



Setting Up a Business in Ireland

The foreign investor's guide
to navigating complexity in
this exciting jurisdiction



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Country profile

Located on the north-western edge of Europe, Ireland is a dynamic and welcoming economy that benefits from its status as the only English-speaking country in the European Union (EU). In recent years, many of the world's biggest companies—in the technology and life sciences sectors, in particular—have set up offices or regional headquarters in Ireland. These include tech giants Alphabet, Meta, and Microsoft®, as well as pharmaceutical multinationals such as GSK and Pfizer. Such businesses are attracted by low rates of tax, a stable and pro-business political culture, and a highly skilled workforce.

Officially known as the Republic of Ireland—or Éire in the Irish language—the country takes up most of the island of Ireland, which it shares with Northern Ireland, that's part of the UK. Ireland gained independence from the UK in 1922 and declared itself a republic in 1949. It joined the European Communities, the precursor to the EU, in 1973.

Ireland's economy enjoyed rapid growth in the 1990s and 2000s largely due to the introduction of lower corporate tax rates and a consequent surge in foreign direct investment (FDI). During this period, until the global financial crisis that began in 2007, the country was known as the “Celtic Tiger,” a comparison with fast-growing east-Asian “Tiger” economies such as Singapore, Hong Kong, and South Korea.

Ireland's recovery from the financial crisis was driven in large part by its continued appeal to multinational businesses. A number of major technology companies were incentivized to set up offices in Ireland as a result of high levels of corporate taxation in jurisdictions such as the United States. As a result, Ireland today boasts a thriving start-up ecosystem—indeed, figures from the Irish Venture Capital Association show that venture capital investment into Irish tech start-ups rose by 21% in the first half of 2022 to a record EUR 778.1m.

There's also a significant presence of global pharmaceutical businesses, and Dublin boasts a thriving financial services sector. All of this is underpinned by the Irish government's commitment to creating a highly skilled workforce, as well as to supporting entrepreneurial innovation through a system of research and development tax credits and a forward-thinking intellectual property regime.

The value of overseas investment to the Irish economy is a testament to the country's reputation as one of the most business-friendly nations in the world. Official estimates suggest that 25% of all private-sector employment in Ireland is directly or indirectly the result of FDI¹, while inward investors account for around 80% of corporation tax receipts². In the EY European Attractiveness Survey 2021, Ireland was ranked ninth out of 48 European nations in terms of its draw as a destination for FDI, while it leads Europe when it comes to the number of inward investment projects per capita.

In the wake of the COVID-19 crisis, the development agency IDA Ireland launched a new strategy aimed at helping foreign multinationals navigate post-pandemic economic and logistical challenges such as labor shortages and supply chain disruption. IDA Ireland also put a greater emphasis on encouraging business activity in areas such as sustainability.



¹ IDA Ireland

² EY

Why invest in Ireland?

A pro-business political culture

For several decades now, Ireland’s approach to economic policy has been resolutely and reliably business friendly. As well as maintaining one of the world’s most competitive rates of corporation tax, the country’s government agencies provide a wide range of support to help businesses set up offices, research facilities and factories, as well as connect with local trading partners, and find the right talent.

A highly skilled talent pool

Ireland boasts one of the most highly educated workforces in Europe, a key factor in convincing hundreds of international science and technology-based businesses to set up in the country. According to government figures, 45% of Irish people between the ages of 23 and 34 have completed some form of tertiary education, while Ireland has the EU’s highest proportion of graduates in science, technology, engineering, and math (STEM) subjects among the under-30s.

Ireland is also an attractive destination for skilled workers from around the world—around one in six workers in the country were born overseas, while over 70% of incoming workers have some form of tertiary education⁶.

Comprehensive support for innovation

The world’s most forward-thinking companies choose to operate in Ireland thanks to the close links between the country’s higher education system and industry, and the high level of state support for innovation and research. Ireland has a well-established research and development tax credit system worth up to 37.5% of qualifying expenditure, as well as a strong legal framework to ensure entrepreneurs and businesses can protect and fully benefit from their intellectual property rights.

A long-term home to the world’s most dynamic companies

Many of the world’s most successful and fastest-growing businesses have a base in Ireland, including the five largest software companies, the top five industrial automation firms, and 14 of the 15 biggest medical technology businesses. Half of these companies have had a presence in Ireland for at least a decade⁷.

A gateway to Europe...

As a member of the EU, Ireland offers tariff-free access to the European single market and its 450 million consumers. Businesses registered in Ireland can sell their goods and services throughout the trading bloc with no additional restrictions or bureaucracy—and they’re also free to hire staff from any of the other 26 member states.

Since the UK’s departure from the EU, Ireland has become its only English-speaking nation. However, while Brexit has created some barriers, trade between Ireland and its nearest neighbor remains important to both nations.

... And a bridge from North America

Cultural and language links as well as its relative proximity—the flight time from New York to Dublin is a little under seven hours—mean that Ireland is seen by many American and Canadian companies as a bridge to Europe and even parts of Asia and Africa.

³ BBC

⁴ World Bank

⁵ World Bank

⁶ IDA Ireland

⁷ IDA Ireland

Ireland at a glance

Capital
Dublin

Official languages
English, Irish (Gaelic aka Gaelige)

Currency
Euro (EUR)

Population
5.1 million (2022)³

GDP
USD 498.56 billion (2021)⁴

Area
35,595 square miles

GDP per capita
USD 99,152⁵

The U.K. Standard Time
GMT

Telephone country code
+353

Key cities
Dublin, Cork, Limerick, and Galway



How to do business in Ireland

Entry options for foreign investors

There are very few restrictions on overseas investors in terms of setting up operations in Ireland. There are a number of company structures to choose from and the most suitable will depend on the business's specific circumstances. The main structure options are:

- Private limited company
- Public limited company (PLC)
- Limited liability partnership (LLP)
- Branch of an existing foreign company

All companies in Ireland are obliged to prepare annual accounts and maintain accurate financial records. Accounts should be prepared in accordance with either the European Union-endorsed International Financial Reporting Standards (IFRS) or Irish Generally Accepted Accounting Principles (GAAP).

Private limited company

A private company limited by shares is the most common form of entity used by international investors in Ireland. This type of vehicle does not face as strict regulatory requirements as a public limited company (see below). There is a limit on the number of shareholders a private limited company can have, although it needs to have only one director as a minimum requirement. Private companies can be set up as a subsidiary of a foreign company, but as an independent legal entity, and they can be particularly flexible in terms of the business activities they carry out. There are no minimum capital requirements, although the company must have a physical place of business in Ireland.

Public limited company

A PLC can have an unlimited number of members and can apply to have shares or debt securities listed on the stock exchange. However, PLCs must meet a greater level of regulatory compliance and should have share capital of EUR 25,000 as a minimum, at least a quarter of which should be paid up.

Limited liability partnership

Partnerships are an option if business is being carried out between two or more legal persons. A LLP must appoint two persons (which can be corporate entities), at least one of which must be a general partner who is responsible for any losses. LLPs are tax-transparent, meaning that their distributed profits are not subject to Irish corporate income tax.

Branch of an existing foreign company

Companies based outside of Ireland can set up a branch in the country provided it's registered with the Companies Registration Office within 30 days. The branch can cover a number of business locations provided they're operated through the same management structure. Branches do not have separate legal liability from the parent company, and they're required to submit annual financial returns.



Taxation

Corporation tax

Resident companies are liable for corporation tax, which is levied at a rate of 12.5% on profits made both in Ireland and around the world. Non-resident companies face the same rate of tax, but only on the trading profits generated by branches in Ireland.

A higher corporation tax rate of 25%—known as the passive rate—applies to profits from operations undertaken entirely outside Ireland if they're related to land dealing, mining, or petroleum extraction.

Income tax

Individuals who are resident in Ireland are liable for income tax on earnings from employment as well as other sources of income. From 2023, a standard rate of 20% will be applied to earnings up to EUR 40,000 (up from EUR 36,800 in 2022), while income above this level is taxed at 40%.

Dividend tax

Dividends are subject to a withholding tax of 25%, although there are a number of exemptions. These include dividends paid to companies which are resident in Ireland for tax purposes, those paid to companies that are owned by entities which are resident in a country which has a tax treaty with Ireland (see below), and dividends paid to individuals who are resident either in another EU member state or a tax-treaty country.

Value added tax

In Ireland, value added tax (VAT) is charged at a standard rate of 23% on the sale of goods or services. As of 2022, there's a reduced rate of 13.5% that applies to domestic fuel and power, as well as building services and certain labor-intensive industries, such as cleaning and repairs. A separate reduced VAT rate of 9% applies to services related to tourism, such as accommodation and food provision, as well as to newspapers and sporting facilities.

A zero VAT rate applies to exports, as well as to basic food items, books, and children's footwear and clothing. Oral medicines are also zero-rated. A temporary reduction in the VAT rate for Ireland's hospitality sector, from 13.5% to 9%, applied until February 28, 2023.

Stamp duty

Stamp duty is payable on transactions involving land and certain other assets, including business goodwill and intellectual property. Transfers of residential property are liable for stamp duty of between 1% and 10%, depending on the transaction value, while a rate of 7.5% applies to transfers of residential property.

Tax treaties

Ireland is signatory to 76 double-taxation treaties, 73 of which are currently in effect. The treaties cover income tax and corporation tax. Under these treaties, companies and individuals who are not resident in Ireland for tax purposes may apply to avoid double-taxation on profits or income.

Tax credits and incentives

Aside from its relatively low rate of corporation tax, one of the main tax incentives for businesses in Ireland is its research and development (R&D) tax credit system. The R&D tax credit is worth 25% of the full amount of qualifying expenditure—this is in addition to the 12.5% corporation tax deduction that applies to such activities, creating a potential total benefit of 37.5%. There is also a credit worth 25% for expenditure on buildings where at least 35% of the space is used for qualifying R&D activities over a four-year measurement period.

While these credits are in the first instance used to offset the current year's corporation tax liabilities, any excess can be carried back to offset the previous year's liability and thereby create a tax refund.

Customs policy

As a member of the EU, Ireland is part of the bloc's customs territory and as such, no duties or tariffs apply to imports from, or exports to, other member states. Imports from outside the EU are liable to duties at the rates set out by the EU's Combined Nomenclature rules.

Free trade zones

Ireland has one free trade zone, the Shannon Free Zone, which is at Shannon airport near Limerick, and was the world's first free trade zone. Goods imported from and exported to non-EU countries through the zone are exempt from customs duties.

Employment and labor regulation

There is no legal obligation to provide a written contract of employment, but employers must provide employees with written confirmation of their working conditions within five days of them beginning a new position. This document should include:

- The names of the employer and employee
- The employer's address
- The expected duration of the employment if it's a temporary or fixed-term position
- The method of calculating pay
- The employee's working hours (per day and per week)

In many cases, employers simply provide this information in a written contract at the start of the employment. There is a further obligation to provide a written statement within two months of the start date containing more details of the employer's obligations, including:

- The place of work
- The employee's job title and role
- The employee's start date
- Details of overtime
- Sick leave policy
- Pension policy
- Annual leave policy
- Notice periods on both sides
- Any collective agreements affecting the employment

Social security system

Employers are permitted to deduct payroll taxes and other levies from staff wages. These include:

- Income tax
- Pay-related social insurance
- Universal social charge
- Local property tax

Pay-related social insurance (PRSI) is the Irish state's main means of funding social welfare payments. It's made up of both an employer's and an employee's contribution. The universal social charge (USC) is an additional levy that's used to fund government spending on healthcare, among other services.

Employees who own residential property must pay a local property tax (LPT). If the employee wishes, this tax can be collected through deductions from their monthly salary by the employer.

Ireland is due to introduce a new pension auto-enrolment system in 2024. This will mean that qualifying workers will be automatically included in an employer-run pension scheme, with employer and employee contributions deducted from earnings accordingly.

Termination

Employers who wish to terminate an employee's contract must do so in writing and observe statutory minimum notice periods, provided the worker has completed at least 13 weeks of continuous service. These notice periods are:

- More than 13 weeks, but less than two years of service: one week's notice
- Two years to less than five years of service: two weeks
- Five years to less than 10 years of service: four weeks
- 10 years to less than 15 years of service: six weeks
- More than 15 years of service: eight weeks

An employee can bring a claim for unfair dismissal if they believe their employer has acted unreasonably. In general, such claims can only be pursued by employees who have been in continuous service for at least a year. Employers should clearly document the reasons for a dismissal, and the process relating to it, to help protect themselves against such claims.

Workers can be legitimately dismissed for redundancy provided this is due to:

- A change in the company's purpose or place of business
- A reduction in the business's requirements
- A fall in the number of employees required
- A change in work methods
- A change in work

As with other types of dismissal, the minimum notice periods set out above must be adhered to in cases of redundancy.

Severance payments

Employees dismissed for redundancy may be entitled to redundancy pay. To qualify for a statutory redundancy payment, the employee should have at least two years' continuous service with the employer. Statutory redundancy lump-sum payments are calculated as follows:

- Two weeks' pay for every completed year of service (with a statutory limit of EUR 600 per week)
- One week's gross (pre-tax) pay as an additional bonus

Foreign employees

Citizens of the other 26 EU member states have the right to live and work in Ireland without having to apply for an employment permit. This right also extends to workers from European Economic Area (EEA) members Iceland, Norway, and Liechtenstein, as well as to those from Switzerland and the UK. Other nationals may need to obtain a visa to come to Ireland and will have to apply for an employment permit.

Workers from certain countries, including Australia, Canada, Japan, New Zealand, and the United States, can apply for Working Holiday Authorization through the Irish embassy in their country. This allows individuals under a certain age to come to Ireland for short-term work.

Ireland also offers Critical Skills Employment Permits to workers in certain professions who are not otherwise free to work in the country without

an employment permit. Employees or employers can apply for Critical Skills Employment Permits for jobs that pay at least EUR 32,000 a year and which are on the Critical Skills Occupation List. This list includes roles such as engineers, medical practitioners, teachers, and IT specialists. Critical Skills Employment Permits are also open to jobs paying EUR 64,000 a year or more provided they are not on Ireland's list of ineligible occupations.

Public holidays

In general, workers are entitled to take paid leave on public holidays, or an additional day's leave, or pay, in lieu of working on a public holiday.



The annual public holidays in Ireland are:

- New Year's Day (January 1)
- St Brigid's Day (first Monday in February)
- St Patrick's Day (March 17)
- Easter Monday
- First Monday in May
- First Monday in June
- First Monday in August
- Last Monday in October
- Christmas Day (December 25)
- Saint Stephen's Day (December 26)

Annual leave

Most employees are entitled to a minimum of four weeks' annual leave as a statutory entitlement under the Organization of Working Time Act 1997. This is in addition to public holidays.

Maternity and paternity leave

Female workers who are pregnant are entitled to take maternity leave of up to 42 weeks, made up of 26 weeks of ordinary maternity leave and 16 weeks' additional maternity leave. This entitlement is available regardless of the length of service. There is no statutory obligation for employers to pay employees while they're on maternity leave, but workers can apply to the state for maternity benefit.

Ireland introduced legislation in 2019 giving male and female employees the right to paid parental leave—known as parents' leave—during the first year of their child's life. From July 2022, this right has been extended to allow employees to take up to seven weeks' paid leave during the first two years following the child's birth.

Business hours

Standard business hours in Ireland are from 9:00 a.m. to 5:30 p.m., Monday to Friday.

Minimum wage and overtime

Most employees are entitled to a minimum wage in line with legislation set out in the National Minimum Wage Act 2000. For workers aged 20 or over, the hourly minimum wage is EUR 10.50, rising to EUR 11.30 from January 1, 2023.

Workers aged 19 are entitled to 90% of the full minimum wage, while those aged 18 get 80%. Workers under 18 must be paid at least 70% of the full minimum wage. There is no legal right to pay for extra hours worked and there are no statutory rates of overtime pay. An employer's right to ask an employee to work overtime, and whether or not it should be remunerated, should be set out in the employment contract.

Human Resources legislation

In general, employers in Ireland may not discriminate against employees on the grounds of religious beliefs, age, race, gender, family status, civil status, sexual orientation, disability, or membership of the traveler community. This applies to recruitment, promotion, and dismissal, as well as the terms of employment.

Employees who believe they have been unfairly discriminated against when having their contract of employment terminated can file a claim for discriminatory dismissal with the Workplace Relations Commission.

Ireland has a voluntary system of collective bargaining in workplaces. However, under the Industrial Relations (Amendment) Act 2015, the Labor Court can rule in certain cases on pay and working conditions on behalf of trade union members working in businesses that do not recognize collective bargaining agreements.



How CSC can help you invest in Ireland

Despite the country's open economy and business-friendly climate, newcomers may find Ireland's tax and legal systems difficult to navigate. Before entering the Irish market, foreign investors should seek professional advice to understand these complex matters. Working with a trusted local partner is essential.

Who we are

CSC provides knowledge-based solutions for every phase of the business life cycle, helping businesses form entities, maintain compliance, execute transaction work, and support real estate, M&A, and other corporate transactions in hundreds of U.S. and international jurisdictions.

We work with some of the world's largest banks and commercial lenders to reduce risk in their lien portfolios, improve their transaction speeds, and create a secure environment for their financial processing needs. We also provide solutions for secure real estate document preparation and recording.

We are the trusted partner for 90% of the Fortune 500®, nearly 10,000 law firms, and more than 3,000 financial organizations. Headquartered in Wilmington, Delaware, USA, since 1899, we are a global company capable of doing business wherever our clients are—and we accomplish that by employing experts in every business we serve.

What we can do

CSC provides a wide range of financial and administrative services to clients operating and investing in the international business environment. We help companies expand globally, offering support with restructuring, outsourcing, and further developments. We're experts in management and administration services to operational companies and holding structures across the globe.

In Ireland, we offer a comprehensive, three-pillar approach to any businesses that intends to set up in the country. The first pillar includes all administration services such as legal and financial, administrative support, bookkeeping, bank account management, accounting, and reporting. In addition, we provide support with legal administration issues such as statutory corporate secretary requirements, setting up general meetings, and reviewing legal documentation.

The second pillar offers assistance to foreign clients by providing our offices as a base or setting up bespoke office infrastructure.

The third pillar focuses on providing human resources support and payroll, including assistance with international moves to Ireland. We can also act as directors for the client's entities.



Entity management

- Registered office
- Corporate accounting and reporting
- Special purpose vehicle (SPV) administration
- Corporate secretary and legal administration
- Independent Director services
- Payroll services
- Document execution
- Process agent

Regulatory and Compliance services

- Central Bank reporting
- Audit liaison
- FATCA and CRS reporting
- MAR Compliance services
- EMIR registration
- MLRO, AML Compliance services

Fund AIFM and Depositary services

- Oversight of fund delegates
- Regulatory compliance reporting
- Safe keeping of assets
- Investment and fund risk management
- Distribution and valuation oversight

Agency services

- Share trustee
- Cash management
- Facility agent
- Loan administration
- Investor reporting
- Paying agent
- Calculation agent

Fund Administration services

- Fund accounting
- Investor reporting
- Fund compliances
- Transfer agency

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