

A Guide for UK Businesses Coming to Ireland

Top ten things to consider



1. What Irish structure is best for me?

Merry Mullen can offer advice and help you explore which structure is most suited to your requirements. There are various options when it comes to starting a business in Ireland. You may choose from the following:

- ◆ Sole trader.
- ◆ Partnership (or limited partnership).
- ◆ Private or public limited company.

There are variants on the types listed above, depending on how you would wish liability to be managed. The Irish Companies Registration Office provides a full list of the types of legal corporate identities you can select.

2. How easy is it to form an Irish entity?

Ireland's business-friendly environment, skilled workforce and

strong global links make it a popular place to do business. Ireland is currently ranked as one of the easiest places in the world to do business.

The main steps to set-up a company in Ireland include (but are not limited to):

- ◆ Choose company name.
- ◆ Registered office in the state.
- ◆ Company secretary.
- ◆ Director(s) (one of which is required to be an EU or EEA resident) and shareholders.
- ◆ Register statutory filings to incorporate the company - All Irish companies must be registered with the CRO. This process will take 3-5 working days from submission of signed documentation.
- ◆ Registration for appropriate taxes with the Irish Revenue Authorities.

3. What will I need to open an Irish bank account?

This is an area that can cause delays but having all the relevant identification documentation ready is essential. Exactly what documents you need to open a business bank account in Ireland will depend on the type of account you choose. The documents you are typically asked for (but are not limited to) include:

- ♦ Two forms of ID, including a photo form such as a passport, for the individual opening the account, or for the director(s) and company secretary (and beneficial owners) if a company.
- ♦ A valid bank mandate form, confirming that you have the authority to open an account on behalf of the business.
- ♦ Signature samples for anyone with authority to use the account.
- ♦ The Company Constitution and Certificate of Incorporation (for limited company only).
- ♦ Evidence of partnership (if you are applying as such).
- ♦ Certificate of business name (for sole traders and partnerships).

In many cases the larger banks Allied Irish Banks, Bank of Ireland, Ulster Bank and Permanent TSB require accounts to be set up in person. We have arrangements with some banks to complete an on-line account opening process where documents are certified locally, and attendance may not be required in person. It's also advisable to do research before selecting a bank in relation to their terms and conditions and banking fees and charges.

4. What issues do I need to be aware of regarding staff?

Employees in Ireland must receive certain basic employment rights. These rights are governed by detailed employment legislation in Ireland. Anyone setting up a business that will employ people, will need to be familiar with their responsibilities and your employees' rights.

In many cases Irish employment law and English employment law are strongly comparable. Some notable differences are as follows (but not limited to):

- ♦ Minimum wage rates.
- ♦ Rest break entitlements.
- ♦ Mandatory pension enrolment is not the position in Ireland, whereas it is in the UK.
- ♦ There is no statutory sick pay in Ireland (there may be a contractual entitlement).
- ♦ Annual leave entitlements are different.
- ♦ Redundancy in Ireland is calculated on service alone, in the UK regard is also given to age.
- ♦ Unfair dismissal-in Ireland you need only one years' service, in the UK its two years.
- ♦ There is no preliminary case management procedure in Ireland for employment claims; there is in the UK.



5. What ongoing administration costs should I be aware of?

The main administration costs to consider when doing business in Ireland are as follows (but not limited to):

- ◆ Labour costs.
- ◆ Taxes.
- ◆ Property costs.
- ◆ Transport costs.
- ◆ Utility costs.
- ◆ Services costs.
- ◆ Professional costs.

6. What is the Irish competitor marketplace like?

Today, Ireland's economy is doing well. Ireland's unemployment rate is now at its lowest level since February 2008 and Ireland continues to attract a high level of talent from abroad. Ireland's growth is said to be a result of improved macro-economic conditions and a more stable fiscal performance.

Ireland is very pro-business and offers easy access to world markets by being centrally located for the US, UK, Europe and the Middle East.

From our experience of working with both our business partners and clients we have gained a detailed understanding of what is required to meet the needs of companies looking to invest in Ireland. Some of the key factors include:

- ◆ Availability of a highly skilled and educated labour force.
- ◆ A thriving research, development and investment sector, with strong government support for productive collaboration between industry and academia.
- ◆ Ireland has a low 12.5% corporation tax rate stable government.
- ◆ Full EU membership with free movement of goods, capital, services and labour together with ability to utilise EU tax directives and exemptions.
- ◆ Special Assignee Relief Programme (SARP) for staff assigned from abroad.
- ◆ Generous Research and Development Tax Credit (25%).
- ◆ Ireland also contains strategic clusters of leading global companies in life-sciences, ICT, engineering, services, digital media, and consumer brands.
- ◆ Strong level framework.
- ◆ English Speaking and Dublin is a place where more major languages are spoken than in any other major city in the world.
- ◆ Barrier-free access to over 500 million consumers within Europe.



7. What are the business tax considerations for a UK group expanding into Ireland?

A clear tax strategy is essential for any UK group expanding into Ireland.

Merry Mullen has a dedicated tax team. Our partner-led approach allows us to create lasting relationships with our clients and ensures the highest standards of service. We work in a collaborative way, tailoring our service to suit the varied needs of the clients we work with.

In addition to our tax services and advice, Merry Mullen publishes annually a tax booklet which provides a useful and detailed guide to our clients on the Irish tax system. It provides a summary of all the rules applying in the tax year, within the main categories of current taxation law.

8. What are the VAT implications for UK businesses expanding into Ireland?

The extent that the UK does, or does not, remain in the customs union will have a significant impact on VAT obligations. A UK exit from the EU is expected to be particularly challenging for Irish businesses. It will affect different companies in very different ways, and firms need to be proactive and prepare their responses by identifying where the key risks and opportunities lie.

Amongst other things, these implications may include a prolonged period of currency volatility, divergent regulatory frameworks, tariff and non tariff trade barriers, restrictions on movement of people, new competition and market access constraints.



9. What do I need to be aware of re Irish residency status?

If you are a national of the European Economic Area (EEA) or of Switzerland, you have the right to stay and work in Ireland. Also, people who are citizens of the United Kingdom (UK) are entitled to live in Ireland without any conditions or restrictions. There are various types of residence rights or permissions that nationals of non-European Economic Area (EEA) can apply for, to reside in Ireland, details of which can be obtained from the Irish Naturalisation and Immigration Service (INIS).

There is a specific definition of residence for tax purposes depending on how many days you spend in the country. A person's liability for tax in Ireland will be dependent on whether you are tax resident in the country and whether Ireland is your permanent home (domicile). There is also a concept of 'ordinary residence' which refers to the country where you are usually resident over a number of years. The country that is your permanent home is known as your domicile. Residence and domicile are taken into account for a number of taxes in Ireland including income tax, deposit interest retention tax, capital acquisitions tax (similar to IHT) and capital gains tax.

A person may be resident in Ireland under domestic legislation and also resident in the UK under UK domestic legislation. In this case there is a double taxation treaty which will determine which state a person will be resident for tax purposes.

It should be noted that a person is liable to tax in the state on Irish source income and in this regard, fees paid to a director of Irish companies and employment income for services exercised in the state are subject to PAYE in Ireland.

10. Are there grants I can avail of either in Ireland to support my expansion?

There has also never been a better time to start a new business in Ireland, with a growing number of generous research and development programmes for start-ups and government supports for entrepreneurs. Some of these include but are not limited to:

- ◆ Local Enterprise Office.
- ◆ Enterprise Ireland.
- ◆ High Potential Start-up (HPSU).
- ◆ Competitive Start Fund (CSF).
- ◆ Regional Enterprise Development Fund 2017-2020.
- ◆ New Frontiers.

How we can help UK companies to set up in Ireland

- ◆ We help businesses and their owners to set up in Ireland.
- ◆ We provide a complete accounting, tax consultancy and business advisory service for your business.
- ◆ If you need an Irish personal tax return and personal tax advice then we are well positioned to help.
- ◆ We work closely with Goodman Jones, our sister firm in London and are both active members of the British Irish Chamber of Commerce.



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