



WILLIAM FRY

# INVESTING IN IRELAND



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# INTRODUCTION

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Ireland is one of the most popular and profitable locations for foreign multinationals wishing to invest abroad. Ireland captures a disproportionate amount of Foreign Direct Investment (“FDI”) in Europe thanks to a business friendly legal and tax environment. Almost 1,000 multinational corporations have chosen Ireland as their strategic European base<sup>1</sup>. 2011 saw the delivery of over 13,000 new jobs from overseas investment despite challenging global circumstances, reflecting an increase of 20% from 2010. Forbes 2011 named Ireland as the best country in Europe in which to do business.

There are many contributing factors to the success of Ireland in attracting foreign direct investment including:

- low corporate tax rate of 12.5% on trading profits;
- R&D tax credit of 25%;
- transfer pricing rules within OECD norms;
- extensive double tax treaty network;
- company formations available within 5 business days;
- a highly skilled, flexible, English-speaking workforce;
- EU and euro-zone member country;

As one of the leading corporate law firms in Ireland, we have a wealth of experience in foreign direct investment and have helped many multinational companies to establish operations here. At William Fry, we provide a comprehensive range of legal and taxation services to both Irish and international clients. Our teams of experts have worked together to produce the latest edition of this guide, which

overseas clients have found very useful in the past. We hope that you find this guide to be informative but if you have any further queries, or would like to discuss any issues in more detail, please feel free to contact us directly through our website – [www.williamfry.ie](http://www.williamfry.ie) or by email at [info@williamfry.ie](mailto:info@williamfry.ie).

This guide provides an overview only and should not be considered as a substitute for legal and tax advice for each particular set of circumstances.

The law is as stated at 01 June 2012.

Myra Garrett  
Managing Partner

1: Source: “IDA – Guide to Tax in Ireland.

2: IDA Ireland end of year statement 2011.

# OVERVIEW OF IRELAND

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## GEOGRAPHY

The island of Ireland is situated off the northwest coast of Europe, lying approximately 60 miles west of Great Britain. The Republic of Ireland (to which this guide relates and which is referred to as "Ireland") consists of 26 counties. There are a further 6 counties in the North of the island (Northern Ireland) which are part of the United Kingdom. The peace plan signed on Good Friday 1998 provides that Northern Ireland is governed by the Northern Ireland Assembly in Belfast. Ireland's population is approximately 4.58 million, of which approx 34% are aged under 25, making it one of Europe's youngest populations<sup>3</sup>.

Ireland's international airports are located at Dublin, Shannon, Cork, Knock and Kerry. Ireland is a 7 hour flight from New York, 55 minutes from London and 2 hours from Frankfurt. Belfast International Airport in Northern Ireland is a 2 hour drive from Dublin. Ireland is on GMT, 5 hours ahead of New York and 8 hours behind Hong Kong.

## ECONOMY

Ireland's currency is the Euro. In the wake of the recent global financial crisis, Ireland has taken decisive action and has implemented a plan to bring the budget deficit down to 3% of GDP by 2015 (as set out in the Programme for Government 2011). Ireland's favourable corporation tax rate of 12.5% has encouraged foreign direct investment from industries such as IT and pharmaceuticals. This in turn has led to a growth in exports which fuelled recent economic growth. The Irish Government is committed to its low corporate tax rate. Business costs, consumer pricing,

energy costs and labour market costs are falling, ensuring that Ireland remains a competitive location within which to carry on business. Ireland is ranked 3rd in Europe (7th in the World) by the World Bank in terms of ease of doing business. Ease of paying taxes and starting a business, as well as investor protections, are some of the areas where Ireland scores particularly well.

## WORKFORCE

Ireland boasts a young, hi-tech, skilled and English-speaking workforce. Ireland also remains a vibrant and attractive place for younger workers within the EU, ensuring the pool of talent for investing companies is deep. Ireland is positioning itself as a "smart economy" and given the problem-solving skills and creative and innovative thinking of its workforce, this will be achieved. The US companies already operating in Ireland have ensured that large clusters of innovation excellence in ICT, life sciences, pharmaceuticals, new media, and other sectors, are already in existence. The labour force in Ireland is among the best educated in the world. The share of the population aged 25 – 34 with a third level qualification is higher than the US, UK and the OECD average.

Ireland produces approximately 50,000 graduates each year. Of these over 50% are graduates with qualifications in engineering, computer/software engineering, business studies and science.

3: Source: Central Statistics Office.



## POLITICAL STRUCTURE

Ireland is a stable parliamentary democracy with a written Constitution. The parliament comprises two houses, an upper and a lower house. Ireland also has a President who is a Constitutional Head of State. The President represents the people of Ireland, receiving foreign Heads of State on visits to Ireland, making state visits abroad and is actively involved in promoting Ireland's interests in the international arena. The Prime Minister is known as the Taoiseach (T-shock) and the deputy Prime Minister is known as the Tánaiste (Tawn-ish-ta). Ireland's membership of the EU means much social and economic legislation is derived from EU law.

# DEVELOPMENT AGENCIES & INCENTIVES

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- IDA Ireland is the main government agency whose task is to encourage foreign enterprises to establish and develop existing operations in Ireland. Headquartered in Dublin, it has overseas offices throughout the United States, Europe, and the BRIC countries (Brazil, Russia, India, China). IDA Ireland has different specialist divisions dealing with information and communications technology; engineering and consumer products; medical technology; life sciences; international services; international financial services; pharmaceuticals; food; cleantech and services innovation.
- A range of services and incentives, including funding and grants, are available from the IDA to companies seeking to locate in Ireland or expand their existing operations in Ireland.
- The main criteria applied to determine the availability of incentives include:
  - location chosen within Ireland ;
  - likely employment levels ;
  - long-term stability of the industry concerned ; and
  - suitability of the project to Ireland's long term industrial policy;
- Enterprise Ireland has specific responsibility for assisting overseas inward investment in the food and drink sectors.
- The Gaeltacht comprises Irish-speaking areas primarily on the western seaboard. The agency responsible for these areas is Údarás na Gaeltachta.
- Ireland remains the location of choice for a significant portion of the world's leading companies:
  - Pharmaceuticals:  
Ireland is the largest net exporter of pharmaceuticals in the world with 9 of the top 10 pharmaceutical companies now have operations in Ireland.
  - Financial Services:  
Irish domiciled investment funds have exceeded a record making €1 trillion in assets. This is an increase of 40% on the €711 billion recorded in November 2009.
  - Shared Services:  
With over 140 shared services centres employing 39,000 people, Ireland ranks 3rd in the world for number of shared service centres in a single country.
  - Gaming and Social Media:  
Three of the world's top five gaming companies are located in Ireland.
  - Medical Devices:  
15 of the top 20 medical device companies are located in Ireland.
  - IT:  
The largest IT hardware and software companies have substantial operations in Ireland - for example: Apple, Intel, HP, Cisco, Microsoft, Oracle, McAfee.



# CORPORATE STRUCTURES

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## PRIVATE LIMITED COMPANIES

- A private company limited by shares is the most common legal structure utilised by foreign businesses investing in Ireland.
- In general, a private company may have between 1 and 99 shareholders.
- Before it is allowed to register as Irish incorporated, a company must demonstrate to the Companies Registration Office (CRO) that it will conduct business in Ireland. The holding of Irish or foreign shares has been accepted (for company registration purposes) as the conducting of business in Ireland.
- An Irish incorporated company must have a minimum of two directors. Both directors must be individuals and one director must be an EEA resident, except where the company holds a bond in a prescribed form to the value of €25,395.
- The company secretary can be a body corporate or an individual person and need not be an EEA resident. Often an existing director acts as company secretary.
- Company names can be reserved in the CRO for a period of 28 days in advance of incorporation.
- The registered office of the company must be located within Ireland and the register of the company must be kept there.
- The Memorandum & Articles of Associations (M&A), being the main constitutional documents of a company govern the regulation of the company. They are filed with the CRO and are public documents. There are also other ongoing filing requirements, which must be followed.
- An Irish registered company can be formed in 5 business days provided agreed form M&A are used. The M&A of the company can be changed on or after the date of incorporation by shareholder resolution.
- The company must prepare audited financial statements to be presented at the annual general meeting of the company and filed with the CRO in each year. There are certain exemptions from audit for some smaller companies that are not part of a group.
- If certain filings are not made with the CRO, the company may be struck off the Register and dissolved. A company is usually warned before the strike-off and can apply to Court to have the company reinstated on the Register of Companies once all outstanding filings are made.
- Ireland remains the location of choice for a significant portion of the world's leading companies.



## BRANCHES

- A division of a foreign company will be deemed under Irish law to be an Irish branch if it is trading in Ireland and has:
  - an element of permanency;
  - a separate Irish management presence;
  - the ability to negotiate and conclude contracts with third parties; and
  - an element of financial independence.
- An Irish branch of a foreign company is only liable to Irish corporation tax on profits generated by the Irish branch. Generally, the foreign company will obtain credit in its home jurisdiction for any Irish corporation tax paid by the branch provided that the home country has entered into a double taxation treaty with Ireland.
- From a tax perspective, branch structures may be preferable when operating losses are anticipated in the Irish operation as such losses may be available to reduce taxes paid in the home jurisdiction of the foreign company.
- It is necessary to obtain a Certificate of Registration as a branch from the CRO. Details relating to the company and the person responsible for the branch's operations in Ireland must also be filed.
- Branches are required to file financial statements under EU Regulations. In certain circumstances a branch must, on an annual basis, file a balance sheet and profit & loss account with the CRO. The branch files the statements of the external company of which it is a branch. It does not file separate financial statements.



## AGENTS & DISTRIBUTORS

- Many overseas companies use a resale channel to sell their goods and/or services in Ireland.
- There are a number of important distinctions between an agent and a distributor in Irish law. While there is no codified definition of an agent, and regardless of the nominal title used in any agreement, the Irish courts will look at certain criteria in deciding whether a reseller is an agent. These criteria include:
  - level of risk (in terms of ownership of goods and credit risk) assumed by the reseller;
  - level of control exercised over activities of the reseller; and
  - control of the price of goods/services.
- The EU Commercial Agents Directive applies to all self employed agents that have continuing authority on behalf of the principal and that are based and sell goods in the EU, regardless of the location of the principal. This Directive sets out a number of important obligations for companies using agents to sell goods (it does not apply to the sale of services) in the EU. Notably, the agent has the right to receive compensation in certain circumstances if the agency is terminated. It is not possible to contract out of a number of obligations under the Directive.
- Distribution agreements are subject to both the EU and Irish competition law regimes. If a distribution agreement does not comply with the relevant competition law regime, it may be unenforceable. It is generally advisable to consult with a specialist solicitor while negotiating and before finalising any distribution or agency agreement, and even standard-form agreements should be checked to ensure their enforceability.





# DIRECTORS

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- An Irish company must have a minimum of two directors, both of whom must be natural persons.
- At least one of the directors must be a resident of a Member State of the European Economic Area (EEA) subject to certain limited exceptions set out below.
- An EEA resident director is not required where the company holds a bond in a prescribed form to the value of €25,395.
- A bond can take approximately 2 weeks to process and because the bond is required to be lodged with the incorporation documents in the CRO, it must be issued prior to application for incorporation with the CRO.
- Post-incorporation, an EEA resident director, or a bond in lieu, may not be required where the company, following consultation with the Revenue Commissioners, can demonstrate that it holds a real and continuous link with one or more economic activities carried on in Ireland.
- Neither a body corporate, nor an undischarged bankrupt, nor the company's auditor can act as a director of a company.
- A director must exercise skill, due diligence and care in the discharge of his/her functions. The degree of necessary skill is that which could reasonably be expected from a person of his/her knowledge and experience.
- An executive director is an officer of the company. The law draws no distinction between the duties of executive and non-executive directors. However, a non-executive director will not necessarily be expected to show the same level of knowledge of the company's day-to-day affairs.
- A director can be held personally liable for the debts of the company, without limitation, and/or be convicted of a criminal offence if he/she is a party to reckless or fraudulent trading or certain specified breaches of the Companies Acts.
- Details of the directors of an Irish company must be filed in the CRO as public documents, including residential addresses, dates of birth and all worldwide directorships.
- A director can only hold up to 25 (with some exceptions) directorships of Irish registered companies (not worldwide). Companies in the same group are treated as one for the purposes of this provision. Furthermore, directorships of public limited companies, companies limited by guarantee and companies that have a real and continuous link certificate, shall be excluded from this calculation.

# TAXATION

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## TAX RESIDENCY IN IRELAND

- The general rule under Irish legislation is that a company incorporated in Ireland is considered to be tax resident in Ireland (the “Incorporation Rule”). The Incorporation Rule will not apply where the company or a related company (i.e. where one company is a 50% subsidiary of the other company, or both companies are 50% subsidiaries of a third company) carries on a trade in Ireland, and is:
  - under the control, directly or indirectly, of persons resident in an EU Member State or country with which Ireland has a double tax treaty; or
  - quoted on a recognized stock exchange in an EU Member State or country with which Ireland has a double tax treaty; or
  - regarded for the purposes of any double tax treaty as tax resident in a country other than Ireland and not regarded as tax resident in Ireland.
- If the company falls within any of the criteria above, then tax residency is determined by where the central management and control of the company is located.

## TAX RATES AND ADMINISTRATION

- All Irish incorporated companies (whether Irish resident for tax purposes or not) must file certain information with the Revenue Commissioners within 30 days of commencing business in Ireland, including:
  - name and registered office;
  - nature of the business; and
  - tax residency position.
- The “tax year” for Irish tax resident companies follows the company’s accounting period.
- The standard corporation tax rate is 12.5% on trading income earned by an Irish tax resident company. However, where the trading activity of the company is carried on wholly outside of Ireland, a 25% corporation tax rate will apply to income earned from that trade. Passive income earned by an Irish resident company is generally taxed at a rate of 25%.
- Capital gains tax is payable on chargeable capital gains at a rate of 30%.
- Generally a company is required to make a single payment of preliminary corporation tax, equal to 90% of its total corporation tax liability for the accounting period, in the month preceding the end of the current accounting period.
- For companies with corporation tax liabilities greater than €200,000 preliminary corporation tax must be paid in two instalments. The first instalment (based on 50% of the corporation tax liability for the preceding accounting period



or 45% of corporation tax liability for the current accounting period) is payable in the sixth month of the current accounting period. The second instalment is payable in the month preceding the end of the current accounting period of the company and must bring the total preliminary corporation tax payment up to 90% of the corporation tax due. The balance of corporation tax due is paid when the corporation tax return must be filed (i.e. within nine months of the end of the accounting period). These requirements also apply to branch operations in Ireland.

- Start up companies that commenced trading in Ireland from 2009 to 31 December 2014 are exempt from corporation tax and capital gains tax for their first three years of trading provided the corporation tax payable does not exceed €40,000. Marginal tax relief is available to such companies where the corporation tax payable is between €40,000 and €60,000. For accounting periods beginning on or after 1 January 2011, the relief from corporation tax is limited to the employer's PRSI (Pay Related Social Insurance) paid by the company subject to a maximum of €5,000 per employee, with an overall limit of €40,000.
- Ireland has signed 66 double tax treaties. The Irish government continues to expand Ireland's double tax treaty network.

## IRELAND AS A HOLDING COMPANY LOCATION

- Ireland's holding company regime is primarily comprised of a capital gains tax exemption for disposals of shares in subsidiary companies and an improved tax credit system for dividends and interest received from foreign subsidiaries. These provisions, combined with a number of existing tax features make Ireland a very attractive jurisdiction for holding and trading companies.
- Capital gains realised on the disposal by an Irish tax resident company (the "investor") of shares in another company (Irish or foreign) (the "investee") will be exempt from Irish capital gains tax, provided that the following criteria are met:
  - at the time of the disposal the investee must be resident for tax purposes in either an EU Member State (including Ireland) or a tax treaty country;
  - the investor must have held at least 5% of the ordinary share capital of the investee for a 12 month period;
  - either the investee alone, or alternatively the combination of the investee, the investor, and every other company in which the investor and investee hold a 5% or more equity interest, considered as a whole, must exist wholly or mainly for the purposes of carrying on a trade or trades; and
  - the shares disposed of must not derive their value or the greater part of their value from land or mineral rights in Ireland, or be held as part of a foreign life business fund.
- The exemption extends to disposals of certain assets related to shares, including options over shares, securities convertible into shares or options to acquire securities convertible into shares.

- "Qualifying dividends" received by Irish companies from foreign companies are subject to corporation tax at 12.5%. Qualifying dividends are dividends paid out of a foreign company's trading profits where that foreign company is tax resident in a "relevant territory" or where the foreign company (or, where the company was a 75% subsidiary of another company, that other company) is quoted on one or more recognised stock exchanges in a "relevant territory" or territories, including Ireland.

A "relevant territory" means:

- an EU Member State;
- a tax treaty jurisdiction; or
- a country that has ratified the OECD Convention on Mutual Administrative Assistance in Tax Matters.

In cases where the dividend is paid partly out of trading profits and partly out of non-trading profits, the part attributable to the trading income only will be taxed at 12.5%. The balance will be taxed at 25%.

- Dividends received by Irish tax resident companies from foreign subsidiaries also benefit from the following:
  - Where the Irish company holds 5% or more of the ordinary share capital of a foreign company, Ireland will give a tax credit for both foreign withholding taxes paid on such dividends and for underlying corporate taxes paid by the paying company in its home jurisdiction. This credit extends to state and local taxes. In the absence of an applicable treaty allowing these credits, the tax credits are given unilaterally by Ireland.
  - Irish tax resident holding companies are entitled to "pool" foreign tax credits for dividends received from different companies in different jurisdictions. This allows the Irish company to use excess tax

credits on one source of foreign dividend as an offset on the corporate tax payable on another source of foreign dividend received. Credits that cannot be pooled and used in a year will be available for carry forward to future years.

- Ireland will allow a tax credit for the equivalent of corporation tax and capital gains tax paid by a branch in (1) a non double tax treaty jurisdiction; (2) a double tax treaty jurisdiction where the treaty does not provide relief for such taxes; and (3) an EU/ European Economic Area ("the EEA") country.
- Irish legislation also provides for pooling for foreign branch tax credits. Similar to tax credits in respect of dividends, credits that cannot be pooled can be carried forward to future years.
- Onshore interest pooling provisions apply to certain interest received from associated companies in double tax treaty jurisdictions.
- Dividends received by Irish resident companies from Irish resident subsidiaries are generally not subject to Irish corporation tax.
- Certain royalties paid to residents of EU Member States or a tax treaty country can be paid free of withholding tax.
- Some of the other tax features that contribute to Ireland's attractiveness as a trading and holding company jurisdiction include:
  - Expenses incurred wholly and exclusively for the purposes of the trade (and those not specifically excluded by legislation) may be deducted in computing the income of a trade for tax purposes. Expenses of a capital nature (as opposed to a revenue nature) are not deductible for Irish tax purposes.



- Where an Irish company borrows funds to acquire 5% or more of the shares of a company that is either a trading company, or a holding company of a trading group, interest paid on such debt will generally be deductible for Irish tax purposes. Where the borrowing company cannot utilise this deduction, it is often possible for the borrowing company to surrender the deduction to other Irish resident companies in the same group.
- Ireland does not have thin capitalisation rules that limit the tax deductibility of interest paid from an Irish resident subsidiary to a parent company in an EU Member State or a tax treaty country, provided that the rate of interest charged does not exceed a reasonable rate.
- Irish resident companies are not subject to controlled foreign company rules (CFC rules).
- Ireland has abolished capital duty on the raising of equity capital by companies.
- Ireland has a transfer pricing regime. The rules apply only to transactions that are taxable at Ireland's corporate tax rate of 12.5% (i.e. trading transactions) where the parties are connected and are not considered to be part of a small or medium sized enterprise ("SME"). An SME in this context refers to an organization that has:
  - fewer than 250 employees; and
  - either a turnover of less than €50m or gross assets of less than €43m.

The transfer pricing rules only apply where taxable profits are understated.

## **INCENTIVES FOR INTELLECTUAL PROPERTY**

Capital allowances are available on the acquisition of specified intangible assets on or after 7 May 2009. The scheme provides for a 'wear and tear' allowance against the taxable income of the company. The

company can write off the cost of the specified intangible asset in one of two ways:

- based on the amount charged to its profit and loss account for the depreciation of that particular asset; or
- over a 15 year period (7% per annum and 2% in the final year).

This incentive applies to various categories of intellectual property including patents, registered designs, design rights, inventions, trade marks, brands, domain names, copyright, computer software, plant breeder's rights, any application for the grant or registration of the above, secret processes or formulae, know-how and goodwill to the extent that it is directly attributable to such intellectual property.

Another important tax incentive is the exemption from stamp duty on the sale, transfer or other disposition of intellectual property. The definition of Intellectual Property for stamp duty purposes has now been aligned to that used for corporation tax purposes (as set out above).

## **SPECIAL ASSIGNEE RELIEF PROGRAMME ("SARP")**

Finance Act 2012 introduced an employment incentive scheme (SARP) for certain employees assigned to Irish based operations. A qualifying individual can claim a 30% tax deduction on their Irish employment income for up to five years under the new SARP scheme. This applies to income between €75,000 and €500,000. Therefore the maximum qualifying income upon which relief can be claimed is €425,000 with an exemption of €127,500. A qualifying individual is one who:

- Moves to Ireland in the tax year 2012, 2013 or 2014 to work at the request of their employer;
- Is employed by a company incorporated and resident in a country with which Ireland has a double tax-treaty

or an information exchange agreement (“relevant employer”), or an associated company (including an Irish resident company) of that relevant employer;

- Will exercise all their employment duties in Ireland for a minimum of 12 months;
- Has a base salary of €75,000 not including benefits;
- Has not been resident in Ireland for the preceding 5 years;
- Is resident in Ireland but not resident anywhere else in the relevant tax year;
- Was employed full time by the relevant employer for 12 months prior to the move to Ireland.

The relief may be claimed by way of a deduction in payroll rather than in the form of a refund at the end of the tax year.

## **FOREIGN EARNINGS DEDUCTION – BRICS COUNTRIES**

Finance Act 2012 announced the introduction of a Foreign Earnings Deduction to aid export companies seeking to expand into emerging markets from Ireland. This deduction will apply where an Irish resident individual spends at least 60 qualifying days a year developing markets for Ireland in a BRICS country (Brazil, Russia, India, China and South Africa). The employee must spend at least 4 consecutive days per trip in the country for it to be considered for the 60 day rule. During this time, the employee must be exercising the duties of his employment.

The deduction is calculated as a portion of the employee’s remuneration (excluding benefit-in-kind) that relates to the amount of days spent abroad while employed by their company. The deduction is limited to €35,000 per year of assessment.

## **OTHER FEATURES OF THE IRISH TAX SYSTEM**

- Ireland imposes withholding tax on dividends and interest at the standard rate of income tax, currently 20%. However, exemption from withholding taxes will generally apply where the dividends are paid to a resident of a jurisdiction with which Ireland has a double tax treaty or to a resident of an EU Member State. These exemptions apply notwithstanding that the applicable double tax treaty provides for withholding tax to be applied.
- Value added tax (VAT) is a consumer charge on goods (including property) and services. The main current VAT rates are 0%, 9%, 13.5% and 23%.
- Stamp duty is payable on certain documented transactions, especially property transactions. The rate for non-residential property is 2% (flat rate). The rate applicable to residential property varies between 1% and 2% depending on the value of the property. Transfers of stock are subject to stamp duty of 1%. Certain exemptions from stamp duty are available, including for related company transactions.
- Goods imported into Ireland, which originated outside the EU, may be liable to tariffs. The classification and valuation of imported goods is governed by various international agreements between the EU and the relevant countries.
- An employer may make the payment or reimbursement of certain removal/relocation expenses, incurred by an employee in moving house to take up employment in Ireland, free of tax. The employer must ensure that the following conditions are satisfied:



- the reimbursement to the employee or payment directly by the employer must be in respect of removal/relocation expenses actually incurred;
- the expenses must be reasonable in amount;
- the payment of the expenses must be properly controlled; and
- moving house must be necessary in the circumstances.

Expenses which can be reimbursed free of tax are those incurred directly as a result of the change of residence and include such items as:

- auctioneer's and solicitor's fees and stamp duty arising from moving house;
- storage charges and insurance of furniture and effects in storage;
- travelling expenses on removal;
- temporary subsistence allowance while looking for accommodation at the new location (subject to a maximum of ten nights at appropriate Revenue Commissioners' approved subsistence rates); and
- the vouched rent of temporary accommodation for a period not exceeding three months (this may not be paid concurrently with the temporary subsistence referred to above).

With the exception of any temporary subsistence allowance, all payments must be matched with receipted expenditure. The amount reimbursed or borne by the employer may not exceed expenditure actually incurred. Any reimbursement of the capital cost of acquiring or building a house or any bridging loan interest or loans to finance such expenditure would be subject to tax. In effect, payment free of tax is restricted to the reimbursement of actual outgoings incurred at the time of the move.

# R&D INCENTIVES

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## FUNDING FOR RESEARCH

- Under the Strategy for Science, Technology and Innovation 2006-2013, Ireland has committed to spend €3.8 billion on the area of research, technology, development and innovation in order to ensure Ireland's place as one of the leading knowledge-based economies in fields such as life sciences, medical technologies, software and information technologies.
- €2.7 billion of this fund is designated to third-level research and the private sector.
- IDA liaises with the Higher Education Authority (HEA), the main funding authority for third level education and research in Ireland, to ensure that universities in Ireland have the facilities and skills to conduct leading research.

IDA also works closely with Science Foundation Ireland (SFI), the agency responsible for developing greater links between industrial and academic research. Together they provide incentives and initiatives to encourage collaborative projects.

The HEA and SFI award research grants on a competitive basis, with assessment by third parties and emphasising interdisciplinary projects and industry-academic collaboration.

## TAXATION

Ireland also provides the following incentives for locating R&D functions in Ireland:

- tax credit for incremental R&D expenditure;
- tax relief for employees engaged in R&D; and
- stamp duty exemption on transfers of intellectual property;

The R&D tax credit is a 25% tax credit for companies for incremental qualifying expenditure, over the amount spent in a base year (currently 2003), on R&D activities. The R&D tax credit is in addition to a tax deduction (at 12.5%) for the R&D spend thereby giving an effective tax saving of 37.5%. It is available to all companies, within the charge to Irish tax, that undertake R&D activities within the European Economic Area.

The expenditure must be undertaken on a systematic, investigative or experimental basis in a field of science or technology that falls within any of the following categories:

- research to acquire new scientific or technical knowledge without an application in mind;
- research to acquire new scientific or technical knowledge with a specific application in mind; or
- work which draws on scientific or technical knowledge or practical experiences for the purpose of achieving technological advancement and which is directed towards producing new, or improving existing, materials, products, devices, processes, systems or services.



In addition R&D activities must:

- seek to achieve scientific or technological advancement, and
- involve the resolution of scientific or technological uncertainty.

If the entire R&D tax credit is not utilised in any period, the company has a number of options. It can:

- carry forward any unused amounts to be offset against the corporation tax liability of subsequent accounting periods; or
- carry the tax credit back, to be offset against the preceding period's corporation tax liability.

In addition, and subject to conditions, a claim may be made to Revenue to have any remaining R&D tax credit paid to the company in three instalments over the thirty-three months following the accounting year-end.

## **TAX RELIEF FOR EMPLOYEES ENGAGED IN R&D**

Companies can reward “key employees” with a portion of the company's R&D tax credits, thereby reducing the employee's income tax liability. There are certain criteria an employee must meet before he/she will be considered eligible for the credits:

- The employee must be mainly carrying out R&D activities, to the effect that 75% of his/her duties involve the “conception or creation of new knowledge, products, processes, methods or systems”;
- The employee, or a person connected with the employee must not have a material interest or hold or have held a position as a director in the company now or in the past;
- At least 75% of the employee's wages must qualify as expenditure for R&D purposes within the company.

The ability to surrender credits to “key employees” is not available if the employer is loss making and thus not paying corporation tax.





# PROPERTY

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## BUYING OR SELLING

- In general, property is acquired by buying it outright, leasing it, or buying the remainder of the term of an existing lease.
- Depending on the nature of the interest, the owner will have different rights and duties in relation to the land. It is not unusual that one piece of land may have several interests of different kinds, owned by different people at the same time, e.g. a landlord, a tenant and a sub-tenant.
- Ireland operates a land registration system where a person's interest in property is registered on a public register. In certain cases, this ensures that an owner's interest in property is documented and protected (by a State guarantee).
- The maxim caveat emptor ("let the buyer beware") applies to property. It is important to consult a solicitor as soon as a suitable property has been identified. In the case of an existing building, a surveyor or engineer should inspect the building at an early stage to ensure it is free from costly defects.
- To sell a property, the parties enter into a detailed written contract to transfer the interest in the property from the seller to the buyer. Before this is signed, the solicitor for the buyer will investigate the title and the planning status of the property to ensure that it is in order. Any problems with the title generally follow the property and so become the responsibility of the buyer, including environmental, secured liabilities or planning problems.
- If a financial institution is providing finance for the purchase of a commercial property, the property itself will usually be the security for the loan. The financial institution will occasionally require that its own solicitor checks the title to the property, but will often rely on the opinion of the purchaser's solicitor.
- There is usually a deposit of 10% paid on the signing of the contract. The balance is paid on completion, which usually takes place a short period later.
- When buying property, the buyer pays stamp duty, a once-off tax, (2% on non residential property and 1% on residential property under €1 million or 2% for residential property over €1 million).
- There is no restriction on a foreign-national purchasing or leasing property.

## PLANNING PERMISSION

- Planning permission is required before an owner can develop buildings or land, or materially change their existing use. Applications are made to the local planning authority.
- Each planning authority has a development plan in place for its area with designated zoning. Where planning applications are made in respect of commercial or light industry areas, such businesses would generally be favourably received in the planning process.



## COMMERCIAL LEASES

- The rent payable for offices in Ireland is usually quoted on a net basis, i.e. rent quoted per square foot or square metre will usually exclude toilets, columns, radiators, etc. Several other European countries measure on a gross basis.
- In practice, commercial leases are most commonly granted for a term of 25 years although, at present, shorter terms or break options every five or ten years are common. There is no automatic right to “break” the lease, although this is a matter for negotiation between the landlord and the tenant.
- Rent reviews normally occur at five yearly intervals. Ireland has introduced legislation which prohibits reviews of rent on an upwards only basis.

- Stamp duty is payable on the creation of a lease. It is calculated as a percentage of the annual rent. The rates vary as follows:

Lease Term	Rate of Stamp Duty
Up to 35 years	1%
35–100 years	6%
Over 100 years	12%

- The occupier is liable for municipal rates.
- There may be a VAT charge on rents payable under the lease. This is usually paid by the lessee/ tenant but is usually recoverable where the lessee/tenant is registered for VAT and has full VAT recovery.



## ENVIRONMENTAL & WASTE LAW

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- There is a comprehensive system of environmental permitting in operation. For large industry, the central environmental authority, the Environmental Protection Agency (EPA), operates the EC-based Integrated Pollution Prevention and Control Licensing system, while the environmental departments of local authorities licence smaller and less intensive operations.
- Where a proposed development is likely to have significant effects on the environment, an Environmental Impact Statement is required before a planning permission (development consent) will be granted.
- Environmental considerations are now well integrated into financial and corporate law controls. For example in larger companies, directors' annual reports must analyse and report on material environment impact and risk; also, company directors and officers can in certain circumstances incur liability for the company's environmental offences.
- Environmental law in Ireland is beginning to reflect the "climate change agenda". Many large industries now require a greenhouse gas (GHG) emissions permit to operate; while a variety of carbon constraints and market mechanisms are proposed for small GHG emitters.
- A system of environmental taxes is gradually being developed. So far this covers a landfill levy, a plastic bag levy, an incineration levy, as well as water charges and a carbon tax.
- Corporate environmental risk is managed through a comprehensive suite of tools including corporate environmental due diligence, the commissioning of environmental studies and for larger operations, environmental insurance, bonds and other forms of underwriting to cover operational risk and decommissioning obligations; as well the use of environmental warranties and indemnities in corporate transactions.
- Ireland's waste management system has undergone radical reform in recent years. There is much stricter enforcement of unauthorised waste activity. A challenging EU target regarding diversion of waste from landfill is bringing forward a more modern waste infrastructure.
- Other notable features of the Environmental Law regime in Ireland include a strong regulatory-based model, with the EPA enjoying a wide range of investigatory and enforcement powers; as well as a strong emphasis on regular monitoring and reporting.

# ENERGY

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- Ireland, in accordance with its obligations under EU law, has deregulated its electricity and gas markets and has established the Commission for Energy Regulation (CER) to oversee the deregulated markets, to promote competition in the sector and to license all participants in the market.
- The deregulation process has effected the separation of the generation, transmission and supply activities of the State-owned power utility, ESB, into separate ringfenced divisions; the divestment by ESB of generation assets; the construction of new independent peaking and baseload generation; and the opening up of the market to independent power companies to supply all commercial and domestic customers. Similarly liberalisation of the gas market has resulted in a number of licensed suppliers entering the commercial and residential market. Participants in the sector now include: ESB, Bord Gáis, Bord Na Mona, Scottish & Southern Energy, Flogas Natural Gas, Gazprom, Vayu and Energia.
- As of 1 November 2007, the Single Electricity Market (SEM) introduced a regime for the wholesale trading of electricity on the island of Ireland. The SEM allows for increased competition in the wholesale electricity market whilst also providing a secure, reliable and sustainable electricity market on the island of Ireland.
- Wind energy is the most prevalent source of renewable energy in Ireland with over 1,700 MWs connected to the national grid; another 1,000 MWs at various stages of development and over 6,000 MWs of additional wind generation awaiting or seeking grid connection. Ireland has set a target of generating 40% of its electricity from renewable sources by 2020 and onshore wind energy will play a key role in achieving this target.
- Payment supports have been a feature of the wind industry and broader renewable power industry in Ireland and the Renewable Energy Feed-In Tariff (REFIT) Scheme is the current financial support mechanism. Following State aid approval from the EU, the REFIT 2 and REFIT 3 Rules were published in 2012, and are now open for new applications.
- Over the last ten years, Ireland has witnessed a continued increase in peak demand for power and the generation sources of this power have become more varied and complex. Significant investments in modernising and reinforcing the national grid are underway and the 500MW East-West Interconnector from Ireland to the UK will be operational in late 2012. These grid enhancements will ensure greater security of supply and help facilitate EU market integration.
- Other market developments include: a programme to introduce 1,500 electric vehicle charging stations installed across the State, the roll-out of smart meters, completion of the Corrib Gas Project, and the Shannon LNG Project.



# EMPLOYMENT

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## MINIMUM HOURLY RATE

- The national minimum hourly rate is €8.65 per hour. The national minimum applies to virtually all employees whether full-time, part-time, temporary or casual. There are some limited categories of employees who are excluded from entitlement to the national minimum, for example, employees who are under 18 years of age are entitled to €6.06 per hour i.e. 70% of the full national hourly rate.

## TRADE UNION

- Every employee has the right to join a trade union but trade union membership is not compulsory. There is no obligation on employers to recognise trade unions and most international companies that have located in Ireland are not unionised. The general trend is that industrial relations are governed by voluntary codes of conduct rather than rigid legislation.

## PROTECTION OF EMPLOYEES

- In common with most European countries, Ireland has implemented European legislation (EU Directives) that gives certain basic rights to employees. However, Ireland still has its own unique domestic law that is based on legislation and decisions of the courts. The protections enjoyed by employees include:
  - a right to a written statement of the basic terms of his/her employment;
  - protection against unfair dismissal after one year's service;

- minimum holidays (4 working weeks and 9 Public Holidays);
- protection against discrimination on grounds of race, gender, civil status, religious belief, age, disability, sexual orientation and membership of the traveller community;
- maternity/adoptive leave of up to 40/42 weeks (24/26 weeks and payment of a weekly allowance funded by the State, and an option to take a further 16 weeks unpaid);and
- parental leave (14 weeks unpaid) in limited circumstances.

## TAX

An employer is obliged to deduct income tax, called PAYE (Pay As You Earn) and government social insurance, called PRSI (Pay Related Social Insurance) and the USC (Universal Social Charge) at source from the employees monthly/weekly salary. In addition the employer has to contribute to the government social insurance. The present rate is 10.75% of the employee's gross salary.

## POST EMPLOYMENT

### Protection For Employers

Employers are entitled to protect their business for a limited period after an employee, generally a senior executive, leaves employment. This protection period is usually for up to six months. The protection can include a restraint on the employee:

- soliciting former customers/clients/ suppliers;
- competing in the same industry/ sector; and
- soliciting employees.

In addition the senior executive can be placed on Garden Leave for some or all of the protection period.

*Note: These protections are not automatic and have to be included in the employee's contract of employment.*

## HEALTH & SAFETY

As in most countries in the developed world, safety, health and welfare of employees is a closely regulated area governed by legislation, regulations and codes of practice. The primary legislation is the Safety, Health and Welfare at Work Acts 2005 and 2010. Health and Safety legislation places significant responsibilities on employers, directors, managers and employees.

Under the Safety, Health and Welfare at Work Acts 2005 and 2010, every employer, having three or more employees, is required to have a written Safety Statement identifying the risks and hazards in the workplace. Safety Statements are the product of a risk assessment based on the identification and assessment of all hazards in a workplace.

## RESIDENCE & EMPLOYMENT PERMITS

- UK nationals can reside and work in Ireland without constraint in so far as they do not require either residence or employment permits and are not required to register their presence in the State.
- EEA/Swiss nationals do not require any documentation such as a residence permit or an employment permit in order to live and work in Ireland. When such nationals arrive to live and work in Ireland they should apply for a Personal Public Service (PPS) number.
- Bulgaria and Romania joined the European Union on 1 January 2007. Bulgarian and Romanian nationals are still required to comply with the employment and residence permit requirements in place for non-EEA nationals, in order to work and live in Ireland, though they are given preference over other non-EEA nationals. These employment permit requirements apply only to the first continuous twelve months of employment in Ireland. At the end of this twelve-month period a Bulgarian or Romanian national will be free to work in Ireland without any further need for an employment permit.
- Non-EEA nationals must have a residence permit to reside in the State. In order to obtain permission to reside, all non-EEA nationals must register with the Garda National Immigration Bureau or a local Garda Station in the area in which they intend to reside, as soon as possible and in any event within 90 days of arrival. Non-EEA nationals are given a registration certificate (GNIB Card). There is a fee for the card of €150. Non-EEA nationals must also have a valid employment permit if they wish to work in Ireland.



- Nationals of certain non-EEA countries require visas prior to entry into Ireland - details are available from any Irish Embassy or Consulate.
- Any company that seeks to hire new employees must first seek to source such employees within Ireland or the EEA. When reasonable efforts have been made to do so but without success, the company may seek to recruit employees from outside the EEA. The employee must have a valid employment permit before he/she can commence work in Ireland.
- The term employment permit is a generic term including work permits, green cards, intra-company transfers, spousal/dependant permits, study scheme permit and graduate scheme permit, which are granted by the Department of Jobs, Enterprise and Innovation.
- An employment permit allows an employer to employ a named non- EEA national, for a specified job, for a specified period of time not exceeding two years and is applied for by the employer or the employee. The non- EEA national is not allowed to work for other employers during the period of the permit. Work permits, green cards and intra-company transfer permits are generally only granted in favour of qualified personnel and where there is also a demonstrable and verified shortage of such staff in the labour market.
- If a non-EEA national has a current employment permit issued by another EU member state, that person can work in Ireland subject to the issuance of a Van der Elst visa by the Irish authorities.

# TELECOMMUNICATIONS & INTELLECTUAL PROPERTY

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## THE IRISH TELECOMMUNICATIONS MARKET ELECTRONIC COMMERCE

- The telecommunications market is completely liberalised in Ireland. The first EU electronic communications regulatory package was implemented in 2003 and the second package was implemented in 2011. The sector is regulated by the Commission for Communications Regulation (ComReg), which works closely with the Broadcasting Authority of Ireland, the Office of the Data Protection Commissioner and the Competition Authority.
  - The electronic communications market was valued at approximately €3.8 billion in 2011, with approximately 43% of this revenue generated by the mobile sector.
  - Eircom, the former incumbent, continues to be the main provider of fixed-line services in Ireland. However, an increasing number of operators are offering fixed-line services, in particular through carrier preselection and wholesale line rental.
  - There are five operators in the Irish mobile telecoms market, and there is a mobile penetration rate of 120% (including mobile broadband), as detailed in the ComReg Quarterly Key Data Report (Q4 2011).
  - Ireland's international connectivity is substantial, and the broadband market continues to grow strongly. An increasing proportion of broadband subscribers are using technologies other than DSL for broadband access, including fixed wireless, satellite, cable broadband and fibre subscriptions.
- There is an array of legislation in Ireland that seeks to facilitate and enhance Ireland's position as a hub for e-commerce.
  - Ireland was one of the first countries in the EU to pass legislation providing a framework for the effective operation of electronic commerce. The Electronic Commerce Act 2000 provides that communications and contracts shall not be denied legal effect, validity or enforceability solely on the grounds that they are in electronic form or have been concluded by way of an electronic communication.
  - This legislation also makes important provisions regarding the validity of electronic signatures and advanced electronic signatures.

## DATA PROTECTION

- Data privacy for individuals is governed primarily by the Data Protection Acts 1988 and 2003. Specific rules regulate the use of electronic communications media for direct marketing purposes.
- Subject to certain exceptions, businesses that hold and/or process personal data are required to register as data controllers/ data processors with the Office of the Data Protection Commissioner.



## INTELLECTUAL PROPERTY RIGHTS

Ireland is a favourable and popular location for holding and exploiting intellectual property (IP). It has a robust, mature and sophisticated legal framework in place to offer appropriate legal protection for IP which can be lacking in other jurisdictions.

## PATENTS

- Patent protection may be obtained for any patentable invention and will grant the owner a monopoly protection in the invention for either a 10 year (short term) or a 20 year (full term) period. Short term patents are quicker to prosecute to grant but are more difficult to enforce.
- Certain products such as pharmaceutical products may be afforded up to five years of additional protection under what is known as a supplementary protection certificate.
- Ireland is party to a number of international conventions with the objective of streamlining patent application, filing and novelty search procedures throughout the EU and the world.
- Bolar Provision – In a manner similar to the US Bolar provision, this allows generics companies in the EU to carry out research and development of a new generic drug at any stage during the lifetime of the patent relating to the reference drug. Generics companies may not file for market approval until eight years after the grant of marketing approval to the reference drug.

## TRADE MARKS

- Trade marks with effect in Ireland can be registered with the Irish Patents Office, the Community Trade Marks Office (OHIM) or with the International Trade Marks Office (WIPO) pursuant to the Madrid Protocol.
- Once granted, trade mark registrations last for 10 years.
- The proprietor of a registered trade mark has exclusive rights in the trade mark and those rights are infringed if someone else uses an identical or confusingly similar trade mark in relation to the same goods or services.

## PASSING OFF

- Passing Off is recognised as the right of a person to protect the goodwill of his or her business from unfair trading.
- It prohibits a third party from selling goods or carrying on services under a name, mark, description or otherwise in such a manner as is likely to mislead the public or likely to deceive or confuse them into believing that the merchandise or business is that belonging to another person.
- Passing off can form an alternative cause of action to an action for infringement of a registered trade mark where the business does not have any registered trade mark rights.

## COPYRIGHT

- Copyright, which protects the expression of the idea rather than the idea itself, subsists in original literary, dramatic, musical or artistic works, sound recordings, films, broadcasts or cable programmes, the typographical arrangement of published editions and original databases.
- Software is principally protected by copyright law. Source code in computer programs is treated as a literary work under Irish law. Ireland is one of the world's largest exporters of software.
- Employers generally own the copyright (and other



intellectual property rights) in works developed by their employees where the works were developed in the course of their employment. However, a contractor who develops intellectual property rights will own the copyright in the absence of an agreement to the contrary.

## DESIGNS

- A design which is new and has individual character is protectable in Ireland by Irish and European legislation.
- Designs can take the form of registered designs (which last for a period of up to 25 years) or unregistered designs (which last for three years).

## CONFIDENTIAL INFORMATION

- In Ireland, once a Court establishes that an obligation of confidence exists and that the information is confidential, the person to whom it is given has a duty to act in good faith and cannot use the information to the detriment of the informant.

## IRISH COURTS FOR IP DISPUTES

- A huge advantage for Ireland is the Commercial Court which was established in 2004 and is a division of the High Court which deals with intellectual property related disputes of significant value. The advantage of the Court is that cases are dealt with expeditiously, making Ireland one of Europe's fastest jurisdictions in which to resolve complicated intellectual property related disputes.
- Either a defendant or plaintiff can apply to have a case listed in the Commercial Court but must do so as soon as proceedings are issued. Proceedings accepted into the Commercial Court are managed by a Judge assigned to the case and are subject to strict timelines which invariably cannot be altered.
- Between 2004 and 2011 the average waiting period from entry into the Commercial Court until the conclusion of full plenary proceedings was 22 weeks. The Commercial Court has heard many international IP disputes in recent times and it is becoming a 'venue' of choice in Europe for IP cases.



# ASSET MANAGEMENT & INVESTMENT FUNDS

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- Ireland is one of the leading locations for the investment funds industry with many of the world's leading fund promoters and asset managers choosing Ireland as a domicile to establish their funds. Over 430 of the world's leading fund promoters from over 70 countries across 5 continents have opted to domicile their funds in Ireland. Irish domiciled funds are sold and distributed in over 70 countries across Europe, Asia, the Pacific Region, the Middle East, the Americas and Africa.
- The Central Bank of Ireland (the "Central Bank") is responsible for regulating the funds industry in Ireland. The regulatory environment is considered to be appropriate but flexible, with active engagement and close collaboration between the Central Bank, the government and industry representatives in the continued development of the funds industry.
- As of December 2011, the value of funds serviced in Ireland (both Irish domiciled and non-Irish domiciled) was in excess of €1.9 trillion, while the industry throughout Ireland currently services about 11,100 funds and employs approximately 11,000 people directly providing administration, custody, legal and accounting services to Irish domiciled funds.
- Ireland is the leading global hedge fund administration centre in the world, servicing approximately €934 billion in hedge fund assets (which represents approximately 40% of global hedge fund assets) and is also the largest alternative investment and exchange traded fund administration centre in Europe.
- Ireland's success has been driven by a diverse range of factors such as its robust legal and regulatory environment, favourable tax regime, recognized expertise in a broad range of fund structures and commitment by government, industry representatives and the Central Bank to work together to maintain Ireland's standing as a centre of excellence for domiciling and servicing of investment funds.
- Innovation in terms of product offering is also a key feature of Ireland as a fund domicile. In recent times, there has been a growing convergence between the alternative/sophisticated and retail asset management worlds due mainly to increased investor demand for better regulated financial products, uncertainty for alternative managers in relation to proposed European legislative changes and financial innovation. This is leading to the re-engineering of existing financial products and investment strategies and Ireland is at the forefront of this trend.

# BUSINESS ENVIRONMENT

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## BANKING & FINANCE

- The banking and insurance sectors are regulated by the Central Bank of Ireland.
- There are 40 banks licensed by the Central Bank operating in Ireland, most of which have operations in Dublin's International Financial Services Centre. There are 36 European Credit Institutions authorised in another Member State operating in Ireland and passporting their services into Ireland either on a branch or a cross-border basis with a further 376 Credit Institutions from other Member States that have notified the Central Bank of their intention to provide services in the State on a cross-border basis.
- A banking establishment is required to obtain authorisation from the Central Bank prior to its operation within Ireland.
- A bank that is authorised in an EU Member State is entitled to establish a branch or provide services in Ireland, subject to notification to the Central Bank. Similarly, a bank which is authorised by the Central Bank, in effect has a "banking passport" and can establish a branch or provide services in other EU Member States, subject to notification to the Central Bank and the relevant host state authorities.
- Being a member of the EU, Ireland implements legislation to give effect to European directives. As a consequence it is possible to apply to the Central Bank to become authorised to provide other financial services such as payments services and electronic money services. Subject to notification to the Central Bank it is also possible to "passport" these types of services into other EEA jurisdictions.

- There are no exchange controls in Ireland.
- Ireland's anti-money laundering legislation obliges financial institutions to ensure that any funds received by them are not the product of any illegal activity. Irish financial institutions and financial service providers must comply with certain money laundering controls, which are similar to those in force in other European countries and the US.
- The Central Bank is subject to statutory confidentiality obligations.

## INSURANCE

- Ireland is a major global centre for international insurance and reinsurance. There are approximately 178 insurance companies and 95 reinsurance companies regulated in Ireland.
- One of the key attractions of Ireland is the fact that insurance and reinsurance companies that establish here may carry on business throughout the EEA on the basis of the authorisation received from the Central Bank of Ireland. No further local authorisations are required.
- This trend is expected to continue as, in preparation for the Solvency II initiative, many groups are establishing a European head office in Ireland.



## STOCK MARKET

- There has been a stock exchange in Dublin for more than 200 years. It is regulated by the Central Bank of Ireland and the Listing Rules published by the Irish Stock Exchange provide the parameters within which an Irish listed company must operate. The Listing Rules and the Irish Takeover Panel Rules, which govern takeovers, are similar to the corresponding rules prevailing in the United Kingdom.
- The Irish Stock Exchange comprises of two equity markets - the Main Securities Market (MSM) and the Enterprise Securities Market (ESM). In addition there is the Global Exchange Market (GEM), a specialist debt market for professional investors.
- The MSM is a regulated market as defined by the Markets in Financial Instruments Directive (MiFID). The ESM is an exchange regulated market and multi-lateral trading facility as defined by MiFID.
- Companies seeking admission to the MSM must have:
  - a minimum market value of shares to be listed of €1,000,000;
  - 25% of the stock in public hands; and
  - generally been trading for a three-year period prior to listing.
- Shares quoted on both the London Stock Exchange and the Irish Stock Exchanges may be dealt on both exchanges.
- The prices of shares listed on the Irish Stock Exchange are quoted in euro (€).
- There is no restriction on foreign nationals owning shares listed on the Irish Stock Exchange.
- The acquisition of Irish listed companies is regulated by the Irish Takeover Panel, which administers the Irish Takeover Panel Rules. Unlike the position in the UK, these rules have statutory force.

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Legal 500, EMEA, 2010

“It is great using William Fry for tax because we get a more personal service than you might at the big accountancy firms. Its approach is to get a truly deep understanding of our business and focus on solutions”

Chambers Global, 2010



## OUR PRACTICE AREAS

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We are an acknowledged leader in our core departmental areas of Banking & Financial Services, Property, Projects, Corporate, Litigation & Dispute Resolution, Competition & Regulation, Tax, Insurance, Asset Management & Investment Funds and Employment & Benefits. We augment this with a wide range of specialist practice areas many of which are specific to industry sectors.

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**INSURANCE &  
REINSURANCE**

**INTELLECTUAL PROPERTY**

**INVESTING IN IRELAND**

**LIFE SCIENCES**

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**MERGERS &  
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**PROPERTY**

**PUBLIC PROCUREMENT**

**PUBLIC SECTOR**

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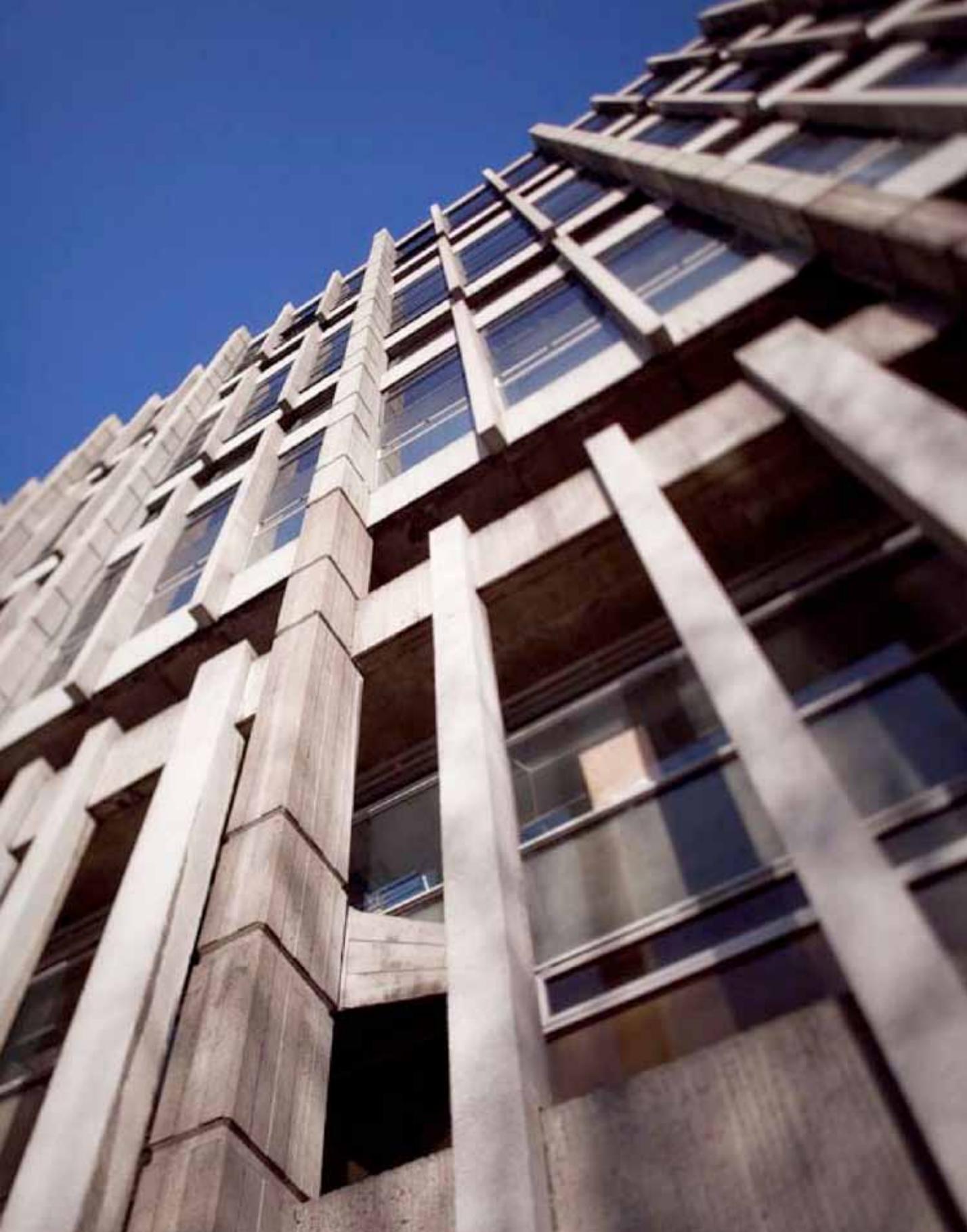
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## CONTACT US

**FOR FURTHER INFORMATION ON ANY OF THE TOPICS COVERED, PLEASE CONTACT:**

### DUBLIN

Fitzwilton House, Wilton Place,  
Dublin 2, Ireland.  
T. + 353 1 639 5000  
www.williamfry.ie

### NEW YORK

100 Park Avenue, Suite 1600,  
NY 10017, USA.  
T. + 1 212 572 4850  
www.williamfry.com

### CALIFORNIA

800 W.El Camino Road  
Suite 180  
Mountain View  
CA 90404, USA  
T. + 1 650 996 7440  
www.williamfry.com



#### **Brendan Cahill**

*Foreign Direct Investment Partner*

T. + 353 1 639 5181

E. [brendan.cahill@williamfry.ie](mailto:brendan.cahill@williamfry.ie)



#### **David Carthy**

*Foreign Direct Investment Partner*

T. + 353 1 639 5186

E. [david.carthy@williamfry.ie](mailto:david.carthy@williamfry.ie)



#### **Myra Garrett**

*Managing Partner*

T. + 353 1 639 5122

E. [myra.garrett@williamfry.ie](mailto:myra.garrett@williamfry.ie)



#### **Dermot Tuohy**

*Senior Vice President*

T. + 1 650 996 7440

E. [dermot.tuohy@williamfry.ie](mailto:dermot.tuohy@williamfry.ie)



#### **Steve Lenox**

*Senior Vice President*

T. + 1 212 572 4850

E. [steve.lenox@williamfry.ie](mailto:steve.lenox@williamfry.ie)



#### **Sonya Manzor**

*Tax Partner*

T. +353 1 639 5212

E. [sonya.manzor@williamfry.ie](mailto:sonya.manzor@williamfry.ie)



#### **Boyce Shubotham**

*Employment Partner*

T. +353 1 639 5363

E. [boyce.shubotham@williamfry.ie](mailto:boyce.shubotham@williamfry.ie)





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