorporation is then issued. An incorporated company must also have a company seal.

The vast majority of companies must hold an Annual General Meeting ("AGM") within 18 months of incorporation and annually thereafter no more than nine months after their accounting year end.

All companies are required to have a company secretary whose duties are administrative rather than managerial.

With very few exceptions, companies are required to file annual returns and audited accounts on an annual basis. A fee of €40 applies to paper filings and a fee of €20 applies to electronic filings. The annual return gives details of the registered office, officers, issued and authorised capital of the company as at the date of the return. In exceptional cases companies may not be required to file audited accounts and/or annual returns.

- **How long do these procedures take?**

Incorporation may be completed with two weeks provided all formalities are complied with.

- **What costs and fees are involved?**

The cost of incorporation is €100 for a paper filing and €50 for an electronic filing. The cost of registering a foreign company is €60. There may be professional fees on top of this. There may also be other fees to be paid to the CRO. For example, €30 is charged for an application for a declaration that the company has a real and continuous link with one or more economic activities being carried on in the State.

- **Must a national of the country or a related state be a participant, manager or director?**

Section 137 of the 2014 Act requires all Irish incorporated companies to have at least one EEA (European Economic Area) resident director. This requirement shall not apply if the company, for the time being, holds a bond in the prescribed form, in force to the value of €25,000 and which provides that, in the event of a failure by the company to pay the whole or part of each (if any) fine and penalty specified there shall become payable under the bond to a person who is nominated for that purpose (the "nominated person") a sum of money.

It should be noted that it is a criminal offence not to have at least one EEA director of an Irish registered company.

7.3 Joint Ventures

- **Are joint ventures permitted?**

Joint ventures are permitted. There is no standard joint venture agreement and the structure and composition of each joint venture depends on its purpose and the requirements of the parties. The most usual joint venture vehicle is the private limited company, however it may also be a public company, a European Economic Interest Grouping (EEIG) partnership or the joint venture may simply take the form of a contractual arrangement between the parties. A joint venture arrangement will most likely result in a reduction of control and autonomy for the existing shareholders, thus underlining the importance of choosing the correct joint venture partner and identifying the most appropriate joint venture structure.

- **If so, what is the registration or incorporation procedure?**

See above for details pertaining to private limited and public companies.

To incorporate an EEIG, a Form IG1 must be completed and lodged in the CRO together with the contract signed by the members. On registration, a Grouping shall be a body corporate, have perpetual succession, a common seal and a legal personality. A confidentiality or non-disclosure agreement should be entered into between the parties during preliminary discussions. Public announcement requirements and stock exchange obligations will need to be considered and satisfied if either of the parties is a publicly quoted company. Other material authorisations, consents, licences, terms of existing third party agreements and other conditions precedent may also have a bearing on the setting-up of a joint venture.

The contract for the formation of an EEIG must contain:

(a) Name of grouping;

(b) Official address;

(c) Objects;

(d) Details of each member; and

(e) Duration of grouping.

The grouping itself must arrange for publication of registration in Iris Oifigiuil within one month of registration.

The most common joint venture structure in Ireland is a corporate joint venture which involves the incorporation of a limited liability company to carry out the joint venture business. The use of a limited liability company structure ensures that liabilities of the joint venture remain separate from the joint venture parties. However, the company members may need to provide guarantees or other forms of assurance to third parties, unless the entity is creditworthy in its own right, in order to carry out the activities of the joint venture.

- **How long do these procedures take?**

It takes 2 to 3 weeks to form an EEIG

- **What costs and fees are involved?**

The formation cost is about €200.

- **Must a national of the country or a related state, (e.g. the EEC) be a participant, manager or director?**

This will depend on the type of joint venture. In the case of an EEIG participation is limited to EC member states and there must be a minimum of two members who may be companies or natural persons from different Member States.

- **What is the investor's potential liability?**

An EEIG is a hybrid between a company and a partnership and liability of its members is not limited.

There are also certain restrictions that will apply to an EEIG: it may not exercise management functions in respect of its members, hold shares in any of its members, employ more than 500 individuals, be used to make prohibited loans to company directors or be a member of another EEIG.

All members of an EEIG have unlimited joint and several liability for its debts and other liabilities, but may divide such liability between themselves in whatever proportion they wish. Where an EEIG is wound up as an unregistered company in the Republic of Ireland, its managers are subject to the same liabilities as company directors.

- **What are the investor's tax consequences?**

The tax treatment of the most usual joint venture vehicle, a private limited company, is set out in paragraph 12.10.

7.4 Liability Companies, Unlimited

- **What are the forms of liability companies?**

  The defining feature of an Unlimited Company ("UC") is that if on its being wound up, it is unable to pay its debts, its current members (and certain past members) will be liable to make good the shortfall. This potential liability for members will tend to be a significant reason for not becoming a UC. Under the 2014 Act, a UC will need to have one member.

- **How are these companies registered or incorporated?**

  A Form A1 is completed and submitted together with a constitution. Company incorporation can be completed online at www.core.ie. This form requires you to give details of the company name, its registered office, its email address, details of its secretary and directors, their consent to acting as such, the subscribers and details of their shares (if any). It incorporates a declaration that the requirements of the 2014 Act have been complied with, and as to which activity the company is being formed to engage in.

- **How long do these procedures take?**

  Incorporation may be completed with two weeks provided all formalities are complied with.

- **What costs and fees are involved?**

  The cost of incorporation is €100 for a paper filing and €50 for an electronic filing. The cost of a foreign company registration is €60. There may also be other fees to be paid to the CRO. For example, €30 is charged for an application for a declaration that the company has a real and continuous link with one or more economic activities being carried on in the State.

- **Must a national of the country be a participant, manager or director?**

  The features of an unlimited company are similar to the limited company except that the members' liability is unlimited. Such a company must have a minimum of two shareholders. Recourse may be had by creditors to the shareholders in respect of liabilities that may be owed by the company which the company has failed to discharge.

7.5 Partnerships, General or Limited

- **Are partnerships recognized or permitted?**

Both general and limited partnerships are permitted and are an important part of business life. The law relating to partnerships is contained in the Partnership Act 1890 and common law and, in the case of limited partnerships, the Limited Partnership Act 1907 applies also.

The main type of partnership is the general partnership. Section 1(1) of the Partnership Act 1890 defines an ordinary/general partnership as "the relation which subsists between persons carrying on a business in common with a view of profit". Many partnerships choose to govern themselves by way of a robust partnership agreement.

Section 4(2) of the Limited Partnership Act 1907 defines a limited partnership as "a partnership consisting of one or more general partners, liable for all debts and obligations of the firm, and one or more limited partners who contribute a sum of capital, or contribute property valued at a stated amount at the time of entering the partnership, and who are not liable for the debts or obligations of the firm beyond the amounts so contributed". In return for limited status the limited partner has no role in the management of the firm.

- **Must a national of the country or related state be a partner?**

No.

- **If so, to what extent?**

N/A.

- **What costs and fees are involved?**

A limited partnership must be registered with the CRO. The cost of Companies Registration fees is €2.50.

There will be legal fees involved in the formation of either partnership, particularly owing to the fact that a partnership agreement is invariably required.

- **What is the investor's potential liability?**

In the case of an ordinary/general partnership the partners have unlimited joint liability in contract whereas they have unlimited joint and several liability in tort.

In the case of a limited partnership, the general partners are liable for all the debts and obligations of the firm. The limited partners contribute capital or properties valued at a stated amount and are not liable for debts of the partnership beyond the amount contributed.

- **What are the investor's tax consequences?**

The principle advantage is that, as against a company, in a partnership income tax is paid by the partners on the share of the profits received by them and no tax is paid by the partnership.

While once popular tax avoidance vehicles, Section 1013 of the Taxes Consolidation Act 1997 (as amended) ("TCA 1997") seeks to curb the use of limited partnerships for tax avoidance purposes.

7.6 **Partnerships, Undisclosed**

- **Do undisclosed partnerships exist?**
- **If so, how are they formed?**
- **What costs and fees are involved?**
- **Must a national of the country or a related state be a participant, manager or director?**
- **What is the investor's potential liability?**
- **What are the investor's tax consequences?**

Undisclosed partnerships do not exist in Ireland.

7.7 **Sole Proprietorships**

- **Can the investor be a sole proprietor?**

  Yes, a sole trader business structure is a person trading as the individual legally responsible for all aspects of the business. This includes any debts and losses, which cannot be shared with others. This is the simplest, and a relatively inexpensive business structure that you can choose when starting a business. As a sole trader, you will generally make all the decisions about starting and running your business, although you can employ others to assist.

- **How is the sole proprietorship registered or established? How long does this process take?**

  It is relatively simple to set up as a sole trader but if the business fails, your personal assets of the sole trader could be used to pay the business creditors. The main legal obligation is that you must register as a self-employed person with Revenue. If a self-employed person wishes to use a business name the sole trader must register the business name with the CRO.

- **What costs and fees are involved?**

  The cost of registering a business name is €20 if filed electronically and €40 if filed by paper.

- **What is the investor's potential liability?**

  Unlike a corporation, a sole proprietorship poses the risk of personal liability. There is no legal separation between personal and business assets, so if the owner defaults on business obligations like loans, its creditors may have a right to claim personal assets for payment. The sole trader can also be held personally liable for the negligent acts of itself or its employees.

- **Are there restrictions on capitalization?**

  No.

What are the investor's tax consequences?

Sole proprietors are not required to register at the CRO unless the sole proprietor trades under a name other than his own surname. If that is the case he is required to register certain particulars. A sole proprietor will be liable to income tax on his/her income. See Section 13.

Alternatively, a sole proprietor could set up a single member company. In certain circumstances, single member companies may waive the requirements to hold AGMs. The company will be liable to corporation tax on its income. See Section 12.

As a sole trader you are under no obligation to file accounts or have an annual audit, both of which add to the costs of operating your business; but you are fully liable for any debts the business incurs and claims that customers may have against you.

For taxation purposes, a sole trader is taxed on the entire income of the business; but with a limited company, you are only taxed on what you draw out of the company — at the low corporate tax rate of 12.5%.

There are a number of requirements and obligations which a Sole Trader must comply with:

(a) A Sole Trader is legally obliged under the Registration of Business Names Act to register the business name under which he/she is trading if such trading name is not carried on under his/her own name;

(b) is legally obliged to register as a Sole Trader for central tax purposes with the Revenue Commissioners;

(c) is obligated to maintain proper bookkeeping and accounts records;

(d) must register for VAT where annual sales turnover exceeds €37,500 in the case of the supply of services and €75,000 in the case of a Sole Trader supplying goods;

(e) register as an employer if employees are hired and operate a payroll for such employees; and

(f) will be operating his/her business concern with full and total personal liability and responsibility for any all outstanding debts, charges, fines and or litigation matters that the business may incur from time to time and or at the time of business closure.

7.8 Subsidiaries/Branches/Representative Offices

- **Can the investor establish a branch, subsidiary or representative office? If so, how long does registration or incorporation take?**

The Irish subsidiary is an independent legal entity from the parent company and may have a full foreign ownership. The parent company's liability will be limited to the share capital invested in the subsidiary which is what makes this type of company appealing to foreign business owners. Subsidiaries in Ireland are treated like any other domestic entities, therefore they will benefit from the same facilities in terms of taxation.

An external limited company registered abroad may establish a branch in the State which must be registered with the Companies Registration Office under Part 21 of the Companies Act 2014 30 days before the establishment of the branch in the State. Under the 2014 Act branches of external companies registered under the 1963-2014 Acts become either a branch EEA or a branch non EEA. A Form F12 (for an EEA Country) or a Form F13 (for a non EEA country) must be completed for the registration of all branches.

External companies which had registered as a place of business under the 1963-2014 Acts have been discontinued on commencement of the 2014 Act. The legislation regarding the place of business has now been repealed and such concept is no longer provided for under the new Companies Act 2014.

- **What costs and fees are involved?**

  The cost of establishing a subsidiary company is €60.

- **What is the investor's potential liability?**

  The parent company's liability will be limited to the share capital invested in the subsidiary which is what makes this type of company so appealing to foreign businessmen.

- **Must a national of the country be a participant, manager or director?**

  When establishing a subsidiary in Ireland, depending on the type of company established, there may be a minimum number of two directors required, with at least one of them being an Irish resident and the subsidiary must hold a registered office in Ireland.

- **Are there restrictions on capitalization?**

  The minimum share capital is approximately €38,000 in Ireland and 25% of the amount must be paid upon incorporation.

- **What are the investor's tax consequences?**

  Companies resident in Ireland are taxed at the low rate of corporation tax of 12.5% on their trading profits, at the rate of 25% on passive income and 33% on capital gains (to the extent that they do not qualify for relief/exemption from tax).

  However, under Ireland's Holding Company Tax Regime, where properly structured, such companies may pay little or no Irish tax on income and gains derived from their investments. Irish Holding Companies benefit from a full participation exemption from Irish capital gains tax in respect of gains arising on the disposal of shares in certain subsidiary companies. Non-Irish resident investors (individuals and corporates) are generally exempt from Irish tax on any gains derived on the sale shares in Irish companies. This exemption does not apply to unlisted shares which derive the greater part of their value from Irish land, minerals or exploration rights. In general, dividends received by one Irish resident company from another Irish resident company are exempt from Irish tax. Ireland operates a credit system for providing relief for foreign tax suffered on dividend income. This unilateral credit relief is available for both foreign underlying and withholding tax suffered.

The general rule is that dividends paid by an Irish resident company are subject to DWT at the rate of 20%. However, there are a number of exceptions to this general rule which provide exemptions from the imposition of DWT.

A non-Irish resident company carrying on a trade in Ireland through a branch or agency is liable to corporation tax in Ireland on the income and gains of the branch or agency. Corporation tax is levied at national rates and there are no additional state or local taxes payables. Please see paragraph 12.10.

- **Are these tax consequences different than those of a local company?**

A company which is resident in Ireland is subject to Irish corporation tax on its worldwide profits, whilst a non-Irish resident company carrying on a trade in Ireland through a branch or agency is liable to corporation tax in Ireland on the income and gains of the branch or agency. Please see paragraph 12.10.

7.9 Trusts and Other Fiduciary Entities

Are trusts or other fiduciary entities recognized?

Trusts and fiduciary entities are recognised in Ireland. They exist at common law and under the Trustee Act 1893. In addition there are special legislative regulations governing some kinds of trust. The types of trusts that exist include pension schemes, undertakings for collective investment in transferable securities ("UCITS"), alternative investment funds ("AIFs"), tax approved share schemes, employee share ownership trusts and Revenue approved profit share schemes. Charities also exist in Ireland. These are usually trusts but they may also exist as companies. They are governed by separate legislation.

If so, how are each defined?

A trust arises where the trust property is held by the trustees on trust to apply the income or capital, or both, for the benefit of the members of the class of beneficiaries.

Each pension scheme has its own set of rules. Pension schemes nationally are generally regulated by the Pensions Authority. Members of schemes have certain rights in respect of certain matters such as information. Contributions to approved occupational pension schemes may attract tax relief. Regulation for tax purposes is supervised by the Retirement Benefits District of the Revenue Commissioners

UCITS are open-ended funds and may be established as unit trusts, common contractual funds ("CCFs"), investment companies or Irish collective asset-management vehicles ("ICAVs"). UCITS established in Ireland are authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), which transpose Directive 2009/65/EC of the European Parliament and of the Council into Irish law.

AIFs essentially comprise all non-UCITS funds and may be established as open-ended, closed-ended or limited liquidity vehicles. AIFs can currently take one of five forms: unit trusts, CCFs, investment companies, ICAVs or investment limited partnerships. Unit trusts which are AIFs are established

pursuant to the Unit Trusts Act, 1990. AIFs are subject to the European Union (Alternative Investment Fund Managers) Regulations, 2013 (as amended), implementing Directive 2011/61/EU of the European Parliament and of the Council ("AIFMD") into Irish law. AIFMD applies to alternative investment fund managers which manage and market AIFs within the EU.

Unit trusts are a type of AIF and represent a professionally managed investment portfolio that investors can buy into, purchasing 'units' rather than shares. Each unit trust has a specific investment objective. This is usually based around the different asset classes (cash, equity, fixed income, property, etc. The money you invest is used to buy assets in line with this investment objective. When you invest in a unit trust, you are allocated a number of 'units'. The value of your units is calculated on a periodic basis and changes as the market value of the assets in the fund rises and falls.

- **What arc the legal consequences of a transfer of assets to a trust or fiduciary?**

  Stamp duty is a transfer tax which is charged on documents which transfer assets. However, there are a number of exemptions which ensure that Irish stamp duty does not apply on the transfer of non-Irish assets. The mere fact that a trust is established with Irish trustees will not of itself give rise to Irish stamp duty liabilities on transfers of non-Irish assets.

  Normally Irish trustees are subject to capital gains tax on a disposal of worldwide assets where the trust is resident in Ireland.

  Trustees of an Irish resident trust will be subject to income tax on income earned from the trust assets. There are, however, ways of managing this exposure.

  Capital Acquisitions Tax ("CAT") is charged to the recipients of gifts and inheritances. However, it should not arise in relation to a trust where the settlor and beneficiaries are not and never were Irish domiciled or resident for tax purposes and the trust assets do not include any Irish assets.

  There is a once-off levy of 6% on certain discretionary trusts (and similar entities such as foundations) which may, in particular circumstances, be reduced to 3%.

- **Can the investor be the grantor, trustee or beneficiary?**

  It is possible for an investor to be a trustee.

8. REQUIREMENTS FOR THE ESTABLISHMENT OF A BUSINESS

8.1 Alien Business Law

- **Is the business subject to any alien business law?**
- **Are there registration or reporting requirements?**

There is no alien business law.

8.2 **Antitrust Laws**

- **Do the entity's operations comply with anti-trust laws?**

Antitrust law

Irish competition (antitrust) laws are contained in the Competition Act 2002, as amended (the "Competition Act") and the Competition and Consumer Protection Act 2014, as amended (the "CCP Act").

Irish competition law is based upon EU competition law. In particular, the competition rules contained in section 4 and 5 of the Competition Act are based, by analogy, upon Articles 101 and 102 of the Treaty on the Functioning of the European Union ("TFEU") respectively.

Section 4(1) of the Competition Act provides that all agreements, decisions and concerted practices between undertakings "*which have as their object or effect the prevention, restriction or distortion of competition in trade in any goods or services in the State or in any part of the State are prohibited and void*".

Arrangements which fall within the application of Section 4(1) but satisfy the efficiency conditions listed in section 4(5) of the Competition Act or satisfy the condition of a category of arrangements declared by the Competition and Consumer Protection Commission ("CCPC") as permissible are not prohibited by Section 4(1) of the Competition Act

Section 5(1) prohibits the abuse by one or more undertakings of a dominant position in Ireland or in any part of Ireland.

A party to an arrangement which is prohibited under section 4 of the Competition Act or a party which abuses a dominant position in breach of Section 5 of the Competition Act may be sued in the High Court by "aggrieved" third parties. Competitors may have *locus standi* to take such proceedings. The plaintiff may seek damages, including exemplary damages, and declaratory or injunctive relief against both the company involved and senior company personnel.

A Court finding that an undertaking has engaged in prohibited conduct or practices under the Competition Act or the TFEU has the status of *res judicata,* which means that plaintiffs in private damages actions relating to such conduct or practice can rely on such a finding to establish liability.

A breach of sections 4 or 5 of the Competition Act may also constitute a criminal offence which may result in the imposition of fines of up to a maximum of €5,000,000 or 10% of the company's turnover and, in respect of so-called "hard-core" offences (i.e. price-fixing, limiting output or sales or market-sharing offences), prison terms for individuals of up to a maximum of 10 years. Individuals could also be arrested on suspicion of having committed a hard-core offence. Criminal proceedings may be taken by the Director of Public Prosecutions and, in certain circumstances, the CCPC.

Criminal sentences were first imposed by the Irish Courts in 2002 against companies and individuals involved in cartel activities affecting many industrial sectors including petrol retailing, home heating and motor vehicles. Since 2006, a number of individuals have been convicted of criminal offences and received custodial sentences of up to 15 months (which in every case to date have been suspended).

Merger control law

Irish merger control is provided for under Part 3 of the Competition Act.

A transaction that falls within the concept of "merger or acquisition" within the meaning of section 16(1) of the Competition Act may be notifiable to the CCPC on a mandatory basis if it satisfies the financial thresholds set out in section 18(1)(a) of the Competition Act or it falls within a class that has been specified in an Order by the Minister for Jobs, Enterprise and Innovation ("the Minister").Where a merger has been "specified", the merger must be notified to the CCPC and approval obtained irrespective of the turnovers generated by the undertakings involved.

The financial thresholds in Section 18(1) (a) of the Competition Act are, in the most recent financial year:

(a) the aggregate turnover in the State of the undertakings involved is not less than €50m; and

(b) the turnover in the State of each or two or more of the undertakings involved is not less than €3,000,000.

The Minister has specified "media mergers" as mergers which must be notified to the CCPC and approval obtained irrespective of the turnovers generated by the undertakings involved. "Media merger" is defined in the Act as follows:

(a) a merger or acquisition in which 2 or more of the undertakings involved carry on a media business in the State (i.e. the Republic of Ireland); or

(b) a merger or acquisition in which one or more of the undertakings involved carries on a media business in the State and one or more of the undertakings involved carries on a media business elsewhere.

Mergers are notified on the CCPC's standard form and before the proposed merger or acquisition is put into effect, and may be made after (i) one of the undertakings involved has publicly announced an intention to make a public bid or a public bid is made but not yet accepted; (ii) the undertakings involved demonstrate to the CCPC a good faith intention to conclude an agreement or a merger or acquisition is agreed; or (iii) in relation to a scheme of arrangement, a scheme document is posted to shareholders.

Following notification, the CCPC will have thirty working days (from the "appropriate date") for a first phase investigation and 120 working days (from the "appropriate date") for a second phase investigation, both of which periods can be suspended if a formal request for information is issued or extended if remedies are offered by the parties to overcome competition concerns.

If, in the phase one stage, the CCPC determines that the transaction will not substantially lessen competition in any markets for goods or services in the State, the CCPC will clear the transaction. If the CCPC cannot arrive at this conclusion within the first phase it will move into a second phase investigation at the end of which the CCPC can approve the transaction (either conditionally or unconditionally) or prohibit the transaction.

On notification, the CCPC publishes the fact of notification within seven days of receiving the notification and will request submissions from third parties.

An additional process involving the Minister applies to "media mergers".

The Credit Institutions (Financial Support) Act 2008 modifies the merger provisions in respect of mergers that involve "credit institutions" or subsidiaries where the proposed merger is necessary to maintain the stability of the Irish financial system and where there would be a serious threat to the stability of the system should the merger not proceed. In such circumstances, the merger is notified to the Minister for Finance rather than the CCPC.

- **Are there filing requirements?**

See above for mergers.

There is no obligation or process to notify either the CCPC or the European Commission of agreements for clearance. Agreements must be self-assessed to ascertain whether they fall under Section 4 or 5 of the Competition Act or Article 101 or 102 TFEU and, if so, whether they are of the type that can benefit from an exemption or exclusion.

8.3 Environmental Regulations

- **Is the business of the investor subject to environmental regulation? If so, are there added costs involved (e.g. audit requirements)**?

Environmental regulations are dealt with at Section 2.6.

An investor may be subject to environmental regulation and where he/she is a director of a company he/she may be found guilty of an offence under almost all environmental legislation where an offence by a body corporate is proved to have been committed with the consent, connivance or approval of, or to have been facilitated by neglect on the part of such director.

8.4 Government Approvals

- **Are government approvals required for the anticipated business?**

No.

8.5 Insurance

- **Must the enterprise carry insurance?**
- **If so, what kind of risks must be insured?**
- **Is there a state monopoly on insurance?**

There is no legal requirement to carry insurance, however, it is usually required when applying for grants and it is prudent for businesses to have insurance. Motor vehicle insurance is mandatory in Ireland.

8.6 Licences/Permits

- **Are licences or permits required for the anticipated activity?**
- **If so, how does the investor apply for and receive the necessary licence or permit?**

- **How long does it take to receive the licence or permit?**

Irish governments are receptive to foreign investment and in most cases licences/permits are not required. However, in the case of certain industries such as telecommunications, banking and insurance, licences are required for policy reasons and may be obtained from the relevant regulatory body.

9. OPERATION OF THE BUSINESS

9.1 Advertising

- **Are there restrictions on advertising?**

There are some restrictions on advertising. The daily time for advertising on independent radio and television must not exceed a statutory amount. There is a prohibition on the broadcast of any advertisement which is directed towards any religious or political end or which has any relation to an industrial dispute.

In the case of commercial advertisements the self-regulatory body of the Advertising Standards Authority of Ireland stipulates that certain standards must be met. Their Code requires that all advertisements:

- should be legal, decent, honest and truthful;
- should be prepared with a sense of responsibility to consumers and society; and
- should respect the principles of fair competition generally accepted in business.

Certain industries have specific restrictions on advertising which are governed by specific advertising laws e.g. financial services, medical.

See Consumer Protection at subsection 5 below.

9.2 Attorneys

- **Is it necessary to have local counsel?**

The requirement to have local counsel will depend on the nature of the legal work involved. For example, if the client requires representation in court, local counsel is required.

- **How can local counsel be found?**

A list of solicitors can be obtained from the Law Society, Blackhall Place, Dublin 7 (www.lawsociety.ie). A list of barristers may be obtained from the Bar Council (website www.lawlibrary.ie).

- **How much are attorney's fees?**

The fees charged vary and depend on the amount of time involved, the complexity of the work to be done and also the seniority of the solicitor. A partner in a solicitor's firm will generally charge between €350 and €550 per hour whereas assistant solicitors may charge between €250 and €400.

9.3 Bookkeeping Requirements

Must the investor keep local books of accounts?

Yes, every Irish company is required to keep, or cause to be kept, proper books of accounts (referred to in Irish company law as "accounting records").

A company's accounting records must correctly record the company's transactions and enable the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy. A director who fails to take all reasonable steps to secure compliance with this requirement (or causes the default) will be guilty of an offence. However, it will be a defence for a director if he proves that he had reasonable grounds for believing and did believe that a competent and reliable person was charged with the duty of ensuring compliance with these requirements and such person was in a position to discharge that duty. It is an offence for a director or any other officer to destroy, mutilate or falsify a company's books and records. Directors are also obliged to keep minutes of all meetings of members, directors or committees of the directors.

Where a company in liquidation is unable to pay all of its debts and it is shown that the failure to keep adequate accounting records has contributed to this inability, has resulted in substantial uncertainty concerning the company's assets and liabilities, or has substantially impeded its orderly liquidation, a court may declare that a director or any other officer who is in default of the above obligation shall be personally liable without limit for all or any part of the debts and other liabilities of the company.

The annual report of the directors must include a statement of the measures taken by the directors to secure compliance with the requirement to keep adequate accounting records and must state the location of those records. In addition, the directors of certain large companies are required to include a statement in that report acknowledging their responsibility for securing the company's compliance with its relevant obligations, and confirming that certain steps have been taken in that regard (or explaining why not). A company's "relevant obligations" in this context will include its obligation to keep adequate accounting records.

The Companies Act contains whistle-blowing provisions which impose mandatory reporting obligations on statutory auditors, liquidators and prescribed professional bodies. In particular, statutory auditors must notify the Director of Corporate Enforcement if they form the opinion that there are reasonable grounds for believing that the company (or an officer or agent of it) has committed a category 1 or 2 offence (the most serious company law offences). The failure to maintain adequate accounting records would constitute such an offence. There is also a specific obligation on a company's statutory auditors to report to the Registrar of Companies (who in turn must notify the Director of Corporate Enforcement) if they form the opinion that the company has failed to maintain adequate accounting records. In the latter case, the auditors are obliged to furnish such information as the Director of Corporate Enforcement may require. The Director of Corporate Enforcement can seek to have those who have been found guilty of two or more offences of failing to keep adequate accounting records disqualified from acting as a director.

In addition to the underlying accounting records, each year the directors of a company are required to prepare, approve and lay before the annual general meeting financial statements in the form of a profit and loss account and balance sheet in respect of the company and, if it has one or more subsidiary undertakings, the group as a whole. The annual financial statements are generally required to be audited and filed publicly but this is subject to a number of exceptions. In each case these

financial statements must give a true and fair view of the assets, liabilities and financial position of the company/group as at the end of its financial year and of the profit or loss of the company/group for the financial year and must be signed on behalf of all of the directors by two of the directors. Included with these financial statements there must be a report of the directors on the state of the company's affairs and a report of the company's statutory auditors on the financial statements examined by them. Failure by a director to take all reasonable steps to ensure compliance with these obligations is an offence.

The Safety Health and Welfare at Work Act 2005 states that the report of the directors included in the financial statements must also contain an evaluation of the extent to which the policy set out in a safety statement was fulfilled during the period covered by the report.

A company is also required to make an annual return in the prescribed form to the Registrar of Companies at least once a year. The annual return sets out certain basic information, including details of share capital, and the annual financial statements are, subject to limited exceptions, required to be filed with the annual return. The annual return in each year must be delivered to the Registrar of Companies not later than 28 days after what is termed its annual return date; that date may only be amended in limited circumstances. Failure to meet filing deadlines results in the imposition of late filing fees and the Act also provides for the implementation of a progressively increasing late filing penalty. The Registrar of Companies also has a separate discretion to strike a company off the register for the failure to file annual returns.

In addition, a company may need to make other returns in the course of the year with regard to other matters, such as where there is a change in its directors or secretary or in its registered office, or where it allots shares.

The Companies Act provides that the statutory auditors of a company shall have a right of access at all times to its accounting records. In addition, the statutory auditors may require from the directors and other officers of a company information and explanation, and any director who knowingly or recklessly makes a materially false or misleading statement will be guilty of an offence. The Companies Act imposes a new obligation on the directors to confirm in their directors' report that so far as the directors are aware, there is no relevant audit information of which the company's statutory auditors are unaware.

In certain circumstances, persons, including directors, are obliged by the Act to furnish information and documents to other parties, such as the Registrar of Companies, and directors will be guilty of an offence for failing to do so, or for providing false information.

In addition, the Director of Corporate Enforcement has the power to initiate fact-finding company investigations in certain circumstances, for example, if there is a suspicion of fraud or other illegality. Inspectors have extensive powers and the Director of Corporate Enforcement has the power to demand that company books and documents be produced for inspection, to require directors and others to give assistance in connection with the investigation and to obtain relevant documents from third parties such as banks.

Directors who, pursuant to any requirements under the Companies Act, answer questions, provide explanations, make statements or produce, lodge or deliver returns, reports, certificates, balance sheets or other documents that are materially false, either knowingly or recklessly, will be guilty of an offence.

In what form must the investor keep accounts (e.g. GAAP, in what language, etc.)?

As mentioned above, Irish companies are required to prepare financial statements in respect of the company. In addition, a holding company will generally be required to prepare consolidated financial statements for the group ("group financial statements"). These financial statements must give a true and fair view of the affairs of the company/group.

Irish companies generally have a choice whether those accounts are prepared (i) in accordance with international financial reporting standards as adopted by the European Commission in accordance with Regulation 1606/2002 of the European Parliament ("IFRS financial statements") or (ii) in accordance with the Companies Act and the Financial Reporting Standards (FRS) issued by the Accounting Standards Board and promulgated in Ireland by the Institute of Charted Accountants in Ireland ("Companies Act financial statements"). Irish companies with shares admitted to trading on a regulated market of any EEA State, and who are required to prepare group accounts, must prepare IFRS group financial statements, while certain other companies (e.g. charities) are only permitted to prepare Companies Act financial statements. Finally, a provision came into force in December 2009 whereby a relevant parent undertaking (i.e. which reports to the US Securities and Exchange Commission and which does not have securities admitted to trading on a regulated market) may, for such of its financial years as end not later than 31 December 2020, prepare financial statements under US GAAP to the extent that this does not contravene any provision of the Companies Act.

9.4 **Business Ethics/Codes**

- **Are there certain business ethics or codes which the investor must follow (e.g. GAAP for accountants, etc.)?**

There are Business Codes specific to professions such as accountancy, but there are no Business Codes for most commercial activities of a non-professional nature.

9.5 **Consumer Protection Laws**

- **Are there consumer protection laws which apply to the investor's operations?**

Ireland has broad consumer protection laws that protect the consumer in all areas of commercial activity. Apart from possible liability in negligence or breach of contract, the main piece of legislation giving rise to liability is the Sale of Goods and Supply of Services Act 1980. Under the 1980 Act the consumer has various rights, enforceable against a seller or supplier, in relation to goods or services. For example, goods must be of merchantable quality, they must be reasonably fit for their purpose and they must be as described.

The Liability for Defective Products Act 1991 affords a remedy to injured consumers where those persons have suffered damage as a result of a product's defective nature. Whenever the Act applies, a producer will be held strictly liable.

The Consumer Protection Act 2007 (as amended) provided for the establishment of the National Consumer Agency ("NCA"), updated and consolidated consumer legislation and repealed some consumer laws. It also transposed the EU Directive on Unfair Commercial Practices into national law. The Competition Authority and the NCA amalgamated in October 2014 to form the Competition and Consumer

Protection Commission. Other EU Directives on consumer protection (including unfair terms, distance marketing etc.) have also been transposed into Irish law.

The Competition and Consumer Protection Commission has a general function of promoting consumer welfare and is responsible for investigating, enforcing and encouraging compliance with consumer law. The Central Bank of Ireland also has a role in enforcing consumer protection law in the financial services sector and detailed consumer protection requirements apply to the sale of regulated financial products.

9.6 Construction

(a) **What are the costs of construction?**

(b) **Are permits required for construction?**

(c) **How is authorisation to construct obtained?**

(d) **How long does it take to receive authorisation? What fees are involved?**

The Construction Industry Federation is the national body representing the interests of contractors in Ireland. Contractors can be divided into four main categories: general contractors; mechanical and electrical contractors; special contractors and home builders. Generally, construction contracts are concluded on either a fixed price basis or reimbursable basis. Planning permission must be secured, in respect of non-exempt developments, prior to commencing construction and buildings must be constructed in accordance with certain minimum standards set down in legislation. It can take up to two months, and sometimes longer, to obtain full planning permission consent from the relevant local authority. The fees involved will vary depending on the size and nature of the proposed development. Overall, construction tender prices have maintained a modest upward trajectory since 2011 but are still considerably lower than at their peak in the first half of 2007. The industry is experiencing a return to growth, particularly in the Greater Dublin Area. This increased growth brings with it certain challenges, such as a scarcity of resources in certain trades, increased lead-in times for materials and generally rising construction costs. In addition, recent changes in the statutory framework for construction, namely the introduction of the Building Control (Amendment) Regulations, 2014, now mandate the appointment of certain professionals to fulfil newly created roles on projects to which the regulations apply. These professionals must be registered with the relevant professional bodies in Ireland to be competent to undertake these roles. Contractors must also abide by the Safety, Health and Welfare at Work Act 2005 and sector specific regulations such as the Safety, Health and Welfare at Work (General Application) Regulations 2012 and the Safety, Health and Welfare at Work (Construction) Regulations 2013.

9.7 Contracts

- **Can the investor freely enter into local contracts?**
- **Can the contracts be governed by the law of another country?**

Irish law adheres to the principles of common law and, while there is Irish case law, English case law and decisions from other pertinent jurisdictions are often cited. A contract may be broadly defined as an agreement between two or more parties, enforceable by them at law, the breach of which gives rise to a right to damages. Many different kinds of commercial contracts are commonly used in Ireland, for example, agency agreements and distribution agreements. Many agency agreements are covered by the EC (Commercial Agents) Regulations 1994 and 1997.In the case

of distribution agreements the sale of goods legislation imposes obligations on a supplier subject to the terms of the contract.

Most aspects of contractual liability are governed by the "proper law" of the contract.

The law applicable to Contractual Obligations Act 1991 gave effect to the Convention formulated in Rome in 1980. It contains the general rule stating that the choice of law principles apply whether or not the applicable law is that of the contracting state. However, the parties may not, by choice of a different legal system, avoid the application of the mandatory rules of the country which would otherwise apply to the situation. The Court has discretion to insist that the mandatory rules apply.

9.8 Price Controls

- **Are there applicable price controls?**

Price control legislation does still exist, however, it is very rarely invoked.

9.9 Product Registration

- **Must the entity register its product?**
- **If so, how is registration obtained?**
- **How long does the process take?**
- **Are there fees involved?**

In general there are no registration requirements. However, if, for example, the product is a foodstuff that falls under the Novel Foods Regulation the investor must obtain authorisation from the Food Safety Authority of Ireland and the European Commission.

9.10 Reduction or Return on Capital

- **Can capital be repatriated while the corporation is still ongoing?**

Save to the extent that its constitution provides otherwise, an LTD, DAC or PLC may reduce its company capital (which includes share capital and share premium). For example it may:

(a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;

(b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up company capital which is lost or unrepresented by available assets; or

(c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up company capital which is in excess of the wants of the company.

In order to reduce its capital, a company must go through one of two statutory procedures: (1) a court sanctioned capital reduction procedure; or (2) a validation procedure called a "summary approval procedure". The procedural requirements for both are laid down in the 2014 Act.

(a) In a Court sanctioned capital reduction, the company must authorise the reduction in share capital by a special resolution of the members and an application for confirmation must be made to the High Court. The proposed reduction must be publicly advertised before the Court will approve it. The company's foreign creditors must also be notified of the proposed reduction of capital. In certain circumstances, the company's creditors may be entitled to object with the result that the company may be obliged to secure the payment of that creditor's debt.

(b) The summary approval procedure requires;

   (i) a declaration by a majority of the directors in relation to the company's solvency;

   (ii) a report by someone qualified to be an auditor of the company stating that the director's declaration is "not unreasonable";

   (iii) finally, a special resolution to be passed by the company by the members of the company not later than 30 days after the date of the declaration.

An LTD or a DAC may use these two options, however, a PLC may only avail of the Court sanctioned capital reduction procedure.

A ULC is not constrained by the above two procedures and may reduce its capital in any way it sees fit.

9.11 Sale of Goods

- **Are there restrictions on the manner, time or place of sale of goods?**

There are licensing laws governing the manner, time and place of sale of alcohol. Some of the requirements, for example to have the business within one mile of the original licence, have been abolished in recent years.

10. CESSATION OR TERMINATION OF BUSINESS

10.1 Termination

- **What are the tax consequences of terminating the business?**

The particular circumstances of each business would have to be reviewed to determine what the tax consequences of termination would be. Amongst the issues to be considered would be the following:

(a) the termination of the business would mean that if there had been any losses carried forward, they would be lost, since generally they can only be carried forward for set off against profits of the same trade;

(b) if the business owns assets which were the subject of capital allowances claims, the position would have to be reviewed to determine whether there was any clawback of allowances on the termination of the business;

(c) if its assets are disposed of on termination, a capital gains tax liability could arise;

(d) the company will be subject to corporation tax in respect of the period from the last accounting date to the date of cessation; and

(e) if the business had sustained losses at termination any loss incurred in the final period can be carried forward and set off against income from the same trade in the three proceeding years.

- **What costs are involved in termination?**
- **How long does it take to terminate the business?**
- **How is the investor's particular form of business treated in termination?**
- **Can the business be terminated without government approval or intervention?**
- **What are the obligations toward creditors, employees and others upon termination?**
- **What are the tax consequences of termination?**

Where a company is being wound up a liquidator is appointed, either by the creditors or the members in the case of a voluntary liquidation, or by the court in the case of a compulsory winding up. In addition, a receiver may be appointed, though in the case of an insolvent company the liquidator may apply to the court for an Order to stop the receiver from acting. The 2014 Act contains provisions relating to the appointments of the liquidator and the receiver.

There will be legal and accounting fees (including the fees for a liquidator or receiver) payable by the company. In the case of the receiver, the fee is usually fixed by the person (often a debenture holder) who appoints him. However, an application may be made to the court by the liquidator or any member to fix the remuneration. In a compulsory liquidation the court has control over how much the liquidator is paid. In a voluntary winding up a liquidator's fee is fixed either by the members at a general meeting or by the court where it is not fixed by the members.

The company will also be required to repay any grants received from the IDA Ireland.

Solvent liquidation can take as little as six months to complete, in contrast to insolvent liquidation which can last for a number of years.

The rules which apply in all types of liquidation are laid down in the 2014 Act. Under Section 621, certain debts of companies are given priority over other debts. Preferential creditors are more likely to be paid than others. In the case of shareholders, they will only receive a dividend if the company is solvent as they rank after creditors for the purpose of repayment.

A business may be terminated without government approval in most instances. However, if the staff numbers exceed certain statutory limits then the relevant Government Department requires to be given one month's notice where the termination will result in collective redundancy.

The obligations towards creditors, employees and others will vary depending on whether the company is solvent or insolvent. Where the company is solvent, all the creditors will have to be paid any money due to them. If it is insolvent, the State

arranges for debts owing to it to be paid and, after that, the creditors and employees will be paid any money due to them.

10.2 Insolvency/Bankruptcy

- **What is the extent of the investor's liability in the event of insolvency or bankruptcy?**

Investors in a limited company only incur personal liability for the company's debts in very rare circumstances. It may arise where they have given guarantees or where they are found by a court to have traded as individuals and the company has been a sham. Under Section 610 of the 2014 Act certain persons may be personally liable for fraudulent or reckless trading of a company.

- **What choices, if any, are available to the investor with regard to the restructuring of the business?**

Voluntary negotiated restructuring (schemes of arrangement) requires the consent and agreement of all the creditors and shareholders under Part 9 of the 2014 Act. Schemes of arrangement pursuant to Part 9 of the 2014 Act may be used in cases where the company is in liquidation, where it is liable to be wound up or in other non-insolvent situations (e.g. where a restructuring of the share capital is proposed). Procedurally, it involves negotiations between the creditors and members to approve a scheme of arrangement and an application to the court under Section 450. There are a number of problems that may arise and these include the fact that the court may make orders as it sees fit such as appointing a receiver and, more importantly, problems may arise in obtaining the agreement of the various classes of creditors. There is also the issue of handling Revenue debts under the scheme of arrangement. Section 457 also provides for a right to buy out dissenting shareholders where there is 80% approval and for a right of such dissenting shareholders to be bought out in certain circumstances.

Otherwise the procedure available is the examination procedure under Part 10 the 2014 Act. Examinership entitles a company to a period of up to 100 days when its creditors are prevented from exercising certain of their rights, including the exercise of security. This is called "the protection of the court". The procedure commences with the presentation to the High Court of a petition. On hearing the petition, the court may only appoint an examiner where it is satisfied that:

(a) the company is or is likely to become insolvent; and

(b) there is a reasonable prospect of the survival of the company and the whole or any part of its undertaking as a going concern.

The examiner's task is to bring forward proposals for a scheme of arrangement. The scheme of arrangement usually involves a combination of new investment (which may result in a change of management), a write-down of creditors' claims and payment of a dividend to creditors over a period of months or years. The company continues to trade during the protection period and the directors continue to run the company. The examiner's proposals are put to a vote at meetings of the classes of creditors and members. The proposals are deemed to be carried by a class if a majority in number holdings a majority in value vote in favour of the proposals. The court is precluded from approving the examiner's proposals unless at least one class of creditors whose interests would be impaired by the implementation of the proposals voted in favour of the proposals. The Court is obliged to ensure that the arrangement is just and equitable to all of the creditors. If a scheme of arrangement is

not successfully implemented, the protection of the court is withdrawn and liquidation or receivership inevitably follows.

The Court is obliged to ensure that the arrangement is just and equitable to all of the creditors. It is also possible for the company to avail of the procedure under section 676 of the 2014 Act and this involves making an arrangement by obtaining a special resolution if three quarters of the creditors in number and in value agree.

Different laws apply to the restructuring of insurance companies.

11. LABOR LEGISLATION, RELATION, AND SUPPLY

11.1 Employer/Employee Relations

- **What laws govern Employer/Employee Relations?**

(a) **Creation of Employment Relationship**

- **Terms of Employment (Information) Act 1994**

An employer is obliged to inform an employee in writing of the terms and conditions of his/her employment. An employer must give the following information in writing within two months of commencement of employment (such information is usually contained in the contract of employment):

(i) the full names of employer and employee;

(ii) the address of the employer in the State;

(iii) the place of work, or where there is no fixed or main place of work, a statement specifying that the employee is required or permitted to work at various places;

(iv) the title of the job or nature of the work for which the employee is employed;

(v) the date of commencement of the employee's contract of employment;

(vi) in the case of a temporary contract of employment, or if the contract of employment is for a fixed term, the expected duration thereof;

(vii) a reference to any registered employment agreement or employment regulation order which applies to the employee and confirmation of where the employee may obtain a copy of such agreement or order;

(viii) the rate or method of calculation of the employee's remuneration;

(ix) that the employee may, under Section 23 of the National Minimum Wage Act 2000, request from the employer a written statement of the employee's average hourly rate of pay for any pay reference period as provided in that section;

(x) the length of the intervals between the times at which remuneration is paid whether a week, a month or any other interval;

(xi) any terms or conditions relating to hours of work (including overtime and rest periods);

(xii) any terms or conditions relating to paid leave (other than paid sick leave);

(xiii) any terms or conditions relating to:

(A) incapacity for work due to sickness or injury and paid sick leave, and

(B) pensions and pension schemes;

(xiv) the period of notice which the employee is required to give and entitled to receive (whether by or under statute or under the terms of the employee's contract of employment) to determine the employees contract of employment, or where this cannot be indicated when the information is given, the method for determining such periods of notice; and

(xv) a reference to any collective agreements which directly affect the terms and conditions of the employee's employment including, where the employer is not a party to such agreements, particulars of the bodies or institutions by whom they were made.

The nature and date of any changes in any of the particulars of the statement furnished to the employee (unless the statement is contained in the contract of employment in which case changes cannot be made without the employee's agreement) must be notified in writing to the employee not later than one month after the change takes effect.

In addition, an employer must furnish to an employee in writing within 28 days of commencement the procedure which it will follow if the employee is to be disciplined and/or dismissed.

- **Employment Equality Acts 1998 to 2011 (the "Employment Equality Acts")**

The Employment Equality Act 1998 is the principal piece of equality legislation in Ireland. It has been supplemented by the enactment of the Equality Act 2004 and a number of additional pieces of amending legislation.

The Employment Equality Acts provide that no employer shall discriminate against an employee or a prospective employee in relation to access to employment, conditions of employment (including remuneration), training or experience for or in relation to employment, promotion or re-grading or classification of posts on any of the prohibited grounds. The prohibited grounds are gender, civil status, family status, race/colour/nationality/ethnic origin, age, sexual orientation, religion, disability or membership of the traveller community.

The Employment Equality Acts specifically prohibit indirect discrimination and sexual and other harassment in the workplace.

The Employment Equality Acts contain detailed provisions with regard to equal remuneration for like work. They impose obligations on employers in relation to specific measures to be taken in respect of disabled employees.

(b) **Terms and Conditions of Employment**

- **Payment of Wages Act 1991**

This Act establishes certain rights for all employees relating to the payment of wages. Neither an employer nor an employee can "contract out" of the provisions of this Act. All employees are entitled to:

(i) a readily encashable mode of wage payment;

(ii) a written statement of wages, contributions and deductions; and

(iii) protection against unlawful deductions from wages.

An employer may only make deductions from wages if the deduction or payment is required or authorised to be made by or under statute, the terms of the contract of employment or by other advance written agreement from the employee.

Authorised officers appointed by the Minister for Jobs, Enterprise and Innovation have inspection powers under the Act. They have powers of entry to an employer's premises at all reasonable times and the power of inspection to ascertain if the terms of the Act have been complied with. In addition, an employee may complain to the Workplace Relations Commission where there has been an alleged unlawful deduction or the employer required an unlawful payment from the wages of the employee.

- **Minimum Wage Act 2000**

This Act introduced a national minimum wage in Ireland. The current national minimum wage levels are set out in the table below.

Category of worker	**Current National Minimum Wage**
Experienced Adult Worker	€9.15
Aged Over 18 and in First Year of First Employment	€7.32
Over 19 and in Second Year of First Employment	€8.24
Aged under 18	€6.41

- **Maternity Protection Acts 1994 to 2004**

This legislation provides that all female employees who are pregnant are entitled to twenty six consecutive weeks of maternity leave ("Ordinary Maternity Leave").This minimum period of leave is State supplemented (subject to the employee's social insurance contribution) and does not need to be paid by the employer. It is however open to the employer to supplement the State Maternity Benefit if he/she so wishes. Employees are also entitled to a further 16 weeks of leave ("Additional Maternity Leave"), which is not State supplemented. These entitlements are subject to the employee complying with the various notification requirements stipulated in the legislation.

A pregnant employee is entitled to paid time off from her work during normal working time for pre-natal and post-natal medical checks. Fathers are entitled to paid time off on a once-off basis to attend ante-natal classes.

The legislation provides for leave to protect the health and safety of a pregnant employee in certain specified circumstances. There is a general duty on every employer to carry out a risk assessment to the health and safety of employees who are pregnant or breastfeeding resulting from any activity at the employee's place of work which is likely to involve a risk of exposure to any agent, process or working conditions.

An employee remains in employment (although not at work) during any leave or time off under the legislation and all statutory and contractual rights (other than the right to receive remuneration) are protected during that time. There is a general right to return to the same job. If that is not possible, the employer must provide suitable alternative work. The right to return to the same job applies even if there has been a transfer of business while the employee was on leave. If an employee is not permitted to return to work they are deemed to have been dismissed on the expected date of return and the dismissal will be automatically deemed to be an unfair dismissal. Any termination of employment or serving of notice of termination of employment by an employer when the employee is on Ordinary Maternity Leave or Additional Maternity Leave is void.

- **Adoptive Leave Acts 1995 and 2005**

Adopting mothers or sole male adopters are entitled to twenty four weeks of adoptive leave from the date of placement. Such employees are also entitled to an additional sixteen weeks at the end of the twenty four week period. During the initial twenty four week period, the employee may be entitled to payments from the Department of Social Protection (subject to the employee's social insurance contribution). It is a matter for the employer at its discretion to pay or not to pay employees on adoptive leave. Entitlement to Adoptive Leave is subject to the employee complying with the various notification requirements stipulated in the legislation. Furthermore, the employee must supply the employer with his/her child's certificate of placement as soon as is reasonably practicable, but not later than four weeks after the day of placement.

The rights of an employee on adoptive leave in relation to returning to work are similar to those enjoyed under the Maternity Protection Acts.

- **Parental Leave Acts 1998 and 2006**

Under the Parental Leave Acts an employee who is the natural parent of a child, the adoptive/adopting parent of a child or acting in *loco parentis* to a child is entitled to unpaid leave from his or her employment for a period of up to 18 working weeks to enable him/her to take care of the child. This leave may be taken in one block of 18 weeks, in separate blocks of not less than six weeks each and/or in another manner agreed by the employer and the employee e.g. one day a week. These entitlements are subject to the employee complying with the notification requirements stipulated in the Acts.

An employee is entitled to parental leave in respect of each child. Save in the case of multiple births, an employee is not entitled, without the employer's consent, to take parental leave in respect of more than one child in any twelve month period.

An employer is under no obligation to pay the parent during the period of parental leave. Unlike maternity leave or adoptive leave, there is no entitlement to payment from the Department of Social Protection during this period. However, existing social welfare rights will be protected by the award of credited contributions during the period of parental leave.

Parental leave must be taken before the child is 8 years old and/or 16 years old in the case of a child with a disability or long-term illness. The period of parental leave will end on the earlier of the expiry of 18 weeks from its commencement or when the child attains the age of eight years (or, where the child is adopted, two years after the making of an adoption order when the child at the time of the making of the adoption order was between 6 and 8 years of age.)

To avail of parental leave, an employee must have at least one year's continuous employment with the employer. Where an employee has not completed 52 weeks of service, but has completed three months service on the latest day for commencing 18 weeks parental leave, the employee will be entitled to parental leave for a period of one week for each month of continuous employment.

Parental leave is not transferable between parents, unless the employees work for the same employer, in which case the transfer is subject to the employer's agreement.

It is a condition of parental leave that it is used to take care of the child concerned. If an employer has reasonable grounds to believe that an employee will not use the parental leave for the purposes of taking care of the child concerned, he can refuse or terminate the leave (but must give reasons in writing).

The employee's employment rights are protected for the period of parental leave and the right to return to work in the case of parental leave is similar to the right to return to work in the case of maternity leave. Employees returning to work from maternity leave have the right to request changes to their working hours or pattern or both. The employer is required to consider any such request, but is not obliged to grant the request.

Provision is also made in the Acts for force majeure leave. This arises in circumstances where, for urgent family reasons owing to an injury or to the illness of a child, spouse, co-habitee, sibling, parent or grandparent or certain other persons, the immediate presence of the employee is indispensable at home, or at the place where the other person is. Force majeure leave shall not exceed three days in any period of 12 consecutive months or five days in any period of 36 consecutive months with a part of a day being treated as a day for this purpose.

- **Pensions Acts 1990 to 2014**

The legislation contains preservation of benefits provisions which require that persons with two or more years' service in a particular pension scheme must have their pension entitlements preserved if they leave their employment before pensionable age. In such circumstances, a person will have a pension entitlement preserved for them until they reach normal pensionable age in respect of that particular scheme. Alternatively, employees may have a transfer payment, equivalent to the actual value of their preserved benefit entitlement, transferred to the scheme of a new employer.

The legislation also imposes funding standards, the key objectives of these standards being to ensure that there is complete cover for all liabilities of a pension scheme and, if not, that the scheme must have cover within a period of 10 years.

The legislation outlines the general statutory duties of trustees of pension schemes.

The 1990 Act provided for the establishment of the Pensions Authority.

- **Carer's Leave Act 2001**

An employee who is the full-time carer of a person who is objectively assessed by the Department of Social Protection as being in need of full-time care and attention is entitled to a period of leave of between 13 and 104 weeks' unpaid leave.

The rights of an employee on Carer's Leave in relation to returning to work are similar to those enjoyed by employees on maternity, adoptive and parental leave. In order to avail of Carer's Leave under the Act the employee must have been in the continuous employment of the employer for 12 months prior to taking the leave. Additionally, the employee must give the employer 6 weeks' notice of the intention to take the leave and 4 weeks' notice of the intention to return to work.

- **Protection of Employees (Fixed-Term Work) Act 2003**

The Protection of Employees (Fixed-Term Work) Act 2003 has two main purposes: (i) to provide for the equal treatment of fixed-term employees with permanent employees with respect to conditions of employment and (ii) to prevent abuse arising from the use of successive fixed-term employment contracts.

The Act provides that an employer is prohibited from treating a fixed-term employee in a less favourable manner than a comparable full-time employee in respect of conditions of employment unless such treatment can be justified on objective grounds. The term "conditions of employment" is defined as including conditions in respect of remuneration (which is defined as any consideration, whether in cash or in kind, which the employee receives, directly or indirectly, from the employer in respect of the employment) and matters related thereto and specifically includes pension rights. With regard to pension schemes/arrangements, the Act does not preclude the employer from treating the fixed-term employee in a less favourable manner if the normal hours of work of the fixed-term employee constitute less than 20% of the normal hours of work of a comparable permanent employee.

Where a condition of employment is dependent upon a period of service qualification the condition must be available to the fixed-term employee for the same period of service as for a comparable permanent employee, except where the different length of service qualification is justified on objective grounds.

Where employee benefits are dependent upon the number of hours worked, the benefit must be made available to a fixed-term employee on a pro-rata basis by reference to the proportion which the working hours of the fixed-term employee bears to the working hours of the comparable permanent employee.

A fixed-term employee must be informed in writing as soon as practicable by his/her employer of the objective condition determining the contract, whether that condition is (i) arriving at a specific date, (ii) completing a specific task or (iii) the occurrence of a specific event. Where an employer proposes to renew a fixed-term contract, the employer must inform the fixed-term employee in writing, by the date of renewal at the latest, of the objective grounds justifying the renewal and the failure to offer a contract of indefinite duration.

The Act provides that fixed-term contracts may only be renewed in certain circumstances. Employees who were employed on a fixed-term contract prior to the

commencement of the Act and who complete or have completed three years continuous employment with their employer may only have their contracts renewed once and that renewal may be for no longer than one year. After the additional 12 month period, the employee will be entitled to a contract of employment of indefinite duration. Employees who are employed on a fixed-term contract which commence after the passing of the Act and who are employed on two or more continuous fixed-term contracts may not be employed under those contracts for more than four years. Where any term of a fixed-term contract purports to contravene either of these provisions the contract will be deemed to be a contract of indefinite duration. These provisions do not apply where there are objective grounds justifying a renewal of the fixed-term contract.

Employers must inform fixed-term employees about vacancies which occur to ensure that they have the same opportunity to secure a permanent position as other employees. This information may be provided by means of a general announcement in the workplace. Employers must, as far as practicable, facilitate access by fixed-term employees to appropriate training opportunities to enhance their skills, career development and occupational ability.

- **Protection of Employees (Part-Time Work) Act 2001**

The Protection of Employees (Part-Time Work) Act 2001 extends certain employment legislation, including legislation governing unfair dismissals, terms of employment, redundancy and minimum notice, to all part-time employees. The Act further provides that an employer is prohibited from treating a part-time employee in a less favourable manner than a comparable full-time employee in respect of conditions of employment unless such treatment can be justified on objective grounds. Conditions of employment are defined as including conditions in respect of remuneration and matters related thereto and specifically include pension rights. With regards to pension schemes/arrangements, the Act does not preclude the employer from treating the part-time employee in a less favourable manner but only if the normal hours of work of the part-time employee constitute less than 20% of the normal hours of work of a comparable full time employee.

Where employee benefits are dependent upon the number of hours worked, the benefit must be made available to a part-time employee on a pro-rata basis by reference to the proportion which the working hours of the part-time employee bears to the working hours of the comparable full time employee.

- **Protection of Employees (Temporary Agency Work) Act 2012**

The purpose of the Protection of Employees (Temporary Agency Work) Act 2012 is to ensure that agency workers are not treated less favourably than comparable employees directly hired by the end user .The Act requires that temporary agency workers receive the same basic working and employment conditions that they would have received if they were recruited directly by the end-user organisation for a similar role.

Equal treatment must be given to agency workers in respect of certain core terms and conditions of employment, specifically:

- pay, including shift work, piece work, overtime, Sunday premium and unsocial hours;
- access to collective facilities and amenities in the hirer’s premises (e.g. canteen, childcare and transport facilities) unless objective

grounds to justify difference in treatment. The objective justification must not be monetary;

- the duration of working time, rest periods, night work, annual leave and public holidays; and

- information regarding vacancies to afford temporary agency workers the opportunity of finding permanent employment.

The definition of "pay" does not include sick pay, occupational social security schemes, financial participation schemes and/or pension schemes or arrangements.

As the employer the employment agency has primary responsibility for ensuring the agency worker enjoys equal treatment. However, the Act imposes a duty on the hirer to provide the agency with all reasonable information necessary for the agency to comply with its obligations under the legislation.

Under unfair dismissals legislation, if a temporary agency worker is dismissed from his/her employment during an assignment, liability for any unfair dismissals claims brought by the agency worker will rest with the hirer, notwithstanding the fact that the agency worker is not an employee of the hirer.

The Act prohibits hirers and employment agencies from penalising a person for reporting breaches of the Act. Penalisation includes suspension, lay-off or dismissal (or a threat of such), demotion or loss of opportunity for promotion, transfer of duties, change of location or place of work, reduction in wages or change in working hours, imposition or the administering of any discipline, reprimand or other penalty (including a financial penalty) and/or coercion or intimidation.

(c) **Termination of the Employment Relationship**

- **Minimum Notice and Terms of Employment Acts 1973 to 2005**

If an employer or an employee wishes to terminate a contract of employment he or she must give notice of the termination to the other party.

This Act stipulates the minimum statutory notice period to which employees and employers are entitled.

In general, to dismiss an employee who has been in continuous service for 13 weeks or more, an employer must give a minimum period of notice based on the employee's length of service, as follows:

(i) 13 weeks' to two years' service - one weeks' notice;

(ii) two to five years' service - two weeks' notice;

(iii) five to 10 years' service - four weeks' notice;

(iv) 10 to 15 years' service - six weeks' notice;

(v) 15 or more years' service - eight weeks' notice.

It is open to employers to include longer notice periods in the employee's contract of employment. Employers are entitled to the longer of the contractual notice and the statutory notice.

- **Unfair Dismissals Acts 1977 to 2007**

The purpose of the Acts is to protect employees from being unfairly dismissed by laying down criteria by which dismissals are to be judged unfair and by providing an adjudication system and redress for an employee whose dismissal has been found to be unjustified.

All employees with one year's continuous service fall within the scope of this Act. Exceptions to this this service requirement occur when an employee claims unfair dismissal by reason of trade union membership /activities, pregnancy/ denial of entitlements under the maternity legislation, making a protected disclosure, exercise of his/her right to a minimum wage under the relevant legislation and exercise of his/her right to statutory adoptive leave, parental leave/force majeure leave or carer's leave.

The Act provides that all dismissals are deemed "unfair" unless there were substantial grounds justifying the dismissal.

There are certain grounds which constitute potentially "fair" dismissal, namely, dismissal arising from the employee's capability, competence, qualifications, conduct, redundancy, where the employee's ongoing employment was in contravention of statutory provisions or other substantial reason.

It is automatically unfair to dismiss an employee because of trade union membership or due to involvement in trade union activities, the making of a protected disclosure, gender, civil status, family status, disability, religion or politics, race, colour, national or ethnic origin or sexual orientation, age, membership of the Traveller community, by reason of pregnancy or related matters, the exercise of the right to protective leave under the Maternity Protection Act 1994 or the Adoptive Leave Acts 1995 and 2005 or the threat or institution of civil or criminal proceedings against the employer by the employee or in respect of which the employee is a witness.

An employer must be reasonable in regard to all circumstances when disciplining an employee and the employee's constitutional right to fair procedures must be observed. The employee is entitled to be aware of all the evidence against him/her and to respond to such allegations. The Act does not state that a specific disciplinary procedure should be applied but a standard procedure would involve a verbal warning, a written warning, a final written warning and dismissal.

Constructive dismissal arises where an employee claims that he or she was entitled to resign because of the employer's breach of contract or unreasonable behaviour.

Qualifying former employees can bring a complaint of unfair dismissal to the Workplace Relations Commission. The redress which can be ordered is reinstatement, re-engagement, or compensation (the maximum award is 104 weeks gross remuneration where the employee has suffered financial loss and 4 weeks' remuneration where there was no financial loss).

- **Redundancy Payments Acts 1967 to 2014**

These Acts stipulate the circumstances where an employee is awarded monies for the loss of employment through redundancy. Statutory redundancy payments under the Acts are meant to compensate for loss of security, seniority and other benefits which have been built up in employment. The statutory payment is low and, in general, an employee is normally given a severance payment that is higher than the statutory award, usually based on an employee's length of service.

An employee must be given two weeks' written notice of his/her redundancy or such longer notice period as required by statute or contract.

If the employee has more than 104 weeks of service, they shall be entitled to a statutory redundancy payment which shall be paid on the date of dismissal. The statutory amount of the redundancy payment is tax free.

If an employee wishes to leave the employment before the expiry of the notice period then they must sign a Form RP6 (and the employer must agree to the early termination).

An employer must pay to an employee who qualifies for a redundancy payment a lump sum in the aggregate of:

(i) two weeks of the employee's normal weekly remuneration for every year of continuous employment from the date on which the employee attained 16 years of age with whom the employee was employed on the date of dismissal, or by whom the employee was employee was employed when the employee gave notice of intention to claim redundancy payment; plus

(ii) a sum equivalent to the employee's normal weekly remuneration.

The weekly remuneration which may be considered in calculating the above redundancy payment is subject to a statutory ceiling of €600.

If an employee refuses to accept a redundancy notice, an employer may send such notice to the employee's home by registered post.

All claims under the Acts are referred to the Workplace Relations Commission for determination. A redundancy claim must be made within 52 weeks of the date of dismissal/termination of employment (this time limit may be extended if reasonable cause can be shown for the delay).

- **Protection of Employment Act 1977 to 2007**

This Act has the objective of preventing, controlling or delaying collective redundancies unless and until an employer has fulfilled certain notification and consultation requirements. The Act applies to all persons in employment in an "establishment" normally employing more than 20 persons. The Act imposes requirements on an employer to consult and notify the employees' representatives and the Minister for Jobs, Enterprise and Innovation. The collective redundancies cannot take effect before the expiry of 30 days beginning on the date of notification to the employees' representatives and the Minister and the initiation of consultation. Failure to comply with these procedures is a criminal offence and attracts fines of up to €250,000.

- **Protected Disclosures Act 2014**

The Protected Disclosures Act 2014 came into operation in Ireland on 15 July 2014. The purpose of the Act is to protect workers in both the public and private sectors against reprisal in circumstances where they disclose information in relation to certain wrongdoings which come to their attention during their employment. The Act seeks to ensure that whistleblowing is a key factor of corporate risk management and to develop a culture that supports whistleblowing through the implementation of certain protections for workers who disclose relevant information.

The Act protects workers who make a disclosure of “relevant information” through a pre-determined channel of disclosure which is referred to as a "protected disclosure". The protections offered by the Act are provided to "workers", a broader concept than "employee", which includes employees, former employees, independent contractors, trainees, agency staff, work experience individuals and volunteers. Relevant information is information which the worker reasonably believes to demonstrate one or more “relevant wrongdoings” and which came to the worker’s attention during his employment. The Act provides for an exhaustive definition of “relevant wrongdoings" and includes the commission of a criminal offence, a failure to comply with a legal obligation, the occurrence of a miscarriage of justice, the endangerment of the health and safety of an individual, maladministration or gross mismanagement by a public official, damage to the environment, the unlawful or improper use of public funds or monies and the concealment or destruction of information evidencing any of the foregoing.

The Act provides for a number of methods by which a worker can make a protected disclosure, including disclosure to the employer or other responsible person, to a person or entity prescribed by law, to a Government Minister, to a legal adviser and through any further channels that a worker deems reasonable in the circumstances. However, when a disclosure is made to a person other than an employer/other responsible person, a prescribed person, a Government Minister or a legal adviser, the Act will only provide protection to a worker who has made the disclosure in the reasonable belief that the information disclosed/allegations made were substantially true, the disclosure was not made for personal gain and, finally, where it was reasonable for him to have made the disclosure. Reasonableness will be examined under the Act by having regard to whom the disclosure was made, the seriousness of the relevant wrongdoing, the method by which the disclosure was made and whether the relevant wrongdoing is continuing or likely to occur in the future.

The Act provides for the following protections to workers who have made protected disclosures:

- protection from dismissal - An employee will be protected from dismissal and may claim up to five years remuneration from his employer under the Unfair Dismissals Acts 1977-2007. An application may also be made to the Circuit Court for relief (including re-engagement) pending the determination or settlement of such an unfair dismissal claim;

- protection from penalisation - by his/her employer. The worker will be entitled to make a complaint for compensation of up to five years’ remuneration if such penalisation occurs;

- no civil proceedings (save for defamation) may be taken against an individual who has made a protected disclosure;

- an individual who suffers detriment by the hands of another person (tortious liability for victimisation) for making a protected disclosure may take civil proceedings against that person;

- the Act prohibits an individual to whom a protected disclosure was made from disclosing any information (subject to certain exceptions) about the identity of the individual who made the disclosure; and

- a disclosure will be presumed to be a protected disclosure within the meaning of the Act until proven otherwise.

All public bodies are now required to establish and maintain procedures for the making of protected disclosures by workers and for dealing with such disclosures when they arise. No equivalent obligations exist under the Act for private sector employers, however, in order to minimise the risk of litigation, private sector employers should implement a fully comprehensive whistleblowing policy or review existing policies to ensure that they align with the requirements of the Act.

The Act has retrospective effect and any disclosure made before 15 July 2014 may be a protected disclosure and the worker who made the disclosure may be entitled to the protections as provided for under the Act. It is not possible to contract out of the Act and any agreement which purports to do so will be void.

(d) **Industrial Relations**

- **Industrial Relations Acts 1946 to 2012**

These Acts provided the framework for the collective bargaining process in Ireland. They have been significantly amended by both the Workplace Relations Act 2015 and the Industrial Relations (Amendment) Act 2015, the provisions of which Acts are summarised below. The purpose of the Acts is to provide a forum for individual and collective employee grievances to be heard by an adjudication officer.

The 1990 Act also sets out the law in relation to trade disputes, regulating in particular the circumstances where picketing and strikes are deemed lawful. The Industrial Relations (Amendment) Act 2001 introduced a new development into Irish industrial relations practice, by affording the Labour Court jurisdiction to consider and make binding determinations on disputes referred to it where a number of key pre-conditions were met. These include that there is no practice in the company I engaging in collective bargaining with employees. The practical implication of this new development has been to effectively enable the Labour Court to intervene in the practices and, in certain circumstances, dictate the terms and conditions of employment of non-unionised companies.

- **Industrial Relations (Amendment) Act 2015**

The Industrial Relations (Amendment) Act 2015 was commenced on 1 August 2015.This Act is expected to have a significant impact on the industrial relations landscape in Ireland. It introduces a revised framework for the registration of employment agreements and reforms the law in relation to employees' right to engage in collective bargaining.

Ireland's former Registered Employment Agreement ("REA") system was held to be unconstitutional by the Supreme Court in 2013.This new piece of legislation reintroduces a legislative framework for the registration of employment agreements between an employer or employers and trade unions, governing the terms and conditions of employment in individual companies. Unlike the old REA system, these REAs will only be legally binding on the individual companies who have signed up to the agreement and will not have sector-wide application.

The Industrial Relations (Amendment) Act 2015 also establishes a new statutory framework for the establishment of orders setting minimum rates of remuneration and other terms and conditions of employment for a specified class, type or group of workers ("Sectoral Employment Orders").An application to the Labour Court can

now be made by a trade union and/or employer body which is substantially representative of workers or employers in a particular sector. Such an application involves a request for the Labour Court to review the terms and conditions relating to the remuneration, any sick pay scheme or any pension scheme of workers in the sector. On foot of such a request, the Labour Court will determine whether to make a recommendation to the Minister for Jobs, Enterprise and Innovation for the making of a Sectoral Employment Order in respect of the sector in question.

Finally, the Industrial Relations (Amendment) Act 2015 provides for an improved framework for workers seeking to improve their terms and conditions in circumstances where collective bargaining is not recognised by their employer. A statutory definition of collective bargaining has been introduced.

- **Trade Union Acts 1871 to 1990**

The Trade Union Acts 1871 to 1990 regulate trade unions and provide for a system for the registration of trade unions in Ireland. The Acts stipulate the rules which a trade union must observe in order to be recognised in the State. The Acts also provide that trade unions are protected from prosecutions for economic torts.

It is the constitutional right of every employee to join a trade union. Equally, the right exists not to join a trade union. While an employer is not obliged to recognise a particular trade union, there are numerous Labour Court Recommendations which find that an employer should recognise and consult and negotiate with a trade union on behalf of its members who are in the employer's employment.

(e) **Transfer of Undertakings Regulations**

The European Communities (Protection of Employees on Transfer of Undertakings) Regulations 2003 protect employees' statutory and contractual rights in the event that the business is transferred as a going concern by way of asset purchase. The Regulations apply to the transfer of an undertaking, business, or part of a business to another employer as a result of a legal transfer or merger. The Regulations place an obligation on employers to inform and consult their employees' representatives in the event of a proposed transfer.

The Regulations provide that all the rights and obligations arising from contracts of employment/employment relationship (this includes collective agreements/union management agreements) existing on the date of transfer shall be transferred with the business. If the employee is employed on the date of transfer there shall be no break in service and all entitlements under the employees' contract of employment are automatically transferred. In particular employees are protected against dismissal arising from the transfer of a business.

If an employee considers that his/her job has been lost arising from a transfer of a business, that employee may bring a claim against the transferee under the Regulations, the unfair dismissals legislation and any other relevant legislation.

The Regulations impose information and consultation requirements on both the transferor and the transferee.

The vendor and the purchaser are required to inform the employees or their representatives not later than 30 days before the transfer where reasonably practicable, and in any event in "good time" before the transfer of the:

(i) reason for the transfer;

(ii) legal, economic and social implications of the transfer for the employees; and

(iii) measures envisaged in relation to the employees;

(iv) the number of agency workers;

(v) the parts of the business that the agency workers are engaged in; and

(vi) the type of work that the agency workers do.

In circumstances where it is envisaged that "measures" will be taken following the transfer which affect the employees' terms and conditions of employment, the transferee or transferor are required to consult with the employees' representatives or the employees themselves in relation to such measures.

Redress for breach of these Regulations includes up to four weeks' remuneration in the case of a breach of the information and consultation requirements, and up to two years' remuneration in the case of a breach of any of the other provisions of the Regulations.

(f) **Organisation of Working Time Act 1997**

The working time provisions of this Act do not apply to certain categories of employees including and in particular:

- employees the duration of whose working time (saving any minimum period of such time as is stipulated by the employer) is determined by themselves; and

- persons exempted by Ministerial regulations being persons engaged in the transport of goods or persons in civil protection services.

The Act provides for work breaks and for daily and weekly rest periods. An employee is entitled to a rest period of not less than eleven consecutive hours in each period of 24 hours. An employer shall not require an employee to work for a period of more than four hours and 30 minutes without allowing the employee a break of at least 15 minutes and an employer shall not require an employee to work for a period of more than six hours without allowing the employee a break of at least 30 minutes and such break may include the 15 minute break referred to above. Such breaks may be taken together or separately but may not be taken at the end of the working day. The rules relating to daily and weekly rest periods do not apply to a person engaged in shift work when because of shift changeover he or she cannot avail of the rest period.

An employee shall, in each period of seven days, be granted a rest period of at least 24 consecutive hours and that rest period must (except in limited circumstances) be preceded by an 11 hour daily rest period.

An employee who is required to work on a Sunday (and the fact of his or her having to work on that day has not otherwise been taken into account in the determination of his or her pay) shall be compensated by payment of an allowance, by a pay increase, by additional paid time off or by a combination of all three.

An employer shall not permit an employee to work in any period of seven days more than an average of 48 hours, generally calculated over a reference period that does not exceed four months.

Special provisions apply to a category of workers called night workers, which category is narrowly defined. A night worker may not be permitted to work an average of more than eight hours in any 24 period, or, in the case of certain night workers, for more than eight hours in total (without averaging) in any 24 hour period. For averaging purposes, the reference period is two months or such greater period as may be specified in a collective agreement with a trade union.

The Act contains provisions designed to ensure that employees are given notice in writing of their working time at least 24 hours before any work day in circumstances where such working time is not otherwise set out in their contracts of employment. Furthermore "zero hours contracts" are regulated in that in circumstances where the contract of employment does not oblige the employer to provide any hours of work the employer must provide remuneration for 25% of the time for which the employee is required to be available to work or 15 hours, whichever is the lesser.

The Act makes provision for public holidays and states that employees are entitled to annual leave equal to the greater of:

- 4 working weeks in a leave year in which he/she has worked at least 1,365 hours (unless it is a leave year in which he/she changes employment);
- one-third of a working week for each month in the leave year in which he/she works at least 117 hours, or
- 8 per cent of the hours he/she works in a leave year (but subject to a maximum of 4 working weeks.

The Act also provides that employees, in addition to the above leave periods, will be entitled to a paid day's leave for each of the nine public holidays stipulated in the Act.

It is an offence for an employer to employ an employee in circumstances where the employment, when combined with another employment, infringes the rules with regard to working time.

In certain exceptional circumstances the rules with regard to breaks, daily rest periods and weekly rest periods can be set aside, although equivalent compensatory rest must be taken within a reasonable period of time.

Redress for breach of the Act can be up to two years' remuneration by way of compensation.

(g) **Safety, Health & Welfare at Work Act 2005**

The Safety, Health and Welfare at Work Act 2005 makes provision for the safety, health and welfare of persons at work. This Act sets out the responsibilities of employers, the self-employed, employees and various other parties in relation to safety and health at work. The Act also details the role and functions of the Health and Safety Authority and provides for a range of enforcement measures and specifies penalties for breach of occupational safety and health.

Every employer is under a duty, so far as is reasonably practicable, to ensure the safety, health and welfare at work of all his employees. Various duties are imposed on employers, including the preparation of a written safety statement in respect of each work place.

(h) Employees (Provision of Information and Consultation) Act 2006

This Act gives employees employed in an "undertaking" employing more than 50 employees a right to information and consultation on issues affecting the economic situation and activities of the business, such as proposed or anticipated business acquisitions and collective redundancies. An information and consultation arrangement is not an automatic right but must be triggered by written request of 10% of employees (subject to a minimum of 15) or at the employer's initiative. An employer may refuse to share confidential information that would seriously harm the functioning of the undertaking or be prejudicial to it. Employees may exercise their right to information and consultation directly or indirectly through their representatives elected or appointed under the Act. The Act contains a system for seeking redress in the event that its provisions are breached.

(i) Workplace Relations Act 2015

This Act makes significant changes to the manner in which statutory employment law claims (under the pieces of legislation detailed above) are adjudicated upon. Although the Act will come into force on different dates to be fixed by the Minister for Jobs, Enterprise and Innovation, it is expected that the new regime in relation to adjudication and appeal of complaints under statute will come into force on 1 October 2015 for cases filed on or after that date.

Under the current system for resolving workplace disputes in Ireland, different employment law rights must be enforced in separate fora. This can give rise to a multiplicity of claims involving the same parties appearing before a number of different fora. In this regard, the Act will create a new single framework for the resolution of employment and equality disputes in Ireland. This new framework will amalgamate the former functions of the Labour Relations Commission, the National Employment Rights Authority, the Equality Tribunal and the first instance functions of the Employment Appeals Tribunal and the Labour Court and these bodies will be abolished.

The Act provides that all claims and disputes under all employment law statutes and complaints under the Equal Status Act 2000 will, at first instance, and unless a mediated solution is reached by a Mediation Officer, be adjudicated upon in private by Adjudication Officers following referral of the complaint or dispute to the Director of the Workplace Relations Commission ("WRC").

In general, complaints must be filed with the Director General of the WRC within six months of the date of the contravention to which the complaint relates. The Adjudication Officer has some discretion to extend this six-month time limit in certain circumstances.

Adjudication Officers will inquire into complaints and disputes and give the parties the opportunity to be heard and present evidence. They will have the power to summon witnesses and require documents to be produced. They will reach a determination on the dispute.

Appeals from decisions of Adjudication Officers will be heard by the Labour Court, where the appeal will normally be by way of a full public rehearing, with sworn testimony. An appeal must be lodged with the Labour Court within 42 days of the date of the Adjudication Officer's decision, but again that time limit may be extended in certain circumstances. An appeal on a point of law may be made to the High Court on a point of law only. An appeal to the High Court must be filed within 42 days of the decision of the Labour Court.

(j) **Pay related social insurance**

Employees and employers pay Pay Related Social Insurance ("PRSI") contributions on employee's emoluments upon deduction of certain approved contributions. Everyone between the ages of 16-66 years of age in insurable employment must pay PRSI. Self-employed workers must also pay PRSI.

- **Are there obligations to train employees?**

The Safety, Health and Welfare at Work Act 2005 requires that employees be trained so as to ensure that they are safety conscious and aware of the risks and hazards involved in the workplace, with work systems and with work equipment.

11.2 Employment Investor Regulations

- **Must the investor hire nationals of the country?**

The investor should first seek to hire nationals of an EEA (European Economic Area) country. In the event that this is not possible, the investor may seek to employ nationals from outside of the EEA on the basis of one of the work permits outlined below. In making an application to the Department of Jobs, Enterprise and Innovation for a work permit, an employer must demonstrate that it has made efforts to recruit an EEA national in the first instance and that is complies with the "50:50" rule (please see paragraph 11.4 below).

- **Is there a minimum wage?**

As described above, the current minimum wage for an experienced adult worker is €8.65 per hour.

- **Is there a maximum number of hours an employee can work each week?**

Employees must not work more than 48 hours per week generally averaged over a four month period.

- **Is there a minimum number of vacation and sick days to be given?**

There is no requirement to give a specific number of sick days. Sick pay may be paid at the discretion of the company.

Annual leave entitlements are set down in the Organisation of Working Time Act 1997.An employee who works at least 1,365 hours is entitled to four working weeks in a leave year. An employee who works at least 117 hours per calendar month is entitled to a third of a working week by calendar month. An employee is otherwise entitled to 8% of the hours in the leave year, subject to a maximum of 4 working weeks.

Employees are also entitled to nine public holidays throughout the year.

11.3 Hiring and Firing Requirements

- **Must the investor employ a minimum number of people?**

There is no legal requirement to employ a minimum number of people.

- **Must the investor employ a minimum number of nationals?**

There is no legal requirement to employ a minimum number of nationals. However, in the event that an investor is making an application for a General Employment Permit, a Critical Skills Employment Permit or an Intra-Company Transfer Permit for an employee, there are certain requirements in relation to the percentages of EEA and non-EEA nationals employed.

- **Must certain positions in the company be held by nationals?**

There is no legal requirement that certain positions in the company be held by nationals, however one director of the company must be resident in a member state of the EEA.

- **Are there rules to follow in hiring/dismissing personnel?**

In hiring personnel, employers must be cognisant of the provisions of the Employment Equality Acts 1998 to 2011, which prohibit discrimination in relation to access to employment.

When dismissing personnel, employers should be aware of the terms of the Unfair Dismissals Act 1997 to 2007 and the Minimum Notice and Terms of Employment Acts 1973 to 2005.Employers should ensure that a clear disciplinary procedure is in place and that the procedure provides natural justice to employees who are disciplined and or dismissed.

The Employment Permits Acts 2003-2014 make it an offence to employ a non-EEA national without a valid permit, save in certain circumstances.

11.4 Labour Permits

- **Are labour permits required?**

Employment permits are required for non-EEA nationals. The Employment Permits (Amendment) Act 2014 creates nine categories of employment permit, namely:

(a) Critical Skills (previously called the Green Card);

(b) Intra-Company Transfer;

(c) Dependant/Partner/Spousal;

(d) General (previously called the Work Permit);

(e) Contract for Services;

(f) Reactivation;

(g) Internship;

(h) Sports and Cultural; and

(i) Exchange Agreements.

The most commonly used of these permits are the General Employment Permit, the Critical Skills Employment Permit and the Intra-Company Transfer Permit. In the event that an employee is being transferred to an Irish company from a parent non-Irish company the employee may avail of an Intra-Company Transfer Permit for a total period of up to five years.

Applicants must demonstrate that the Irish entity complies with a "50:50 rule", i.e., that employers seeking to hire non-EEA nationals on an employment permit maintain a workforce of at least 50% EEA nationals, (save for some limited exceptions, such as start-up companies). A Labour Market Needs Test, meaning that employers must exhaust efforts to recruit EEA nationals and demonstrate same, now applies to General and Contract for Services Employment Permit applications.

- **If so, how are they obtained?**

Employment permits are obtained from the Department of Jobs, Enterprise and Innovation on application. There are different qualifying criteria for each type of employment permit. Additionally, the Department will seek to ensure that the employee in question has not lived or worked illegally in the State and that the employer has made an effort to hire EEA nationals to the position.

- **How long does the process take?**

Processing times vary depending on the Department's workload, but the process generally takes approximately four to six weeks.

- **What does a permit cost?**

General Employment Permit

€500 - six months or less

€1,000 – up to 24 months

Critical Skills Permit

€1,000 – up to 24 months

Intra–Company Transfer Permit

€500 - six months or less

€1,000 – up to 24 months

11.5 Safety Standards

- **Are there safety codes which must be followed?**

The Safety Health and Welfare at Work Act 2005, together with related regulations, forms the basic framework of health and safety legislation in Ireland. There are numerous regulations in force which deal with specific aspects of safety and health in the workplace such as chemicals, biological agents, pregnancy, young persons, construction sites, mechanical equipment etc.

11.6 Unions

- **Are unions recognised?**

Whilst there is no legal obligation to recognise a particular or any trade union in Ireland or to collectively consult with any employment body, the Labour Court may recommend that an employer should recognise, consult and negotiate with the trade union on behalf of the members of that union who are in the employer's employment.

12. TAX ON CORPORATIONS

12.1 Allowances

- **What are the major allowances (e.g. capital cost depreciation)?**
- **What are the major deductible items?**
- **What are the major expenses that are excluded from deductibility?**

Trading companies are generally entitled to the deductions provided for in their audited accounts. However, the net figure per the accounts must be adjusted in accordance with taxation principles. This may result in add backs principally in respect of the following items:

(i) expenditure which is not wholly and exclusively incurred for trading purposes;

(ii) entertainment expenditure (although staff entertainment is allowable as a deduction);

(iii) capital expenditure/depreciation (although capital allowances may be available in respect of such expenditure); and

(iv) general provisions (for example, a general provision for bad debts is not deductible but a specific provision is).

Only certain items of capital expenditure qualify for capital allowances. The most important categories which qualify for allowances are:

(i) plant and machinery (including aircraft and commercial equipment);

(ii) industrial buildings;

(iii) scientific research;

(iv) intellectual property;

(v) patents;

(vi) dredging; and

(vii) qualifying ships.

Capital allowances in respect of plant and machinery are normally granted at an annual rate of 20% on a straight-line basis over five years. The allowances may be clawed back by way of a balancing charge if the plant and machinery is sold (at any time) for an amount in excess of the tax written down value.

The annual allowances granted in respect of industrial buildings vary depending on the nature of the building. Allowances for a mill or factory are generally granted on a straight-line basis at 4% per annum over 25 years. Note that there is no claw back of allowances if the building is sold for in excess of the tax written down value after the end of the useful life of the building.

Capital allowances are available for trading companies incurring capital expenditure on certain intangible assets (e.g. patents, copyright, and trade marks) for the purposes

of a trade. Such a trading company would either write down its expenditure in accordance with the standard accounting treatment of intangible assets or elect for a fixed write-down period of 15 years at a rate of 7 % per annum and 2% in the final year (e.g. brands are not depreciated under IFRS so brand traders frequently elect).

Different rules apply to non-trading companies as any non-trading item is excluded from the computation of the company's trading profits, and dealt with separately for tax purposes under the relevant tax heading.

Note also that dividends received by one Irish company from another Irish resident company are not subject to corporation tax in the hands of the recipient company.

12.2 Calculation of Taxes

- **How is the taxable base determined?**

Irish resident companies are liable to corporation tax for each accounting period on the worldwide income and gains arising in that period. Income for the purposes of corporation tax is computed in accordance with income tax principles and chargeable gains are calculated in accordance with capital gains tax principles. Income is charged to corporation tax at 12.5% for Irish trading income and certain foreign dividends and 25% for other profits.

12.3 Capital Gains

- **What are the federal or national tax rates on capital gains?**
- **What are the regional or state taxes on capital gains?**
- **What are the municipal or local taxes on capital gains?**

Ireland operates a unitary tax system with taxes on a national level only. There are no provincial, municipal or local taxes on the profits of companies. The only local tax is a tax on a company's property, referred to as "rates", levied by local authorities on commercial properties and based on the valuation of a property. The rate is set annually by each local authority which also determines the valuation of the property. There is a self-assessed local property tax ("LPT") which is charged on the market value of all residential properties in Ireland.

Profits arising from the disposal of certain assets are subject to capital gains tax. The standard rate of capital gains tax is 33%.Certain trading losses may be offset against capital gains for the current or previous year on a value basis reflecting the rate of tax applicable to profits of a similar nature.

Capital assets may be transferred between Irish resident group companies without liability for capital gains tax.

12.4 Filing and Payment Requirements

- **When must the corporation file its tax return, if any?**
- **When must the corporation pay its taxes?**
- **Are taxes paid in instalments or annually?**

Ireland operates a self-assessment system of tax administration. Every resident company, as well as any non-resident company trading in Ireland through a branch or agency, is required to file a corporation tax return of its profits for each accounting period whether or not requested to do so. The return for an accounting period should be filed within nine months after the end of the accounting period (but no later than the 23rd day of the ninth month). It should normally be accompanied by the statutory accounts of the company, computations of the income and chargeable gains of the accounting period and by any necessary supporting schedules. Failure to submit the return for any accounting period within the specified time period will result in penalties including a tax surcharge and the restriction of certain tax reliefs. If the return is submitted within two months of the due date the surcharge is 5% of the tax (capped at a maximum of €12,695). If the return is more than two months late, the surcharge is 10% (capped at a maximum of €63,485).

Companies must pay tax in instalments. The first instalment is payable in the 6th month of the accounting period, but not later than the 23rd day of the month (i.e. 23rd June for a company with calendar year accounts) and the amount payable will be 50% of the corporation tax liability for the preceding accounting period or 45% of the corporation tax liability for the current accounting period.

The second instalment is payable in the 11th month of the accounting period, but not later than the 21st day of the month (i.e. 21st November for a company with calendar year accounts) and the amount payable will bring the total preliminary tax paid to 90% of the corporation tax liability for the current accounting period.

The balance of corporation tax is then paid when the company files its tax return 9 months after the end of the accounting period (by 23rd September of the following year for a company with calendar year accounts).Where the preliminary tax payment is less than 90% of the final corporation tax liability, the difference between the preliminary tax paid and the final corporation tax liability will carry interest at a rate of 0.0219% per day.

An exception to the preliminary tax requirements exists for companies whose corporation tax liability does not exceed €200,000 in the previous accounting period. For such companies, preliminary tax is payable in one instalment one month before the end of its accounting period (but no later than the 23rd day of the month).A small company may choose to base its preliminary tax on the previous year's corporation tax liability and pay 100% of the previous year's corporation tax liability or pay 90% of the current year's estimated tax liability.

New or start-up companies with a corporation tax liability of €200,000 or less for their first accounting period will not be required to pay preliminary tax in respect of that first accounting period and will instead be required to pay their final corporation tax liability for that accounting period at the same time as they are required to submit their corporation tax return, i.e. within nine months after the end of the accounting period. For start-up companies commencing a trade in 2015, relief from corporation tax is available and the value of the relief is linked to the amount of employer's PRSI paid by a company in an accounting period subject to a maximum of €5,000 per employee.

12.5 Miscellaneous Taxes Due

- **Is there a tax on capital?**

No. It is possible that a company could in exceptional circumstances be subject to gift tax if it made or received a gift.

- **Is there a business licence tax?**

No.

- **Is there an apprenticeship tax?**

No.

- **Is there a training tax?**

No, there is no general tax. It is possible that certain industry sectors may be subject to a levy (generally insignificant). It is possible that businesses in certain industries may be eligible for certain training grants from IDA Ireland.

- **Are there other taxes?**

Ireland operates a value added tax (VAT) system in line with EU law and also a system of stamp duty.

- **What are the filing and payment requirements?**

The filing and payment requirements of VAT and stamp duty depend on the particular circumstances. Generally any VAT to be paid (along with the required VAT return to be filed) is due by the 19th of the month following the end of each two-monthly taxable period (e.g. January/February, March/April). Generally any stamp duty to be paid must be paid (and a completed stamp duty return must be filed) within 30 days of the date of the stampable instrument of transfer (or within 44 days if the payment is made and the return submitted on the Revenue Online System ("**ROS**")).

12.6 Registration Duties

- **Are there registration duties due upon the incorporation of a company?**
- **Are there registration duties due upon an increase in capital?**
- **Are there registration duties due upon the transfer of the company's shares?**
- **Are there registration duties due upon a transfer of corporate assets?**
- **Are there any other registration duties due?**

There are nominal fees due to the CRO upon the incorporation of a company. There are no duties due on any increase in capital by a company. The transfer of shares in an Irish company is subject to stamp duty at the rate of 1% of the consideration, or the market value, whichever is higher. Stamp duty is also payable in respect of certain other documents, including those which transfer assets situated in Ireland.

Note, however, that an exemption from stamp duty may be available in the case of corporate reconstructions and amalgamations. It is also possible to claim an exemption from stamp duty if there is a transfer of assets between a 90% corporate group and certain conditions are satisfied.

There are a number of other exemptions from stamp duty, particularly for financial services instruments. Examples of instruments exempt from stamp duty include:

(i) swap agreements;

(ii) futures and forwards agreements;

(iii) debt factoring agreements;

(iv) option agreements;

(v) American depository receipts; and

(vi) repurchase (repo) agreements.

12.7 Sales Tax or Other Turnover Tax

- **What is the system of sales tax (e.g. VAT, cumulative)?**
- **Is input tax creditable against output tax?**
- **What are the tax rates?**
- **What are the filing and payment requirements?**

Ireland has implemented VAT in conformity with EU VAT laws. VAT is charged on goods and services supplied in Ireland in the course of business. VAT at importation is also payable on imports from outside the European Union and also on intra-EU acquisitions. Credit is usually given for VAT to registered traders; thus it is ultimately borne by the final consumer. VAT is, however, irrecoverable for traders who incur VAT on supplies received but who make VAT exempt supplies of goods and services. VAT rates range from 0% to 23% depending on the product or service, with most being charged at 23%.

Exports are zero rated for VAT, except those to unregistered persons in the EU. Companies that export 75% or more of their output can apply to the Revenue Commissioners for authorisation (known historically as a VAT 13B authorisation but now referred to as a Section 56 authorisation) to receive almost all of their goods and services from Irish and foreign suppliers free from any VAT charge.

Taxable persons are usually required to file six VAT returns in each calendar year, covering six bi-monthly periods beginning in January. Each return must be submitted by the 19th day of the month following the bi-monthly period to which the return relates. Therefore, the January/February return must be submitted by 19th March.

In certain cases tax payers may be permitted to submit monthly returns (such as those consistently in a repayment position) or annual returns.

Any VAT due is normally payable by the same date as the return is due for submission. However, in cases of tax-payers who submit annual returns, Revenue may require such tax payers to pay their VAT by means of monthly direct debit payments. The amounts of the direct debits are determined on the basis of the tax payer’s best estimate of the total tax liability for the period. The onus is placed on the tax payer to keep the trading position under review to ensure that the monthly payments will cover the eventual annual liability. If VAT is not paid within the proper time limit, interest is charged at the rate of 0.0274% per day for each day that the payment is outstanding.

12.8 Social Security and Welfare System Contributions

- **Are social security contributions due?**

- **Are retirement or pension contributions due?**
- **Are unemployment insurance contributions due?**
- **What are the filing and payment requirements for any such contribution?**

Social Security in Ireland is provided by means of social welfare insurance known as Pay Related Social Insurance (PRSI). It is compulsory for all employees aged between 16 and 66 to be covered by social insurance. Both employers and employees contribute towards the scheme and the contributions are calculated as a percentage of the employee's earnings:

- The employee's contribution is generally 4%.There is no earnings ceiling in respect of the employee's contribution.
- The employer's contribution is generally 10.75% of the employee's remuneration. There is no earnings ceiling in respect of the employer's contribution.

There is no PRSI liability in respect of employees who earn €352 or less per week.

12.9 Special Tax Schemes

- **Are there particular tax consequences of doing business in the country?**

There are a number of unique and beneficial tax policies which businesses can avail of in Ireland. Tax depreciation is available for companies who carry on a trade in Ireland and who incur expenditure on intellectual property (intellectual property generally being any assets constituting "intangible assets" under GAAP). Tax credits are also available for R&D expenditure, equivalent to 25% of qualifying R&D expenditure incurred in an accounting period.

There is also favourable tax treatment available for SPV's established for securitisation transactions, re-packaging, CDO's, LPN's, Islamic financing and CMBS. This tax treatment is available for qualifying companies under Section 110 of the TCA 1997 which allows companies involved in holding 'qualifying assets' (i.e. financial assets) to, with careful planning, compute taxable profits on the same basis as a trading company thereby entitling the company to a deduction for funding and other related expenditure. Thus, while a "Section 110 company" pays corporation tax on its taxable profit, this profit can be negligible as deductible expenditure is more or less equal to the company's taxable income.

There are also distinct tax advantages for investment funds domiciled in Ireland, including a general exemption from tax on profits and income.

Ireland provides an excellent platform for establishing an aircraft leasing platform, given the 0% VAT rate on lease rentals with full VAT recovery for aircraft leasing costs and an exemption from stamp duty for instruments transferring any interest or share in any aircraft.

Ireland also operates a favourable finance regime to allow effective ship financing including a tonnage tax.

Please see Section 3.3 for information on the Knowledge Development Box.

12.10 Tax on Profits

- **What are the federal or national income tax rates on profits?**
- **What are the regional or state tax rates on profits?**
- **What are the municipal or local tax rates on profits?**

A company which is resident in Ireland is subject to Irish corporation tax on its worldwide profits. A non-Irish resident company carrying on a trade in Ireland through a branch or agency is liable to corporation tax in Ireland on the income and gains of the branch or agency. Corporation tax is levied at national rates and there are no additional state or local taxes payables.

The standard rate of corporation tax on trading profits and certain dividends in Ireland is 12.5%.A rate of 25% applies to non-trading and foreign source income. It also applies to certain land dealing activities, to income from working minerals and petroleum activities.

A surcharge of 20% is levied on closely held companies which do not distribute after tax investment income within 18 months of the end of the accounting period in which it accrued. A 15% surcharge also applies to 50% of the undistributed professional trading income of closely held service companies, with a 20% surcharge on 50% of their undistributed investment income.

There are no municipal or regional taxes.

12.11 Tax Treaties

- **Are there any applicable tax treaties?**
- **Are there any rules against treaty shopping?**

Ireland has concluded comprehensive Double Taxation Agreements with 68 countries. The countries with which Ireland has concluded double tax treaties are: the United States, the United Kingdom, Australia, Austria, Albania, Armenia, Belgium, Bahrain, Belarus, Bulgaria, Bosnia & Herzegovina, Canada, China, Cyprus, Chile, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Georgia, Greece, Hungary, Hong Kong, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Moldova, Montenegro, Morocco, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, (Saudi Arabia), Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, Uzbekistan, Vietnam and Zambia.

Double Taxation Agreements have been signed with Thailand and Ukraine and will enter into effect on 1 January 2016. Double Taxation Agreements have been signed with Botswana and Ethiopia and once the ratification proceedings have been completed, these agreements will enter into force.

Negotiations have been concluded with Azerbaijan and Turkmenistan and Double Taxation Agreements are expected to be signed in the near future.

12.12 Territoriality Rules

- **Where is the corporation subject to tax?**

- **Is the corporation subject to tax on its worldwide income?**

An Irish resident company is liable to corporation tax on its worldwide income and gains.

12.13 Treatment of Tax Losses

- **How are corporate tax losses treated?**

Losses incurred in an Irish trade may be set against other relevant income of the same period. Losses incurred in such a trade may also be carried backwards to the previous accounting period for set-off against relevant trading income. Unused losses may be carried forward indefinitely for off-set against all trading income of the trade in which the loss is incurred.

Relief is also available on a value basis. This allows a company which cannot fully offset its trading losses against relevant income to set off the losses against other income or profits of the company. This is done at the effective tax rate of the loss so that relief is given on a value basis.

Where trading losses are carried forward they can be set against income from the same trade. The ability to use this loss relief is restricted where a company is late in filing its corporation tax return.

A system of terminal loss relief arises where a company incurs a loss in its last twelve months trading. Such loss can be set off against income from the same trade in the preceding three years.

12.14 Wealth Tax

- **Is there an applicable wealth tax?**

There is no wealth tax in Ireland.

12.15 Withholding Taxes

- **What are the rates of withholding tax on dividends?**
- **What are the rates of withholding tax on royalties?**
- **What are the rates of withholding tax on interest?**
- **What are the rates of withholding tax on profits realised by a foreign corporation?**

The rate of DWT is 20% (equal to the standard rate of income tax). There are, however, a number of exemptions from DWT under domestic Irish law as well as under the network of Double Tax Treaties ("DTTs") which Ireland has entered into. A domestic exemption from DWT is in place where dividends are paid by an Irish company to:

(a) a company or individual resident in an EU or a country with which Ireland has signed a DTT (whether in force or not); or

(b) a company under the direct or indirect control of persons resident in the EU or a country with which Ireland has signed a DTT (whether in force or not).

Provided the requisite shareholder test is met, an Irish resident company may make a relevant distribution to its Irish resident parent company without having to apply DWT and without the necessity of the making of a declaration by the parent company.

DWT exemptions also exist for payments made to a qualifying share ownership trust, a collective investment undertaking, approved charities, designated brokers for special portfolio investment accounts, trustees of certain approved schemes and for ADR payments.

A foreign corporation which disposes of certain specified Irish assets (such as Irish land, buildings and minerals situated in Ireland) will generally be subject to a 15% withholding tax on the sale proceeds unless a Revenue "CG50" Certificate is obtained in advance.

Royalty payments are subject to withholding tax at 20% of the gross amount paid. The royalty holder is taxed on the gross amount of the royalty but receives a deduction for the tax withheld and paid by the company. An exemption to this is provided for in some of the DTTs which Ireland has concluded. An exemption also exists where bona fide royalty payments are made to a body with no branch in Ireland.

Interest payments are generally subject to withholding of 20%.However, a number of exceptions to this exist and the following interest payments are among those which can be made without deduction of tax:

(c) interest payments on a quoted Eurobond, on certain commercial paper and on certificates of deposit;

(d) interest paid to a bona fide bank or building society in Ireland; and

(e) interest paid to residents of most countries with which Ireland has signed a DTT (whether in force or not) unless the payee has an Irish branch.

13. TAX ON INDIVIDUALS

13.1 Allowances

- **What are the major allowances?**

Ireland has a full tax credit system and operates a calendar year of assessment.

The principle personal tax credits are as follows:

Single person	€1650	
Married person	€3300	
Widowed person	in year of bereavement	€3300
	without dependent children	€2190
	with dependent children	Additional tax credit for five years from €1800 to €3600 depending on the circumstances
One parent family	€1650	
PAYE allowance	€1650	

Tax relief at source is given at the standard income tax rate on medical insurance premia.

An individual may also claim a tax deduction (subject to certain limits) on pension contributions.

13.2 Calculation of Taxes

- **How is the taxable base determined?**

The Irish income tax system works on a scheduler basis and one must ascertain under which of four Schedules any particular source of income arises as different rules apply depending on the type of income in question. Tax is levied under the Schedules as follows:

Schedule C. Tax under this schedule is charged in respect of all profits arising from public revenue dividends payable in Ireland. Those making such payments must deduct tax at the standard rate (which is then charged on them under Schedule C) and pay the net amount to the persons entitled to the interest.

Schedule D. This Schedule is divided into five cases each of which has its own set of rules although those for Cases I and II are almost identical. The five cases and the activities/types of income covered by each are:

> *Schedule D Case I and Case II.* Any trade, including any profit or gains arising out of quarrying, mining, or dealing in land for Case 1 and for any profession for Case II.
>
> *Schedule D Case III.* Any interest, annuities and other annual payments (excluding bank and certain other deposit interest receivable under deduction of tax) and income arising from possessions outside Ireland.
>
> *Schedule D Case IV.* Any annual profits or gains not falling within any other Case of Schedule D and not charged by virtue of any other Schedule.
>
> *Schedule D Case V.* Any rent in respect of any premises situated in Ireland.

Schedule E. Tax is charged in respect of every public office or employment, every annuity or pension payable out of public revenue of Ireland and in respect of any Irish office, employment or pension.

Schedule F. Income tax is chargeable under this Schedule in respect of all dividends and other distributions received from a company resident in Ireland.

Computation of taxable income is achieved by aggregating income from all sources and subtracting relevant deductions where applicable. Certain persons are exempt in respect of particular income or the entire of their income, such as charities.

13.3 Capital Gains Tax

- **Are capital gains taxable?**

Profits arising from the disposal of assets are subject to capital gains tax. The standard rate of capital gains tax is 33%. Individuals are entitled to an annual exemption which is €1270.

13.4 Filing and Payment Requirements

- **When must the individual file a tax return, if any?**
- **When must the individual pay his taxes?**

Ireland's tax year follows the calendar year and each individual is required to file a tax return by 31 October following the end of the tax year to which it relates. Thus the return for the tax year 2015 should be filed by 31 October 2016.There are exceptions for individuals and their spouses where both are employees whose incomes are taxed fully under the Pay As You Earn (PAYE) system, neither is a company director and neither has a capital gains tax liability.

Failure to submit returns on time will give rise to an interest charge.

Preliminary income tax payments must be made by 31 October. Interest charges of 0.0219% per day or part thereof will be levied on late and insufficient payments. Payments need not be made by individuals whose income is taxed fully under PAYE.

An individual must pay any capital gains tax liability in full by 31 October in the year following the tax year in which the gain arose.

13.5 Inheritance and Gift Tax

- **Does the individual's presence in the country subject him to inheritance or gift tax?**
- **What kind of assets are subject to tax?**
- **What are the tax rates?**
- **Are allowances available?**
- **What are the payment and filing requirements?**

CAT is a tax levied at the rate of 33% on gifts and inheritances. It applies where either the donor or the beneficiary of a gift/inheritance is resident or ordinarily resident in Ireland or where the subject matter of the gift/inheritance is situated in Ireland. Note that there is a complete exemption from tax in respect of gifts and inheritances taken by one spouse from another.

All taxable gifts and inheritances received by an individual on or after 5 December 1991 are aggregated and only the excess amount over a certain threshold is taxable. The tax free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregate of the values of previous gifts and inheritances received by the donee from within the same class since 5 December 1991.

The current class thresholds applicable from 5 December 2012 are:

Group 1	Child or minor child of a deceased child	€225,000
Group 2	Lineal ancestor/descendant, brother/sister, child of brother/sister	€30,150
Group 3	All other (excluding spouses)	€15,075

CAT is also covered by a self-assessment system. Therefore, a return must be submitted and tax paid on 31 October if the valuation date falls between 1 January and 31 August and on 31 October of the following year if the valuation date falls between 1 September and 31 December. If any tax due to be made on these dates is not paid, interest at a rate of 0.0219% per day is due. A return must be made even if no tax is payable when 80% of the threshold amount is reached.

13.6 Miscellaneous Taxes Due

- **What are the miscellaneous taxes to which the individual may be subject?**
- **What are the filing and payment requirements?**

Stamp duty is payable on the transfer of shares at the rate of 1% of the transfer price or the value of the shares, whichever is higher. The stamp duty rates on residential property are 1% for the first €1,000,000 of consideration and 2% for any excess over €1,000,000. For non-residential property the stamp duty rate of 2% of the consideration applies.

13.7 Real Estate/Habitation Tax

- **Is the individual subject to real estate or habitation tax?**

There is a self-assessed local property tax ("LPT") which is charged on the market value of all residential properties in Ireland.

13.8 Sales Tax

- **Does the individual pay sales tax?**

Yes, an individual as the final consumer bears value added tax (VAT). The rates vary from 0% to 23%.

13.9 Social Security and Welfare System Contributions

- **Are contributions to social security due?**
- **Are contributions to the welfare system due?**
- **If so, what are the payment and filing requirements?**

Employees and employers pay Pay Related Social Insurance (PRSI) contributions on the employee's emoluments after deduction of any contributions to an approved superannuation scheme.

In general, everyone between 16 and 66 years of age, who is in insurable employment, must pay PRSI. Insurable employment means employment in Ireland under a contract of service. The employer remits the employee's and his own contributions under the PAYE system each month to the Collector General. An annual return is made at the end of each tax year. For employees paid outside Ireland by a foreign employer, contributions are paid direct to the Department of Social Welfare. Emoluments generally represent salary and bonuses but not benefits in kind or occupational pensions:

- The employee’s contribution is generally 4%. There is no earning’s ceiling in respect of the employee’s contribution.

- The employer’s contribution is generally 10.75% of the employee’s remuneration. There is no earning’s ceiling in respect of the employer’s contribution.

There is no PRSI liability in respect of employees who earn €352 or less per week.

Anyone aged between 16 years and 66 years with non-employment income (earned or unearned) must pay self-employed PRSI at the rate of 4% with no ceiling. Payment is made as part of preliminary income tax. The income on which self-employed PRSI is charged is net of superannuation contributions and capital allowances. Social insurance contributions must be made by all foreign employees working in Ireland for more than one year, even if they are paid from abroad. The only exceptions are EU nationals who are contributing in another member country, or persons subject to social security in a country with which Ireland has a social security agreement such as the United States.

13.10 Stock Option, Profit Sharing and Savings Plans

- **Is there taxation of stock option plans?**
- **Is there taxation of profit sharing plans?**
- **Is there taxation of savings plans?**

The favourable tax treatment which previously existed for a number of approved stock option arrangements has been abolished from 1 January 2011.All gains from share related remuneration are taxed now as though they are part of an individual’s ordinary remuneration.

13.11 Taxation of Benefits In Kind

- **What is the rate of taxation on benefits in kind (e.g. automobile, housing and utilities, education, etc.)?**

The cost borne by an employer in providing the benefit is generally treated as income in the hands of the employee and is taxed in the normal manner. Some benefits remain exempt from the charge to income tax (e.g. use of mobile phone for business purposes where personal use is merely incidental).

13.12 Taxes on Dividends

- **Are dividends taxable regardless of their form?**

All dividends are taxable and must be declared as income.

13.13 Tax on Income

- **What are the federal or national tax rates on income for residents?**
- **What are the federal or national tax rates on income for non-residents?**
- **What are the regional or state tax rates on income for residents?**

- **What are the regional or state tax rates on income for non-residents?**
- **What are the municipal or local tax rates on income for residents?**
- **What are the municipal or local tax rates on income for non-residents?**

The tax rates and bands for the tax year 2015 are:

Single person/Widowed/surviving Civil Partner without dependent children:

The first €33,800 - 20%; Excess - 40%

Single person/Widowed/surviving Civil Partner with dependent children

The first €37,800 - 20%; Excess - 40%

Married couple/Civil Partnership, one spouse with income:

The first €42,800 - 20%; Excess - 40%

Married couple/Civil Partnership, both spouses with income:

Up to the first €67,600 – 20%; Excess - 40%

Individuals also pay a Universal Social Charge ("USC"). The amount of this charge depends on income and those earning less than €12,012 (i.e. €193 per week) do not have to pay a USC. For those earning over €12,012, the USC is paid at a rate of between 1.5% and 11% depending on income levels. For self-employed individuals earning in excess of €100,000, the rate increases from to 11% on the excess over €100,000.The maximum rate applicable to those over 70 or individuals who hold full medical cards and who have an aggregate income of less than €60,000 is 3.5%.The USC will also apply to share remuneration and profit share schemes.

There are no regional or local taxes on taxpayers.

13.14 **Tax Treaties**

- **Are there any applicable tax treaties?**
- **Are there any rules against treaty-shopping?**

Ireland has concluded comprehensive Double Taxation Agreements with 68 countries. The countries with which Ireland has concluded double tax treaties are: the United States, the United Kingdom, Australia, Austria, Albania, Armenia, Belgium, Bahrain, Belarus, Bulgaria, Bosnia & Herzegovina, Canada, China, Cyprus, Chile, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Georgia, Greece, Hungary, Hong Kong, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Moldova, Montenegro, Morocco, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, (Saudi Arabia), Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, Uzbekistan, Vietnam and Zambia.

Double Taxation Agreements have been signed with Thailand and Ukraine and will enter into effect on 1 January 2016. Double Taxation Agreements have been signed with Botswana and Ethiopia and once the ratification proceedings have been completed, these agreements will enter into force.

Negotiations have been concluded with Azerbaijan and Turkmenistan and Double Taxation Agreements are expected to be signed in the near future.

There are no rules against treaty-shopping, however, Ireland will implement BEPS Action 6 (Prevent Treaty Abuse).

13.15 Territoriality Rules

- **Where is the individual subject to tax?**
- **Is the individual subject to tax on his worldwide income?**

A person's residence, ordinary residence and domicile determines their exposure to Irish taxes. Section 819 of the Taxes Consolidation Act 1997 provides that a person will be deemed resident in the State in a tax year if he spends:

(a) an aggregate of 183 days in the State in that year; or

(b) 280 days in the State, combining the number of days spent in the State in that year and in the preceding year. However, a person who is in the State for 30 days or less in a tax year will not be treated as resident for that year unless he elects to be resident.

All visits, holidays, weekends and parts of a day are included when assessing the number of days spent in Ireland.

A person becomes ordinarily resident in Ireland after he has been resident in Ireland for three consecutive tax years. A person remains ordinarily resident in Ireland for tax purposes until he has been not resident for three consecutive tax years.

The concept of domicile is a common law one, similar to that which exists in the UK, and signifies an individual's permanent home. Each individual has a domicile of origin at birth (which is usually dependent on that of his parents) but may abandon his domicile of origin to acquire a domicile of choice on reaching the age of 18. To establish a domicile of choice an individual must generally establish residence in a country, with the intention of remaining there permanently or indefinitely. An individual may also have a domicile of dependency up until the age of 18; such domicile normally follows that of one's parents. An individual may only have one domicile at any one time.

Individuals who are resident, ordinarily resident and domiciled in Ireland are subject to Irish tax on their worldwide income and gains. However, if an individual is resident and ordinarily resident in Ireland, but not domiciled in this country, or if an individual is resident and domiciled in Ireland but not ordinarily resident here, he or she can qualify for the remittance basis of income tax. This means that the individual will only be subject to Irish tax on income from sources in Ireland and the UK as it arises. The individual will not be subject to tax on other foreign source income unless that income is physically remitted to this country.

An individual who is resident and ordinarily resident in Ireland but not domiciled in Ireland may also qualify for the remittance basis of tax in respect of foreign gains (but not UK gains).

In certain circumstances foreign executives coming to work in Ireland may be able to limit their exposure to Irish tax by structuring their contracts appropriately.

13.16 Wealth Tax

- **Is the individual subject to tax based upon his wealth?**
- **If so, what are the rates?**
- **Are there any allowances available?**
- **What are the payment and filing requirements?**

There is no wealth tax in Ireland.

13.17 Withholding Tax

- **Is salary subject to a withholding tax at source?**
- **What is the treatment of residents as compared to non- residents?**

Salary is subject to income tax at source, known as the Pay As You Earn System (PAYE). Under this system an employer is required by regulations to withhold tax from all amounts paid to employees. If the employer does not do so, he is personally liable for the tax not properly withheld. The Revenue issue a statement of tax credits to the employer with instructions to deduct tax by reference to a table, which varies depending on the employee's salary. The table is designed to ensure that the correct amount of tax is deducted, spread as evenly as possible over the tax year.

If an individual is not resident in Ireland for tax purposes and does not exercise an office or employment wholly or partly in Ireland, he is not chargeable to Irish income tax in respect of his remuneration from that employment (unless it is a public office or employment owing its existence to Irish law).

14. TAX ON OTHER LEGAL BODIES

This includes tax on trusts, estates and partnerships.

A trust may be defined as "an obligation imposing on a person (the trustee) the duty of dealing with property over which he has control for the benefit of persons (who are called beneficiaries) of whom he himself may be one". Examples are a discretionary trust, a fixed trust and a will trust. Where a person dies, his estate under the law vests, along with liabilities and obligations of the deceased that are to pass with the estate, in his personal representatives. The term trustee used below is intended to include reference to personal representatives unless indicated otherwise.

Section 1 of the Partnership Act 1890 defines a partnership as "the relation which subsists between persons carrying on a business in common with a view to profit". There are also rules in the same Act for determining whether a partnership exists.

Each partner's share of the profits or losses of a partnership trade is treated for tax purposes as if it were the profits or losses of a separate trade carried on by each partner. The same principles as apply to sole traders are applied in calculating the profits/losses of the partnership which are then attributed to the parties in their profit sharing ratios. The capital allowances attributable to a partnership are split between the individual partners in their profit sharing ratio in that tax year. Thus Sections 12 and 13 hereof apply to the partners depending on whether they are corporates or individuals.

Note that there are special rules applicable in the case of limited partnerships.

Therefore, the section which follows deals primarily with trusts and estates, except where indicated.

14.1 Allowances

- **What are the major allowances (e.g. capital cost depreciation)?**
- **What are the major deductible items?**
- **What are the major expenses that are excluded from deductibility?**

Trusts and estates: Trustees and personal representatives are subject to the same rules as individuals in calculating the income from various Schedules or sources. However, trustees are not entitled to any personal reliefs or allowances.

Where the income is assessed directly on the beneficiaries, or the settlor, normal personal reliefs and allowances are available in assessing their income.

14.2 Calculation of Taxes

- **How is the taxable base determined?**

This is determined for trusts/estates in the same manner as for individuals. See Section 12.2 above.

14.3 Capital Gains

- **What are the federal or national tax rates on capital gains?**
- **What are the regional or state taxes on capital gains?**
- **What are the municipal or local taxes on capital gains?**

Trustees pay capital gains tax at the standard rate of 33%. There are no federal, regional or local taxes on capital gains.

14.4 Filing and Payment Requirements

- **When must the entity file a tax return, if any?**
- **When must the entity pay its taxes?**
- **Are taxes paid in instalments or annually?**

Trusts: Trustees are required to file an annual return and pay tax in the same manner as individuals. Thus, with the change to the calendar tax year, the trustees are required to file a tax return by 31 October following the end of the tax year to which it relates. Thus, the return for the tax year 2011 should be filed by 31 October 2012. Failure to submit returns on time will give rise to a surcharge.

Preliminary income tax payments must be made by 31 October. Interest charges of 8% per annum or part thereof will be levied on late and insufficient payments.

The trustees must pay any capital gains tax liability in full by 31 October in the year following the tax year in which the gain arose.

Partnerships: The precedent partner has obligations on behalf of the partnership to file tax returns and to make the appropriate claim for capital allowances by 31 October following the end of the tax year to which it relates. The return must include:

- all sources of income;
- the amount of income from each source; and
- other information such as the basis of distribution of profits and the basis of apportionment of capital allowances.

14.5 Miscellaneous Taxes

- **Are other taxes due?**
- **What are the filing and payment requirements?**

Not applicable.

14.6 Registration Duties

- **Are there registration duties or fees due upon the setting up of the legal body?**
- **Are there registration duties or fees due upon a change in the capital of the legal body?**
- **Are there registration duties due upon the transfer of capital?**
- **Are there registration duties due upon a transfer of assets?**
- **Are there any other registration duties due?**

There is no registration duty on the creation of a trust or partnership.

Dealings in interests in trusts/partnerships could give rise to a stamp duty charge. Stamp duty may also be payable in respect of certain other documents, including those which transfer assets to or from a partnership or trust.

14.7 Sales Tax or Other Turnover Tax

- **Is the legal body subject to sales tax or any other turnover tax (e.g. VAT, cumulative)?**
- **Is input tax creditable against output tax?**
- **What are the tax rates?**
- **What are the filing and payment requirements?**

Value Added Tax is charged on goods and services supplied in the course of business. VAT at importation is also payable on imports from outside the European Union. Credit is given for VAT to registered traders; thus it is ultimately borne by the final consumer. VAT rates range from 0% to 23% depending on the product or service, with most being charged at 23%.

Exports are zero rated for VAT, except those to unregistered persons in the EU. Companies that export 75% or more of their output can apply to the Revenue Commissioners for authorisation (known historically as a VAT 13B authorisation but now referred to as a Section 56 authorisation) to receive almost all of their goods and services from Irish and foreign suppliers free from any VAT charge.

Taxable persons are usually required to file six VAT returns in each calendar year, covering six bi-monthly periods beginning in January. Each return must be submitted by the 19th day of the month following the bi-monthly period to which the return relates. Therefore, the January/February return must be submitted by 19th March.

In certain cases tax payers may be permitted to submit monthly returns (such as those consistently in a repayment position) or annual returns.

Any VAT due is normally payable by the same date as the return is due for submission. However, in cases of tax payers who submit annual returns, Revenue may require such tax payers to pay their VAT by means of monthly direct debit payments. The amounts of the direct debits are determined on the basis of the tax payer's best estimate of the total tax liability for the period. The onus is placed on the tax payer to keep the trading position under review to ensure that the monthly payments will cover the eventual annual liability.

If VAT is not paid within the proper time limit, interest is charged at the rate of 0.0274% per day for each day that the payment is outstanding.

14.8 Social Security and Welfare System Contributions

- **Are social security contributions due?**
- **Are retirement or pension contributions due?**
- **Are unemployment insurance contributions due?**
- **What are the thing and payment requirements for any such contribution?**

Trustees are not subject to social security contributions.

14.9 Special Tax Schemes

- **Are there particular tax consequences of doing business in the country under the form of the particular legal body?**

Where professional trustees act as trustees to a trust whose property comprises of property provided by a person who was not domiciled, resident or ordinarily resident in Ireland at the time he provided the property, those professional trustees will only be subject to Irish capital gains tax on Irish specified assets (such as Irish land or buildings). The trustees will not be liable to Irish capital gains tax on gains made from the disposal of foreign assets.

14.10 Tax on Profits

- **What are the federal or national income tax rates on profits?**
- **What are the regional or state tax rates on profits?**

- **What are the municipal or local tax rates on profits?**

Trustees are generally subject to the standard rate of income tax only, which for the current year is 20%.Note, however, that if the trustees do not distribute the income accruing to the trust within 18 months of the end of the tax year in which it arose, they become subject to an additional tax surcharge.

There are no regional or local taxes on the profits of trustees.

14.11 Tax Treaties

- **Are there any applicable tax treaties?**
- **Are there any rules against treaty shopping?**

Ireland has concluded comprehensive Double Taxation Agreements with 68 countries. The countries with which Ireland has concluded double tax treaties are: the United States, the United Kingdom, Australia, Austria, Albania, Armenia, Belgium, Bahrain, Belarus, Bulgaria, Bosnia & Herzegovina, Canada, China, Cyprus, Chile, Croatia, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Georgia, Greece, Hungary, Hong Kong, Iceland, India, Israel, Italy, Japan, Republic of Korea, Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Moldova, Montenegro, Morocco, Mexico, Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, (Saudi Arabia), Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, United Arab Emirates, Uzbekistan, Vietnam and Zambia.

Double Taxation Agreements have been signed with Thailand and Ukraine and will enter into effect on 1 January 2016. Double Taxation Agreements have been signed with Botswana and Ethiopia and once the ratification proceedings have been completed, these agreements will enter into force.

Negotiations have been concluded with Azerbaijan and Turkmenistan and Double Taxation Agreements are expected to be signed in the near future.

14.12 Territoriality Rules

- **Where is the legal body subject to tax?**
- **Is the legal body subject to tax on its worldwide income?**

The territoriality rules differ depending on whether the tax in question is income tax or capital gains tax.

Insofar as income tax is concerned, if all of the trustees of a trust are resident in Ireland for tax purposes, then the trustees are subject to Irish income tax on the worldwide income accruing to the trust. However, if none or only some of the trustees are resident in Ireland for tax purposes, then they will only be subject to Irish income tax on Irish source income accruing to the trust fund.

Insofar as capital gains tax is concerned, Irish capital gains tax will only be imposed on trust property if the trustees are resident in Ireland or, if they are not Irish resident, where they dispose of a specified Irish asset, such as Irish land. Trustees are deemed to be resident and ordinarily resident in Ireland unless:

(a) the general administration of the trust is ordinarily carried on abroad; and

(b) the trustees, or a majority of them, are not resident or not ordinarily resident in Ireland.

As noted above, professional trustees who are resident in Ireland will not be subject to Irish capital gains tax on foreign gains in certain circumstances.

14.13 Treatment of Tax Losses

- **How are tax losses treated?**

Trustees who incur a loss on a trading activity are generally permitted to set that loss against all other sources of income arising in the same tax year. To the extent that it remains unrelieved, it may be carried forward indefinitely for set-off against future profits from the same trade. Losses incurred in other income categories may generally be carried forward indefinitely for set-off against future profits from the same income source.

As mentioned above, if there is a tax loss in a partnership trade, such loss is allocated amongst the partners. Each partner is entitled to claim relief for his share of that tax loss. Thus an individual partner can set the loss against all other sources of income in the same year, and to the extent the loss is unrelieved, carry it forward for set off against future profits of the partnership trade. Refer to Section 12.13 (tax on corporations) for use of losses by corporate partners.

Note that special restrictions apply to certain reliefs (including the use of losses) in the case of limited partnerships. Generally, such losses are ring-fenced and the individual partners can only set the loss against profits from the partnership trade.

14.14 Wealth Tax

- **Is there an applicable wealth tax?**

There is no wealth tax in the Republic of Ireland.

14.15 Withholding Taxes

- **What are the rates of withholding tax on the legal body's activities?**

The rate of withholding tax on royalties and interest is 20%.

15. GENERAL TAX CONSIDERATIONS

15.1 Taxes Generally

- **Is there a generally accepted way of structuring the company or other entity so as to ensure the desired tax consequences?**

- **Is there an advance tax ruling that can be used to validate or invalidate the chosen form of doing business?**

- **Is there a general anti-tax avoidance system?**

- **Can the chosen form of business be treated as a deferent form for tax purposes?**

In Ireland, tax is imposed by statute, though the Revenue has developed extra-statutory rules of practice for the administration of aspects of the taxing statutes.

Irish law contains general anti-avoidance legislation providing that where a taxpayer enters into a scheme to avoid tax the scheme can be treated as a fiscal nullity by the Revenue authorities.

It is generally possible to structure transactions in such a way as to achieve desired commercial objectives. Ireland does not have an equivalent of the US "check the box" system and thus the chosen form of business cannot be treated as a different form for tax purposes.

16. IMMIGRATION REQUIREMENTS

16.1 Immigration Controls

There are immigration controls in Ireland.

The requirements in respect of immigration are contained in the following pieces of legislation:

(i) Immigration Acts 1999, 2003 and 2004;

(ii) Illegal Immigrants (Trafficking) Act 2000;

(iii) Refugee Act 1996;

(iv) Aliens Act 1935 and the Orders made under that Act; and

(v) European Communities Rights of Residence Regulations 1977 and 1997.

16.2 Visas

At the present time nationals from certain states are required to possess a visa prior to entry to Ireland. The Department of Foreign Affairs processes visa applications through its network of Embassies and other consular posts abroad. Possession of a visa does not guarantee entry to the State. All persons are subject to immigration controls upon arrival.

17. EXPATRIATE EMPLOYEES

17.1 Cost of Living and Immigration

- **How does the cost of living compare to that in the investor's home country?**
- **What is the rate of inflation?**

The following statistics indicate the cost of living in Ireland:

GNP = €41,803 million (Gross national product for the 1st Quarter of 2015)

GDP = $245.92 billion (Gross domestic product for the 1st Quarter of 2015)

GDP is up 1.4% on the previous quarter and GNP is down 0.76% on the previous quarter.

At the end of July 2015 the rate of inflation stood at -0.2%.

17.2 Drivers' Licences

- **Must the investor obtain a driver's licence for that country?**

The International Driver's Licence is recognised in Ireland. However, the investor must also hold a current and valid licence from his/her country of residence.

17.3 Education

- **What types of schools are available for the investor's family?**
- **What fees are involved?**
- **What is required for enrolment?**
- **Can the investor or company receive a tax benefit?**

Ireland has a very high standard of education. The results of an OECD survey published in December 2013 showed that Irish students are amongst the most literate in the world.

17.4 Housing

- **Can the investor own property?**

An investor may own property without restriction. However, in a very small number of circumstances, the consent of the Minister for Agriculture, Food and the Marine may be required.

- **Must the investor have housing before he enters the country?**

This is not a requirement.

- **Can the investor subsidize housing and receive a tax benefit?**

If a company provides the benefit of accommodation to an employee, the company would get a tax deduction for the cost to them of providing the benefit and the employee would be charged to tax (as a benefit in kind) on the value of the accommodation provided.

17.5 Importing Personal Possessions

- **How can the investor import his personal belongings?**
- **Are import duties payable?**
- **Are there requirements for clearing the belongings through customs?**

Certain goods may not be imported into Ireland, or may be imported only under a licence. The principal items include firearms, ammunition, explosives, offensive weapons, indecent or obscene material (books, periodicals, prints and video recordings), plants or bulbs, live or dead animals (including cats and dogs), birds or poultry, endangered species, meat and meat products and hay or straw.

In cases of doubt, the point of contact is the Revenue Commissioners, Customs Division.

17.6 Medical Care

- **What level of medical care is available? Is there national health care?**

There is a public health service in Ireland. The Health Services Executive (the "HSE") is the statutory body responsible for the provision of health and personal social services in Ireland. They also provide information and literature on health promotion. The HSE's website is www.hse.ie.

These are a number of private health insurance providers and private healthcare facilities.

17.7 Moving Costs

- **What costs are involved in moving?**

- **Can the investor receive any tax allowances?**

If a company moves its business from one location to another, the expenses of relocating may not strictly be allowable for tax purposes since they would be regarded as capital expenditure rather than revenue expenditure incurred wholly and exclusively for the purposes of the trade. It might be possible to agree with Revenue by concession that a deduction be given.

Note that the Revenue have issued a statement of practice confirming that an employer can reimburse an employee for certain relocation expenses, subject to parameters and conditions specified by Revenue.