



## Ireland Fact Sheet

### GENERAL INFORMATION

Company type	Private Limited Company by Shares (LTD)
Timeframe for company formation	2 to 3 working days*
Governing corporate legislation	Irish companies are regulated under the Companies Act 2014.
Legislation	Modern Offshore Legislation
Legal system	Common Law
Corporate taxation	Ireland's corporate tax rate is 12.5%
Accessibility of records	Upon registration of the company, the names of company officers will appear on public record
Time zone	GMT
Currency	EUR

### SHARE CAPITAL

Standard currency	EUR
Standard authorised capital	Not applicable
Minimum paid up	EUR 1

### SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	1
Locally-based requirement	No
Bearer shares	Bearer shares are not permitted

### SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Requirement to appoint Company Secretary	Yes
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### ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	Accounts and tax filing must be submitted by year-end.
Requirement to appoint auditor	Yes, but exceptions exist for small companies
Requirement to file accounts	Yes
Accessibility of accounts	No
Requirement to file annual return	Yes

### DOCUMENT REQUIREMENTS\*\*

- Certified copy of valid passport
- 2 Original or certified proofs of address (issued within the last 3 months) in English or translated into English

### INCORPORATION FEES

Initial set-up and first year	USD 3050
Per year from second year	USD 2310

### GOOD TO KNOW

As well as the low Corporate Tax rate of 12.5% (0% for some companies until 2023), there are many other benefits of doing business in Ireland. For example, Ireland's holding company regime is world renowned, as is Ireland's tax structure and ease of doing business (Ranked as the best country in the world to do business by Forbes for 2014)



### JURISDICTION INFORMATION

Ireland, also known as the Republic of Ireland (Poblacht na hÉireann), is a country in north-western Europe occupying 26 of 32 counties of the island of Ireland. The capital and largest city is Dublin, which is located on the eastern side of the island. Around 40% of the country's population of 4.9 million people resides in the Greater Dublin Area. The sovereign state shares its only land border with Northern Ireland which is part of the United Kingdom. It is otherwise surrounded by the Atlantic Ocean, with the Celtic Sea to the south, St George's Channel to the south-east, and the Irish Sea to the east.

## POLITICAL STRUCTURE

Ireland is a parliamentary, representative democratic republic and a member state of the European Union. While the head of state is the popularly elected President of Ireland, it is a largely ceremonial position, with real political power being vested in the Taoiseach, who is nominated by the Dáil and is the head of the government.

Executive power is exercised by the government, which consists of no more than 15 cabinet ministers, inclusive of the Taoiseach and Tánaiste (the deputy leader of government). Legislative power is vested in the Oireachtas, the bicameral national parliament, which consists of Dáil Éireann, Seanad Éireann and the President of Ireland. The judiciary is independent of the executive and the legislature. The head of the judiciary is the Chief Justice, who presides over the Supreme Court.

The Economist Intelligence Unit rated Ireland a "full democracy" in 2019.

## ECONOMY

Ireland is a stable, competitive, secure, and pro-business country, with the fastest growing economy in the Eurozone. The Irish Government is committed to sustainable management of public finances and Ireland receives an 'A' grade from all major credit rating agencies. Ireland will invest €116 billion in public infrastructure and capital works under the National Development Plan 2018-2027. Investment in 2019 will represent 3.5% of its national income, placing Ireland in the top 10 European countries for the level of public investment (EU average 2.7% GDP in recent years). The Plan focuses on ten strategic investment priorities including enterprise, skills and innovation capacity, housing and sustainable urban development, the national road network, environmentally sustainable public transport, and climate action. Multinational Companies (MNCs) invest directly into the Irish economy approx. €19.2bn including expenditure on Irish materials and services totaling €7.5bn, and an annual payroll spend of €11.7bn. In addition, MNCs inject capital expenditure of €5.7bn approx. on new buildings and machinery and equipment leading to high levels of employment in the construction sector.

## POPULATION

The population of Ireland in 2016 was approximately 6.6 million (4.75 million in the Republic of Ireland and 1.85 million in Northern Ireland). Although this is a significant growth over recent years, it is still well below the record high of the early 1840s. Between 1700 and 1840, Ireland experienced rapid population growth, rising from less than three million in 1700 to over eight million by 1841. In 1851, as the Great Famine was ending, the population of Ireland had dropped to 6.5 million people. The Famine and the resulting Irish diaspora had a dramatic effect on population; by 1891, Ireland's population had slipped under five million and by 1931, it had dropped to just over four million. It stayed around this level until the 1960s, when the population began to rise again. Future predictions are for the population to continue to rise; in 2022, it is predicted to be just over seven million.

## LANGUAGE

There are a number of languages used in Ireland. Since the late eighteenth century, English has been the predominant first language, displacing Irish. A large minority claims some ability to use Irish, and it is the first language for a small percentage of the population.

## TAXATION

It is mandatory for all Irish companies to register for Corporation Tax within one month of trading. The process typically takes up to 2 weeks but may take longer depending on the volume of registrations at the time. The Corporation Tax rate in Ireland currently stands at 12.5% and 6.25% for companies involved in Research and Development. Companies with non-resident directors may need to demonstrate an active trade in Ireland to successfully register.

**Residence** – A corporation is resident in Ireland if it is managed and controlled in Ireland or, in certain circumstances, if it is Irish-incorporated. Specifically, companies incorporated in Ireland from 1 January 2015 are deemed to be tax resident in Ireland, while companies incorporated before that date will be deemed to be resident in Ireland from 1 January 2021 (subject to some exceptions that may apply where there has been a change of ownership, which can result in the company being treated as resident in Ireland from the point of change of ownership). However, these incorporation-based residence rules will not apply to Irish-incorporated companies that are currently tax resident in a treaty country under the terms of tax treaty between Ireland and that country (competent authority approval confirming place of residence may be required), nor will they apply to non-Irish incorporated companies that are resident in Ireland by virtue of management and control.

## TAXATION

**Basis** – Irish tax resident companies are subject to corporation tax on worldwide profits and gains; foreign-source income derived by resident company carrying on business abroad through a branch or permanent establishment generally will be subject to tax in Ireland at a rate of 12.5 % on the profits of the foreign business. Where a company is not tax resident in Ireland, it is applicable to income tax on Irish-source income and capital gains tax in respect of specified assets (i.e., land and buildings located in Ireland or shares deriving the greater part of their value from such assets). Alternatively, where a foreign company operates an Irish branch, it is subject to Irish corporation tax on profits and gains attributable to the branch.

**Taxable income** – Corporation tax is imposed on a company's profits, which consist of business/trading income, passive income, and capital gains. Normal business expenses incurred in a trade may be deducted in computing taxable income

**Rate** – The corporation tax rate is 12.5% for trading income and 25% for nontrading income. Certain dividends from EU and tax treaty jurisdictions are taxed at the 12.5% rate

## VALUE-ADDED TAX (VAT)

VAT is essentially a sales tax and tax on consumer spending. It is not mandatory to register for VAT unless certain thresholds are reached – €75,000 for goods and €37,500 for services. If your business is VAT registered, you must charge VAT on sales but can reclaim the VAT incurred on purchases. The standard rate for goods & services is 23% and the reduced rate for fuels, building services and take-out food is 13.5%. Companies with non-resident directors will need to demonstrate an active trade in Ireland and/or human/technical resources to successfully register.

## COMPANY FORMATION INFORMATION

### INCORPORATION PROCEDURE

Upon receipt of the client's KYC documents and description of the intended business activity, and after our legal department's due diligence checks, SFM will incorporate the Private Limited Company via our Ireland-based agent as it is necessary for the registered office of the company to be maintained in the Republic of Ireland. KYC requirements consist of:

- Certified/notarised copy of one document verifying proof of identity e.g. passport or valid identity card;
- Original or certified/notarised copy of two documents verifying proof of residential address dated within the last three months  
e.g. electricity, water or gas bill or bank statement.

Under particular circumstances, additional documents may be required.

### INCORPORATION TIMEFRAME

2 to 3 working days\*.

### TRADING RESTRICTIONS

Ireland Private Limited Companies cannot undertake the business of banking, insurance, financial services, consumer credit, and similar or related services.

### NAME RESTRICTIONS

An Irish Private Limited Company name must end with Limited or Ltd. Restricted names include names that are identical or too similar to an existing company or any name which would be considered offensive or suggests criminal activity. The following names or their derivatives require a licence or other Government Authorization: "assurance", "bank", "benevolent", "building society",

## NAME RESTRICTIONS

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Chamber of Commerce", "fund management", "insurance", "investment fund", "loans", "municipal", "reinsurance", "savings", "trust", "trustees", "university", or their foreign language equivalents.

## CORPORATE DOCUMENTS LANGUAGE

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English

## NOTES

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\* Subject to the constraints of the due diligence procedure.

\*\* Documents must be provided for every person related to the company.

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