Ireland as a Location for Doing Business

DILLON EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO

Contents

Ireland as a Location for Doing Business

Ireland as a location for doing business	Page 2
Incentives for Inward Investment in Ireland	Page 3
Organisation of Business in Ireland	Page 6
Tax & Tax Incentives	Page 8
The Labour Market and its Legal Framework	Page 18
Property, Construction, Planning and Environmental Law	Page 22
Intellectual Property	Page 24
Ireland's Commercial Court	Page 26
About Dillon Eustace	Page 27
Appendix I: List of countries with whom Ireland has a Tax Treaty	Page 29
Appendix II: Ireland: A statistical snapshot	Page 32

IRELAND AS A LOCATION FOR DOING BUSINESS

The attraction of Ireland as a business location can be largely attributed to the positive approach of successive Irish governments and their agencies to the development of inward investment, its membership of the European Union, a very competitive corporate tax rate and a highly qualified, innovative and flexible labour pool. In addition, Ireland remains increasingly aware of the importance of cost competiveness with the other EU member states and the Irish Government continues to address this issue.

Over 1,000 international companies have considered these benefits and ultimately opted for Ireland as their preferred location to serve the European market. These companies are involved in a wide range of business activities and sectors, including the following:

Financial Services

Since its establishment in 1987, Dublin's International Financial Services Centre (IFSC) has emerged as a significant global financial centre. The IFSC is serviced by a range of international financial services companies that carry out activities such as banking, fund management and administration, corporate treasury, aircraft and equipment leasing and insurance services. AIG, BNP Paribas, Citigroup, Pioneer, JP Morgan, Morgan Stanley, Bank of America, Deutsche Bank, Orix and AWAS are just a few of many established international financial operations located in Ireland. In addition, over 350 fund promoters from 50 different countries have established regulated investment funds in Ireland.

Electronics and Engineering

Leading multinationals have established operations in various geographical locations in Ireland, where they carry out a wide range of manufacturing and research related activities. Examples of such companies include Thermo-King, Liebherr, SR Technics, Siemens and Ingersoll Rand.

Pharmaceuticals, healthcare and biosciences

Many global leaders in the healthcare, pharmaceutical and bioscience sectors, including Boston Scientific, Pfizer, Johnson & Johnson, Elan, Schering-Plough and GlaxoSmithKline, have a significant presence in Ireland.

Research & Development

Ireland's intellectual property laws combined with recent Government initiatives including tax credits, the patent royalty tax exemption scheme, support from the Government funded Science Foundation Ireland (SFI) and a focused approach to furthering the development of a

sophisticated knowledge based economy, have resulted in the establishment of numerous research and development projects in Ireland.

In 2008, almost 43% of all Industrial and Development Agency (IDA) supported foreign direct investments into Ireland were Research and Development initiatives ranging across a broad spectrum of sectors and industries. Internationally recognised names such as EMC, Pfizer, Genzyme, Intel, Aon, Sony, Toshiba and IBM have selected Ireland as their base for such projects.

- Sales & Marketing

Strategic global business development and support activities have been implemented from Ireland by multinationals such as IBM, Kelloggs, Google and McAfee.

- Teleservices

A variety of language skills amongst an available workforce have influenced the creation of a large number of call centre, telemarketing and shared services centres in Ireland. In recent years, American Airlines, Hertz, UPS, Oracle and Xerox have chosen Ireland as a location for such centres.

- Holding Company Regime

Ireland's capital gains tax exemption for certain shareholdings accompanied by reliefs for overseas tax on dividend income received by Irish resident companies has contributed to a significant increase in the establishment of international holding companies in Ireland. Such reliefs have facilitated the use of Irish registered companies as investment vehicles for foreign investors seeking the most tax efficient means of investing in international projects in a number of countries, including China, Japan and the USA.

Incentives for Inward Investment in Ireland

Ireland is a long-standing and committed member of the European Union and offers investors ready access to that market.

Notwithstanding that in June 2008, 53.4 per cent of Irish voters rejected the adoption of the Lisbon Treaty, the Irish Government continues to strongly endorse the Lisbon Treaty and a revote in Ireland, presenting new benefits for Ireland in the event the Lisbon Treaty is ratified, is anticipated before the end of 2009.

The Irish government actively encourages international companies to choose Ireland as a European base by providing a package of incentives which consist of fiscal incentives and financial assistance. Such state financial assistance, usually in the form of grant assistance, can contribute to significant reductions of initial start up costs.

The availability of grant assistance is largely dependent on two factors; first, the intended geographical location of the project in Ireland and, secondly, the level and quality of the employment that is to be created. Projects in the regions outside of Ireland are more likely to obtain assistance.

The IDA is the primary government agency with responsibility for creation of employment and the promotion of foreign direct investment into Ireland and the development of those international companies that have an established Irish presence. The IDA remains committed to attracting high level foreign direct investment and can generally provide a wide range of grant aid for new industry. In 2008, the IDA attracted 130 foreign direct investment projects, securing circa € 2 billion in investments.

The following grants are available from the IDA:

- Capital Grants

The cost of acquiring fixed assets, such as land, buildings, new plant and equipment, can be subsidised by capital grants. In certain circumstances, aid may be available for the acquisition of intangible assets such as patent rights, licences and know-how. The amount of such grants is subject to a maximum level which is determined by EC State Aid rules. The grant agreement will normally place restrictions on the disposal of grant-aided assets.

- Employment grants

Employment grants are available where permanent full-time jobs are created. These are the most common type of grant and are non-taxable. The amount of grant paid depends on the location of the project, the level of investment involved, the activities undertaken and the skill level of the employee. Typically, the higher the skill level of the employee, the greater the amount of the grant.

- Research and Development grants

Certain companies are eligible to apply for grants towards the development of R&D functions and facilities in Ireland. In addition, international companies operating in Ireland are eligible to apply for R&D grants offered by the European Union.

Other categories of grants

The IDA may offer companies grants towards the cost of “innovation” projects such as aid to new innovative enterprises or innovation in services, and grants towards the cost of substantial training programmes. Another grant awarding body, namely Shannon Development, offers grants to foreign inward investors that establish projects in the Shannon region. Udaras na Gaeltachta, a body responsible for encouraging investment in the Irish (Gaelic) speaking areas of Ireland, may offer a variety of grants. Science Foundation Ireland (SFI) awards grants to distinguished scientists, academic researchers and research teams who are most likely to generate new knowledge, technologies, and leading competitive enterprises in biotechnology and information and communications technology.

Grant Application Procedure

The application process for IDA grants generally takes a number of weeks from the receipt of all application documents/information.

Following an introductory meeting, the IDA will request the submission of a formal business plan with respect to the project of interest. Generally, the business plan should contain the following:

- background information on the applicant company;
- a description of the proposed project and the reasons for selecting Ireland as a business location;
- proposed ownership structure of the Irish operation; and
- financial projections for a period of five years.

In the normal course of events, the IDA will then seek clarification on aspects of the business plan, and once clarified, shall make outline proposals in relation to grant aid. Negotiations, in respect of the level and form of the promoter’s investment, the level of grant aid and any related matters, then follow. In the case of capital and employment grants, the number, quality and location of jobs to be created are major determinants of the overall grant amount awarded. An internal review process of the project is carried out by the IDA and in the case of very large projects the proposed grant package may require Irish Government and European Union approval.

Grant Agreement

If the application is approved and an incentive package agreed, a grant agreement is then entered into between the IDA, the Irish entity and its promoter/parent company. This agreement, which sets out the terms on which the grant aid is given, may vary. However the following key provisions are typically standard:

- a standard requirement that the aggregate level of grants paid must be matched by an equal amount of equity investment by the promoters. The IDA's preferred position is that this equity be in the form of common stock or ordinary share capital. However, "equity equivalent" is normally acceptable up to a maximum of 75% of the total grant aid. Equity equivalent is usually in the form of subordinated loans from the promoters or undistributable reserves or capital contributions;

- a prohibition on a change of control of the parent company or Irish entity without IDA consent;

- provision for the repayment of the grants in the event of a breach of conditions of the grant agreement, an appointment of a receiver or liquidator to the company, a sale of the property which has been grant aided, a failure to achieve employment targets, or where the Irish project ceases to carry on business; and

- a grant agreement may be conditional on European Commission approval and on compliance with the European Commission's decision in respect of the aid, if granted.

Payment of Grant

All claims for payment of grants must be supported by an auditor's certification that an applicant company has incurred the relevant expenditure. It is important to maintain adequate records of such expenditure and to ensure the availability of comprehensive information on a timely basis, to facilitate the efficient payment of grants.

Organisation of Business in Ireland

Types of Corporations available under Irish law

There are two types of company in Ireland, private companies and public companies. The most popular form of business entity for inward investment projects in Ireland is a private company limited by shares. The shareholders of a private limited company have limited liability (i.e. their liability is limited to the amount, if any, unpaid on the shares they hold). A

private unlimited company may also be incorporated however the liability of its shareholders is not limited. Unlike a private limited company, a private unlimited company is not required to file its annual accounts with the Companies Registration Office and therefore the financial results of a private unlimited company are generally not available to the public.

Procedure for incorporation

In order to incorporate a private company limited by shares, certain documents are required to be filed with the Irish Companies Registration Office (CRO), including details relating to the proposed shareholders, directors and company secretary of the company to be incorporated, and a form of written consent of the directors and company secretary to act and acknowledge their legal obligations. The memorandum and articles of association of the company to be incorporated is also submitted to the CRO. Once the new company is incorporated, these documents are available for public inspection.

It normally takes 15 days to incorporate a company however, it is possible to utilise the 'CRODisk' or 'fe phrainn' procedures using standard constitutional documents to have a company formed within five to ten working days.

Board of Directors

All companies incorporated in Ireland after 11 February 1999 are regarded as Irish Tax Resident. However, such assumption of residence by incorporation will not apply where a 'treaty' or 'trading' exemption applies and therefore residence of a company will normally be determined by the location of central management and control and accordingly where the meetings of the board of directors are held. The management of a company is usually entrusted to the board of directors of the company. Every Irish incorporated company must have at least one director resident in Ireland, or alternatively, provide a bond to the value of € 25,400 as surety in the event of the company failing to comply with certain company law and tax requirements. A company may be exempted from this requirement, if, following consultation with the Revenue Commissioners, it has a certificate from the CRO confirming that the company has a "real and continuous link with one or more economic activities" in Ireland. However, this option will only be available to companies post incorporation.

Every Irish company is required to have a company secretary, who will be responsible for ensuring that the company performs all administrative functions associated with the regulatory and legislative requirements of the company. A company secretary may also be a director of the company. On a practical level, many companies engage professional company secretarial services to assist with this function.

An Irish incorporated company must have a registered address in Ireland, to which all Companies Registration Office correspondence and legal notices to the company will be sent.

- Activity in Ireland

A company will not be incorporated in Ireland unless the company will, when registered, carry on an activity in Ireland. A declaration to this effect must be filed with the CRO.

- Branch operations in Ireland

For Irish company law purposes, a branch is a division of a foreign company trading in Ireland that has the appearance of permanency, has a separate management structure, has the ability to negotiate contracts with third parties and has a reasonable degree of financial independence.

A foreign company setting up a branch in Ireland is required to file basic information with the Registrar of Companies in Ireland. This includes the date of incorporation of the company, the country of incorporation, the address of the company's registered office, details regarding the directors of the company and the name and address of the person responsible for the branch's operations. A certified copy of the foreign company's constitution, certificate of incorporation and a copy of the latest audited accounts must also be filed with the Registrar of Companies.

A foreign company trading in Ireland through a branch is required to file the company's financial statements with the Registrar of Companies within eleven months of the parent company's year end or at the same time that they are filed by the parent company, whichever is earlier. Separate branch financial statements are not required. As with Irish incorporated entities, changes in previously notified information must be reported to the Registrar of Companies.

Tax & Tax Incentives

The favourable taxation regime in Ireland has played a significant role in attracting inward investment to Ireland in recent years. The key incentives from a taxation perspective are; the low corporation tax rate of 12.5%, the capital gains tax participation exemption for holding companies and the general ability to pay and receive dividends free of withholding tax. The Finance (No.2) Act 2008 sets out the legislative changes to the taxation regime in Ireland for 2009 and can be seen as continuing evidence of the Irish Governments commitment to attracting foreign direct investment.

The key benefits of the Irish taxation regime include;

- No withholding tax on interest payments to EU/treaty countries (pursuant to the Finance (No.2) Act 2008 treaty countries now include those countries with which a double tax treaty has been signed but not yet ratified. A list of those countries is contained in Appendix 1);
- No withholding tax on dividends to EU/treaty countries;
- No Controlled Foreign Corporation legislation;
- No transfer pricing rules;
- No capital duty;
- No thin capitalisation rules;
- An extensive tax treaty network;
- Tax credit system for expenditure on research and development;
- An exemption from capital gains tax in respect of the disposal of shareholdings in qualifying companies; and
- No capital gains tax exit charge for EU/treaty countries.

- Corporation Tax

Scope of Corporation Tax

Companies which are resident in Ireland for tax purposes are subject to Irish corporation tax on their worldwide income and gains. Non-Irish resident companies that operate in Ireland through a branch are liable to corporation tax on trading income arising directly or indirectly from the branch.

Charge to tax and residence

A company which is incorporated in Ireland will be regarded as tax resident in Ireland unless;

- the company is treated as resident in a country by virtue of a double tax treaty entered into between that country and Ireland; or

- if the company or a related (50% or more) company has trading operations in Ireland and either the company is ultimately controlled (more than 50%) by tax residents of an EU Member State or a country with which Ireland has a double tax treaty, or, the company or a related company is quoted on a recognised stock exchange of an EU Member State (including Ireland) or a country with which Ireland has a double tax treaty.

For companies which fall within one of the above exceptions and for companies which are not incorporated in Ireland, tax residence is determined by reference to where the central

management and control is exercised. The courts generally place considerable emphasis on the location of meetings of the board of directors in determining who exercises the central management and control of a company.

Computation of taxable income

Corporation tax is chargeable in respect of the taxable profits of a company for an accounting period. An accounting period cannot exceed 12 months and normally coincides with the company's accounting year. In general, the trading profits of a company are computed in accordance with general accounting principles (Irish GAAP or IFRS). However taxable profit is adjusted for particular items such as depreciation which is disallowed.

Payment of corporation tax

Ireland operates a self assessment system for tax purposes. A company is obliged to make a preliminary payment of not less than 90% of its tax liability by the 21 day of the month preceding the end of the accounting period. The balance, if any, must be paid at the same time as the company is due to file its tax return for the period.

The Finance (No 2) Act 2008 provides for changes in relation to the payment of preliminary corporation tax by "large companies" (i.e. companies whose corporation tax liability for the preceding accounting period exceeded €200,000). Large companies will now be required to make two preliminary corporation tax payments as opposed to one. In respect of companies with a 31 December year end, the first instalment of preliminary corporation tax will be due on or before 21 June. This first instalment must be equal to either 50% of the corporation tax liability for the preceding accounting period or 45% of the final corporation tax liability for the accounting period in question. The second instalment of preliminary corporation tax will be due on or before 21 November and this payment must bring the total preliminary corporation tax paid to 90% of the final corporation tax liability for the accounting period in question. The balance of the corporation tax is due when filing the return (e.g. 21 September of the following year for a company with a 31 December year end).

The Finance (No 2) Act 2008 also brings the payment date for income tax by tax resident companies in line with the payment dates for corporation tax. In addition, where accounting periods are shorter than 7 months, 90% of preliminary corporation tax will be payable in one instalment as before.

The revised rules for payment of preliminary corporation tax take effect for accounting periods commencing on or after 14 October 2008.

Rate of corporation tax

Ireland has an extremely favourable corporation tax rate of 12.5% on profits earned in the course of an active business (a trade). Passive income (including interest and royalties) earned by a company is taxed at a rate of 25%. Prior to the introduction of 2008 Finance Act dividends paid to an Irish company by non-Irish resident companies were subject to tax of a rate of 25% as passive income, regardless of whether the dividends paid were paid out of passive or trading profits. The 2008 Finance Act changed this by providing that dividends paid by a company located in the EU or in a country with which Ireland has a double tax treaty (or pursuant to the recent changes in the Finance (No 2) Act 2008 countries with which Ireland has signed but not yet ratified a double tax agreement) to an Irish company will be chargeable to corporation tax at 12.5% (as opposed to 25%) to the extent that the dividend is paid out of trading profits.

The 12.5% corporation tax rate is available to all business sectors, making Ireland an attractive location for business sectors which have not traditionally regarded Ireland as a location from or through which to do business. The Revenue Commissioners have established a process whereby they will give an opinion as to a taxpayer's entitlement to the 12.5% corporation tax regime. The issue in most cases is whether the activity conducted in Ireland comprises the carrying on of a trade in Ireland for tax purposes. Where a company is considered to be carrying on a "trade" in Ireland from an Irish tax perspective its trading income will be liable to corporation tax at 12.5%.

Corporation Tax Relief for certain start up companies

The Finance (No.2) Act 2008 contains a new relief from corporation tax in respect of certain companies which commence to trade in 2009. The relief will not however apply to *excepted trades* (dealing in or developing land, petroleum and minerals) or companies whose trade consists of the provision of certain professional services. Anti-avoidance provisions have been introduced to exclude new companies which take over existing trades from this relief.

Under the relief where the corporation tax payable by a company does not exceed €40,000, the corporation tax payable by the company for the accounting period will be reduced to "nil" in so far as it relates to a new trade. The relief will apply for a period of 3 years from the date of the commencement of the new trade. The relief will also apply to corporation tax payable on chargeable gains arising on the disposal of qualifying assets (essentially assets used for the purpose of the new trade) during the 3 year period.

The commencement of the above is subject to a commencement order from the Minister for Finance, which is due to be made after consultation with the European Commission.

Research and Development

In certain circumstances Irish tax legislation provides for a tax credit for research and development expenditure. The current regime provides for a 20% tax credit in respect of incremental expenditure on qualifying R&D. A company may claim this credit against its corporation tax liability. Any remaining excess can be carried forward indefinitely against future corporation tax liabilities. The Finance (No.2) Act 2008 increases the available credit to 25%. A company's R&D tax credit is calculated based on its incremental R&D spend over and above its qualifying R&D spend in its base year. The Finance (No.2) Act 2008 also sets 2003 as the base year for all future accounting periods. It should be noted that the Finance (No 2) Act 2008 reduces the time limits in which R&D credit claims must be made to 12 months from the end of the accounting period in which the qualifying expenditure was incurred. This amendment will apply to claims made on or after 1 January 2009.

The Finance (No.2) Act 2008 has relaxed the requirements in relation to claiming tax credits for expenditure on buildings or structures used for R&D. The requirement that the expenditure must be incurred on a building or structure used "*wholly and exclusively*" for the purpose of R&D activities has been removed and effectively replaced with a requirement that the building or structure has a minimum of 35% use which is attributable to the R&D activities carried on by the company for a defined 4 year period. The full tax credit will be available for offset against the corporation tax liability of the company for the accounting period in which the relevant expenditure is incurred (as opposed to being spread over 4 years as is currently the case).

Tax Treatment and Certain Venture Fund Managers

The Finance (No.2) Act 2008 also contains a provision which relates to the taxation of venture fund managers involved in investing in companies carrying out R&D. The driver for this change would appear to be a desire on the part of the Irish Government to encourage venture capital managers which invest in R&D companies and therefore help drive innovation to establish in Ireland. The relief provides that where a company or partnership makes an investment which remains in place for at least 6 years in the shares of a private company which is set up after 1 January 2009 and carries on a business of research, development or innovation the relevant share of any profits from that investment will be subject to capital gains tax at the rate of 12.5% for companies and 15% for partnerships

Taxation of Dividends

Dividends and other profit distributions received by an Irish resident company from another Irish resident company are exempt from Irish tax.

Dividends paid by a company located in the EU or in a country with which Ireland has a double tax treaty or in a country with which Ireland has signed but not yet ratified a double tax agreement to an Irish company will be chargeable to corporation tax at the rate of 12.5% to the extent that the dividend is paid out of “trading profits”.

If only part of the dividend is derived from “trading profits”, then the requisite part of the dividend will be liable to tax at 12.5% with the balance taxable at 25%.

A company receiving a foreign dividend may set the foreign tax on the dividend against Irish tax on that dividend. The foreign taxes may be relieved in three ways; under bilateral treaty provisions, in accordance with the EU Parent-Subsidiary Directive or under unilateral relief provisions. Where the unrelieved foreign tax credits in an accounting period exceed the aggregate amount of corporation tax payable, the excess may be carried forward for offset in subsequent periods. This regime means that normally no further Irish tax is payable on such dividends.

Relief and Double Taxation

Irish domestic tax law provides for preferential treatment in relation to certain payments to and from countries with which Ireland has a double taxation agreement in place and/or the country is an EU Member State. The Finance (No.2) Act 2008 extends the benefits available under Irish domestic tax law in cases where the double tax agreement is signed (by both sides) between Ireland and the relevant country (as opposed to being signed and having force of law). This is a very welcome relief and immediately adds four countries to the list of countries that qualify.

Loss Relief

Tax losses incurred by a company can be utilised in a number of different ways. Trading losses can be carried forward indefinitely against profits of the same trade. Where the loss is to be set off against other income that is taxed at a different rate there are provisions which allow for losses to be set against relevant profits on a value basis. The tax losses of a company which forms part of a tax group can be offset against taxable profits of another group company.

- Income Tax

Residency Test

Irish resident individuals are liable to Irish income tax on their worldwide income. An individual will be considered to be resident in Ireland in a tax year if they are present for 183 days in a tax year or are present in Ireland for a total of 280 days in two consecutive tax

years, provided that such an individual was present in Ireland for at least 30 days in each year. Individuals who are not resident in Ireland for tax purposes are liable to Irish income tax where they are in receipt of Irish source income. The Finance (No.2) Act 2008 changes this test and from 1 January 2009 an individual will be regarded as present in Ireland for a day if the individual is present in Ireland at any time during that day. This tightening of the tax residency rules will make it easier for individuals to be categorised as Irish tax resident.

Payroll Taxes

Employment income in Ireland is subject to a withholding tax known as the Pay As You Earn ("PAYE") system. The amount an individual can earn at the standard rate of tax (20%) is proposed to be increased from €35,400 to €36,400 and with proportionate increases for married couples and single parents. The higher rate of tax is 41%.

Pay Related Social Insurance ("PRSI") is a social insurance charge based on earnings. Different rates apply depending on the amount of earnings.

Employers are responsible for the collection and payment of payroll taxes.

Remittance Basis of Taxation

The Finance (No.2) Act 2008 widens the remittance basis of taxation. The aim of this amendment is to increase the appeal of Ireland as a jurisdiction for foreign direct investment and it is therefore targeted at attracting highly skilled and highly paid individuals to Ireland. Non Irish domiciled individuals who are resident in Ireland and who were resident in a jurisdiction with which Ireland has a double tax treaty but not within the EEA may qualify for relief. To avail of the relief the individual must be paid from abroad and work in Ireland for at least three years. Individuals to whom the relief applies will calculate their tax liability on the greater of:

- the sum of any employment income earned, received or remitted in that tax year; or

- an amount equal to €100,000 plus 50% of any employment income in excess of €100,000.

Where this recalculated liability is less than the income tax already paid, the individual will be entitled to a refund.

Income Tax on Irish Source Income

There is a technical charge to Irish income tax in respect of non-Irish residents who are in receipt of Irish source income. This charge is subject however to a number of exemptions which have been extended in two respects by the Finance (No.2) Act 2008.
Firstly, interest paid on wholesale debt instruments (this includes certain certificates of deposits and commercial paper) to non-Irish residents will not be subject to Irish income tax provided that the recipient is tax resident in an EU Member State or tax resident in a country with which Ireland has signed a double taxation agreement or in a country with which Ireland has signed but not yet ratified a double tax agreement.

Secondly, a non-resident will not be chargeable to Irish income tax in respect of discounts arising on securities issued by a company or investment undertaking in the ordinary course of a trade or business, provided again that the recipient is tax resident in an EU Member State or in a country with which Ireland has a double taxation agreement or pursuant to the Finance (No 2) Act 2008 in a country with which Ireland has signed but not yet ratified a double tax agreement. This is a welcome development for Irish based entities who wish to issue bonds and other debt instruments, including securities to an international investment market.

The above amendments apply to relevant interest paid or discounts arising on or after 1 January 2009.

- Withholding Taxes

There is an obligation to withhold income tax at the standard rate, which for 2008 is 20% from certain types of payments. Where tax is withheld it can be offset against the Irish tax liability on the income or gain. If no tax liability arises, the tax withheld is normally refundable. The main types of withholding taxes are as follows;

- interest withholding tax applies to Irish source yearly interest payments. There are certain payments of interest that are specifically excluded from the requirement to deduct withholding tax, e.g. interest paid in Ireland to a bank carrying on a banking business in Ireland or interest paid to a company which is resident for tax purposes in an EU country or a country with which Ireland has a double taxation agreement in place, provided that interest is paid in the ordinary course of a trade or business and is not paid in connection with a trade or business which the foreign company is carrying on in Ireland through a branch or agency;

- dividend withholding tax applies to dividends and other profit distributions made by Irish resident companies. Exemptions are available where the payments are made to persons resident in other EU Member States or in countries with whom Ireland has a tax treaty

and also to certain categories of shareholders including Irish resident companies, charities, pension funds and certain collective investment undertakings; and

- income tax at 35% is withheld from payments made to contractors in the construction, forestry and meat processing industries.

- Capital Gains Tax

Scope of Capital Gains Tax

Companies resident in Ireland for tax purposes are subject to corporation tax on their gains. Non-resident companies are chargeable to capital gains tax on disposals of certain specified assets, e.g. land in Ireland.

The rate of capital gains tax has been increased from 20% to 22% by the Finance (No.2) Act 2008. This increased rate will apply to disposals made on or after 15 October 2008. Where a company has related companies that are tax resident in Ireland and where certain criteria are met, assets can be transferred between companies without gains being recognized for tax purposes.

Participation Exemption

The legislation provides that the disposal of shares in a subsidiary company by an Irish holding company will be exempt from Irish capital gains tax provided the following conditions are met:

- The holding company must have held at least 5% of the ordinary share capital (including the rights to profits and assets on a winding up) for a continuous 12 month period and the disposal must take place during or within 2 years after the date of meeting the aforementioned holding requirement. Therefore, if a disposal is made which brings the shareholding below 5%, the remaining shareholding will still qualify for the participation exemption provided the remaining shares are disposed of within two years.

- The shares being disposed of must be in a company resident in the EU (including Ireland) or in countries with which Ireland has concluded a double tax treaty.

- At the time of disposal, the shares being disposed of must be in a company whose business consists wholly or mainly of the carrying on of a trade or trades, or if taking together, the businesses of the holding company and that of the companies in which it has a direct or indirect 5% or more holding, consist wholly or mainly of the carrying on of one or more trades.

Value Added Tax

In common with all EU countries, Ireland operates a consumption tax known as VAT. VAT is charged on the supply of most goods and services. Businesses that carry on activities that are chargeable to VAT are required to register with the tax authorities and account for VAT at the appropriate rate in respect of revenues derived from the supply of goods and services. The standard rate of VAT has been increased from 21% to 21.5% in the Finance (No.2) Act 2008. In practice, VAT is not a cost for most businesses since the VAT may be passed on to customers. Furthermore the VAT suffered on the purchase of goods and services by taxable businesses may be reclaimed from the tax authorities by way of a bi-monthly VAT return.

Exempt businesses (such as banking and insurance) are not required to account for VAT on supplies of services but cannot recover VAT incurred on purchase of goods and services.

VAT will not arise for holding companies if the holding company's activity is limited to the holding of shares as the company will not be deemed to be a taxable person for VAT purposes. Consequently pure holding companies are not required to register for VAT.

Ireland operates an incentive for exporters where 75% or more of their turnover derives from exports which permit such a person to qualify for authorisation to purchase most goods and services at the zero per cent rate of VAT.

Stamp Duty

Stamp duty is a one-off tax on documents or instruments and generally arises on instruments that transfer assets from one person to another. The rates of stamp duty vary depending on the property that is being transferred.

Stamp Duty at a rate of 1% (based on fair market value) may arise on the transfer of shares in Irish companies. Transfers of Irish land attracted stamp duty at rates up to 9% (the Finance (No.2) Act 2008 reduces this rate to 6%, in the case of non residential property). Stamp duty law provides a group relief which can eliminate duty on transfers of shares within a group of companies. This relief is known as "associated companies relief". To qualify for associated companies relief the companies in question have to be 90% associated. The transfer and transferee must remain in the group for two years from the date of the transfer.

There are also various reliefs and exemptions available in respect of the acquisition of intellectual property, dealings in certain financial instruments, and group re-organisations. Where a charge to stamp duty does arise it is payable within 30 days of the execution of the relevant documents.

Conclusion

The Irish corporation tax system is recognised as uncomplicated and, as such is associated with low compliance costs. The absence of controlled foreign company legislation and transfer pricing rules, the absence of thin capitalization rules, the favourable corporation tax rate, the availability of a deduction from interest monies to acquire certain shareholding, the capital gains tax participation exemption, the taxation regime for foreign dividends and the extensive tax treaty network make Ireland a jurisdiction of choice for foreign direct investment.

The Labour Market and its Legal Framework

Labour Market

The labour market in Ireland offers inward investors a pool of young, well educated and highly motivated workers.

Almost 40% of the Ireland's young growing population are under 25 years of age (compared to the European average of approximately 29%). The educational system in Ireland ranks among the best in the world and approximately 45% of new entrants to third level education in Ireland undertake business, engineering, computer science or science courses. While Ireland is English speaking, a significant proportion of students and graduates are proficient in more than one language. A large foreign labour resource also continues to satisfy multi-lingual requirements and complement the provision of efficient services by companies such as Google, from Irish based service desks.

Legal Framework

Labour (or employment law), is derived from a number of sources such as the Irish Constitution, legislation (both domestic and EU based), decisions of the Employment Appeals Tribunal, the Equality Tribunal, the courts and custom and practice. Some of the main aspects of Irish employment law are as follows:

<u>Industrial Relations</u>

Ireland offers a well developed industrial relations system. Free collective bargaining and the right to join a trade union are recognised and disputes between employees and employers are resolved with recourse to the Labour Court, as established under the Industrial Relations Acts 1946 to 2004. Pursuant to the Employees (Provision of Information and Consultation) Act, 2006, employers, subject to the size of their workforce, may be obliged to inform and consult with their employees.

Contracts

Generally, parties to employment contracts may negotiate terms. However certain requirements must be taken into account. A written statement of details of the contract such as salary and deductions, work hours, holidays, sick pay etc, must be presented to the employee within two months of commencement of employment.

Minimum Notice

In the absence of employee misconduct, the employer is required to provide the employee with minimum notice of termination of contracts of employment. Such a notice period may vary in duration from one week's notice to eight week's notice, depending on the employee's period of continued service.

Dismissals

Unless an employer succeeds in establishing substantial grounds (such as employee's conduct, capability or redundancy) to justify the dismissal, an employee that has been employed for more than one year is protected from being unfairly dismissed. The Employment Appeals Tribunal may award damages up to an amount corresponding to two years remuneration.

Redundancy

Compensation is payable to employees made redundant. The selection process undertaken to identify those employees dismissed by reason of redundancy must be objectively justified.

Employment Equality

Discrimination on grounds of age, disability, gender, marital status, family status, religion, race, sexual orientation or membership of the travelling community in respect of entry requirements to employment and terms and conditions of employment, is prohibited.

Holidays

In addition to nine annual public holidays, an employee is entitled to a minimum of 20 days holidays per year.

Maternity/Parental/Adoptive/Carer's Leave

Female employees are typically entitled to a maximum of 42 weeks maternity leave, to return to work after maternity leave, to have reasonable time off for ante-natal and post- natal care and to job protection during such periods.

The employer is not obliged to pay remuneration during maternity leave and the Department of Social and Family Affairs may provide the employee with pay-related maternity allowance during the first 26 weeks of such leave.

Employees are entitled to up to 14 weeks unpaid parental leave and to return to work after such leave.

Subject to appropriate notice being given, employees are entitled to a maximum of 40 week's adoptive leave. The employer is not obliged to pay remuneration during maternity leave and the Department of Social and Family Affairs may provide the employee with pay-related adoptive allowance during the first 24 weeks of such leave.

Employees who have 12 months continuous service with their employer are entitled to up to 104 weeks unpaid leave to care for a person requiring care on a full time basis.

Pensions

Employers are required to offer a Personal Savings Retirement Account (PRSA) to employees in circumstances where an employer does not operate a private pension scheme. Pension schemes are regulated and employees that change employment after two years of service can typically carry their pension entitlements with them.

Transfer of Undertakings

In the event of the transfer of a business, all employee rights, with the exception of certain pension rights, automatically transfer to a new employer. A dismissal arising from such a transfer is most likely to be deemed unfair.

Health and Safety

A significant body of legislation exists to facilitate the promotion of health, safety and welfare of persons in the workplace.

Part-Time/Fixed-Term Employees

Part-time employees may not be treated less favourably than a comparable full-time employee in respect of conditions of employment, unless such treatment can be justified on objective grounds.

Fixed-term employees may not be treated less favourably than a comparable permanent employee in respect of conditions of employment, unless such treatment can be justified on objective grounds. Certain limitations on the use of successive fixed-term contracts exist.

- Non-Irish Citizens Working in Ireland

Irish immigration laws apply to persons other than Irish citizens who wish to enter and remain in Ireland.

Persons born in the United Kingdom do not require work permits and have no restrictions imposed on their movement in Ireland. Nationals of EEA Members States (with the exception of nationals of Bulgaria and Romania), which includes 27 EU Member States and Switzerland will typically not be refused entry into Ireland and are entitled to residence permits which entitle them to work without further formality. Non-EEA nationals must obtain permission to enter and remain in the State at the airport or port of entry and subject to certain legislative requirements relating to asylum seekers, entry will be refused unless immigration officials are satisfied as to certain matters including the validity of a person's passport, visa (if necessary), work permit or other permission to work.

All non- EEA nationals that intend to work in Ireland must obtain either a work permit, intra-company transfer permit, green card or another form of authorisation to work. They are obliged to register with the Irish authorities as soon as possible on entry to the State should they intend to remain in the State for a period greater than three months. The principal means available to a non-EEA national to acquire permission to work in Ireland, or for employers, permission to employ a non-EEA national, are as follows:

Green card permit

The green card permit, a programme run by the Department of Enterprise, Trade and Employment (DETE), is a permit issued to highly skilled personnel in certain designated sectors (e.g. financial services, information technology, scientific research and healthcare sectors) earning in excess of € 30,000 per year and persons working in other sectors earning in excess of € 60,000 may also apply.

DETE work permit

Work permits may be issued by the DETE, typically to those earning in excess of € 30,000 per year and who do not come within specific ineligible categories and where the position of employment has previously been advertised.

Intra-company transfer permit

An Intra-company transfer permit may be available to persons transferred to Ireland within the same organisation for short term assignments.

Property, Construction, Planning and Environmental Law

Ireland's construction industry has enjoyed unprecedented success in recent years. Joint ventures with numerous international contractors and engineering firms have been entered into as the National Development Plan implements its ambitious programme to further develop Irish infrastructure in the areas of road, the Dublin Metro project, rail, water and waste management. Government support for public private partnership initiatives in Ireland is evident from a number of ongoing projects such as co-located hospitals, a criminal courts complex and third level colleges and many of these projects continue to involve foreign investor participation.

Most inward investment projects will involve the acquisition of an interest in real estate. Extensive legislation and regulations, including the Planning and Developments Acts, 2000 to 2006 and the Building Control Acts, 1990 and 2007, apply to the construction industry and it is fundamental to highlight that the requirements to obtain planning permission, building control approval, fire safety certificates and environmental licences or permits must be satisfied in advance of undertaking any construction project in Ireland.

The principal areas of note for a foreign investor seeking to establish operations in Ireland are as follows:

- Construction

  Many large scale inward investment projects will require the construction of purpose built facilities. Investors will usually enter into a construction contract which may be governed by the Royal Institute of Architects in Ireland (RIAI) or alternatively by the Institute of Engineers in Ireland (IEI). Notwithstanding the form of contract, such contracts may be negotiated and amended by the parties.

It is important to obtain the services of an Irish professional(s) in the construction industry who can assist with valuation, structural surveys and environmental assessments in respect of the proposed site before finalising the construction contract. Generally, an inward investor will appoint a team of professionals (e.g. architects, engineers, quantity surveyors, project manager etc.) and will enter into service contracts with such professionals. Such contracts are a matter for negotiation between the relevant parties.

Investors that intend to procure Government contracts should note that public procurement rules, in accordance with EU public procurement directives and underlying EC Treaty obligations, apply to the award of contracts by the Irish Government for services, supplies or works.

- Purchase or lease of commercial property

The purchase of commercial property involves the investor entering into a contract for sale with the vendor of the property with the payment of a (typically) 10 per cent deposit and subsequent execution of the deeds of transfer. The transfer of property in Ireland is carried out exclusively by lawyers.

The terms of a lease of a commercial property ("the heads of terms") are generally negotiated between the parties' agents prior to the commencement of any legal work, however, such terms may also be the subject of further negotiation and change when the draft deed of lease is being reviewed and approved by the tenant's solicitor. The principal areas which are the subject of negotiation are the term, the alienation clause (to assign /sublet), alterations, repair, break clause (this usually involves the payment of a penalty by the tenant, the compliance with all covenants in the lease and the serving of a notice to break within a certain period) and rent reviews (these are generally every five years).

Section 4 of the Landlord and Tenant (Amendment) Act, 1994, has been amended by section 47 of the Civil Law (Miscellaneous Provisions) Act, 2008, whereby a tenant in a commercial premises may contract out of its rights to a new tenancy. This has allowed greater flexibility for landlords and tenants. Accordingly, this now allows tenants to renounce their rights such that the landlord may obtain vacant possession after a five year period.

It is important to consider the rate of stamp duty which is payable by the purchaser of a commercial property, the rate of stamp duty which is payable by the lessee on any premium/rent paid in respect of a lease granted and the amount of Value Added Tax and other rates of local taxation that may apply to the commercial property (whether purchased or leased).

- Planning and Environmental Law

  Planning permission is required before you can develop buildings or green and/or brown field sites or alter their use or appearance. Public notice of the proposed development or alteration is required followed by an application for planning permission submitted by a certified engineer or architect to the relevant local planning authority. As part of the planning application procedure, an environmental impact statement (EIS) may also need to be submitted on behalf of the applicant. The relevant planning authority may grant or refuse planning permission or grant permission subject to certain conditions, with a right to appeal to An Bord Pleanala. Applications for an integrated pollution control (IPC) licence or any other environmental licenses or permits are independent of such planning application.

  Generally, it may take three to twelve months to be granted planning permission and up to two years to obtain relevant environmental law clearances.

Intellectual Property

Intellectual property is a valuable asset for many foreign investors, not least for those engaging in science, technology, telecommunications and media sectors and the related research and development activities in Ireland.

Intellectual property rights in Ireland may be divided into the following main categories:

- Copyright

  The Copyright and Related Rights Act, 2000, which implemented numerous international initiatives and all EU harmonising measures in Ireland, covers a wide range of subject matters including literary, artistic, dramatic and musical works, films, sound recordings, television broadcasts and published editions. This legislation updated Irish law and adopts a technology neutral approach in its terminology in order to accommodate the effectiveness of this Act with developing technologies. Irish legislation protects performers' rights, certain moral rights of the author, copyright in computer software as a literary work and provides for rental, lending and database rights. In addition to the recognition of copyright in original databases, this Act provides for a "database right" that protects databases where there has been substantial investment in obtaining, verifying or presenting the contents of such database.

  The term of copyright is typically 70 years after the date of the author or where the identity of the author is not known, 70 years from the date the work was first made

available to the public. The “database right” will give protection for a period of 15 years, from the end of the year in which the database was completed.

- Patents

The Patent Act 1992 brought Irish law into line with the European Patent Convention. An invention must be new, contain an inventive step and be capable of industrial application in order to obtain patent protection. Protection under a full term patent will last for a 20 year period from the date of filing. A short term patent whereby protection will last for 10 years is also available under Irish law. There are certain provisions specific to pharmaceutical patents which allow for the extension of the patent period.

- Designs

The Industrial Designs Act 2001 implemented European harmonising legislation in relation to registered designs, broadened the range of subject matters that can be registered as a design (and includes graphic symbols) and provides that a design is required to be new and have individual character. The total period of protection for registered designs is 25 years, and is renewable every 5 years.

Ireland has also benefited from the implementation in 2002 of the Registered Community Design Right and the Unregistered Community Design Right. Rights of protection of such unregistered designs last for a period of 3 years from the date the design is first made available to the public within the EU. The substantive requirements for protection are generally the same as those that apply to the Registered Community Design.

- Trade Marks

Trade Marks are protected under common law by way of action for passing off and by the Trade Marks Act 1996 which implements EU harmonising measures. A trade mark identifies particular goods and/or services as having a certain origin and is typically a word or logo but it can be almost anything, as long as it is can be reduced to a graphic form, including a sound, smell or shape.

An owner of a trade mark may register a trade mark with the Irish Trade Marks Registry to obtain protection for a 10 year period and a further 10 year period thereafter. The goodwill in unregistered trade marks may be protected by the tort of passing off. However, this is often difficult and expensive to enforce and the most prudent course of action is to ensure the registration of the trade mark(s).

Under EU trade mark law it is possible to apply for Community Trade Mark protection, which affords protection in every EU country just by means of a single application.

Ireland has ratified the Madrid Protocol which allows for an international trade mark registration to be filed in and extended to any country that is a party to this protocol.

Searches should be conducted before launching a product in a new territory to establish who has prior rights which could be used to take legal action against you and/or your distributor.

- Data Protection

The Data Protection Act 1988 and the Data Protection (Amendment) Act 2003 set out the basis of a legal framework that provides for the protection of personal data of personal information that is controlled or processed by data controllers and processors in both the private and public sectors alike.

- Confidential Information and trade secrets

Confidential information and trade secrets can generally be protected by contractual provision, or by an action in common law for breach of confidence – whereby the plaintiff will need to demonstrate that the information is not in the public domain, that the information was obtained for a specific purpose and that the information was used or disclosed in a manner inconsistent to such specific purpose.

- Electronic Commerce

The Electronic Commerce Act, 2000, reaffirms Ireland's recognition of the role of electronic commerce in today's business world and provides for the legal recognition of electronic contacts, electronic signatures, electronic originals, the retention of electronic documents and the admissibility of electronic evidence in the courts.

Ireland's Commercial Court

The Commercial Court is yet another initiative that has recognized the needs of those who choose to do business in Ireland.

Since January 2004, the Commercial Court in Ireland provides an effective, fast and efficient forum for the resolution of most types of commercial disputes where the value exceeds € 1 million. The Commercial Court can also hear intellectual property and judicial review cases (where a commercial point is at issue) even if the relevant value is less € 1 million. The Commercial Court in Ireland is now recognized as a leading and expedient forum for the resolution of high value international commercial disputes, including worldwide disputes against the International Registry of Mobile Assets (this registry was established pursuant to the Capetown Convention relating to aircraft and aircraft components).

About Dillon Eustace

Headquartered in Dublin with representative offices in Tokyo, Boston and Cork, Dillon Eustace is one of Ireland's leading law firms. Dillon Eustace is a multi-discipline legal practice offering full service legal advice in the following areas:

Financial Services

- Asset Management and Investment Funds
- Derivatives
- Investment Services
- Insurance and Pensions
- Investment Funds Listing
- Debt Listing
- Regulatory and Compliance

Banking and Capital Markets

- Securitisation and Structured Finance
- Capital Markets
- Corporate and General Banking
- Asset Finance

Corporate and M&A

- Mergers and Acquisitions
- Companies: Structuring, Management & Restructuring
- Joint Ventures, Shareholders' and Partnership Agreements
- Technology and Intellectual Property
- Competition and EU Law
- Commercial Contracts
- Company Secretarial Services

Litigation and Dispute Resolution

- Business Litigation
- Insurance
- Insolvency and Corporate Recovery
- Product Liability
- Aviation
- Admiralty and Maritime
- Holiday and Travel Law

- Securities Litigation
- Alternative Dispute Resolution
- Media and Defamation
- Employment

Real Estate

- Commercial Property
- Energy and Natural Resources
- Environmental and Planning
- Infrastructure and PPP

Taxation

- Corporate Tax
- Asset Management & Investment Funds
- Securitisation & Structured Finance
- Non-trading Irish Branch Structures
- Insurance & Pensions Asset Finance (aircraft & shipping)
- Stock Lending and Repo Finance Projects
- Construction and Energy
- Insolvency and Corporate Recovery
- VAT and Stamp Duty planning
- General Tax Matters

APPENDIX I

List of Countries with whom Ireland has a Tax Treaty that has been signed and are therefore in effect[1].

- Australia
- Austria
- Belgium
- Bulgaria
- Canada
- Chile (effective from 1 January 2009)
- China
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Georgia (signed 20th November 2008 - not yet in effect)
- Germany
- Greece
- Hungary
- Iceland
- India
- Israel
- Italy
- Japan
- Korea
- Latvia
- Lithuania
- Luxembourg
- Malaysia
- Malta (Signed 14th November 2008- not yet in effect)
- Mexico
- Macedonia (Signed 14th April 2008-not yet in effect)
- Netherlands
- New Zealand
- Norway
- Pakistan
- Poland
- Portugal
- Romania
- Russia
- Slovak Republic

[1] The Finance (No.2) Act 2008 extends the definition of a "relevant territory" (as applied by a number of withholding tax and exemption provisions) to include not only those countries which are members of the EU and countries with which we have concluded a double tax treaty which is currently in force but also to include countries with which we have signed a double tax treaty although not yet ratified. This measure is of use for companies as the mere existence of a treaty with Ireland will be sufficient to avail of the available exemptions and reliefs e.g. the relief for withholding tax on certain payments made to overseas companies. This amendment enhances Ireland's attractiveness as a holding company location.

- Slovenia
- South Africa
- Spain
- Sweden
- Switzerland
- The Republic of Turkey (Signed on 24 October-not yet in effect)
- United Kingdom
- United States
- Vietnam (Effective from 1 January 2009)
- Zambia

Negotiations for new agreements with Albania, Azerbaijan, Bosnia Herzegovina, Moldova, Serbia, and Thailand have been concluded and are expected to be signed shortly.

Negotiations for new agreements with the following countries are at various stages; Argentina, Armenia, Egypt, Kuwait, Morocco, Singapore, Tunisia and Ukraine. It is also planned to initiate negotiations for new agreements with other countries during 2009.

APPENDIX II

Ireland: A Statistical Snapshot

Economy 2008

GDP Growth rate

Country	*Real GDP Growth*			
	2007	*2008*	*2009(F)*	*2010(F)*
Ireland	**6.0%**	**-1.8**	**-1.7**	**2.6%**
UK	3.0%	0.8%	-1.1%	0.9%
France	2.1%	0.9%	-0.4%	1.5%
Germany	2.6%	1.4%	-0.8%	1.2%
Netherlands	3.5%	2.2%	-0.2%	0.8%
Spain	3.7%	1.3%	-0.9%	0.8%
Portugal	1.9%	0.5%	-0.2%	0.6%
Switzerland	3.3%	1.9%	-0.2%	1.6%
USA	2.0%	1.4%	-0.9%	1.6%
Japan	2.1%	0.5%	-0.1%	0.6%
Euro Area	2.6%	1.8%	-0.6%	1.2%

***Source**: OECD Economic Outlook No. 84, Nov. 2008.*

Inflation

Country	2007	2008	2009(f)	2010(f)
Ireland	2.9%	3.1%	0.9%	0.9%
UK	1.6%	1.8%	2.6%	1.9%
France	1.6%	1.7%	1.2%	0.8%
Germany	2.3%	2.9%	1.1%	1.3%
Netherlands	1.6%	2.3%	1.8%	1.6%
Spain	2.8%	4.4%	1.8%	1.5 %
Portugal	2.4%	2.8%	1.3%	1.6%
Switzerland *	0.7%	2.5%	1.0%	1.1%
USA *	2.9%	4.3%	1.6%	1.5%
Japan *	0.1%	1.4%	0.3%	-0.1%
Euro Area	2.1%	3.4%	1.4%	1.3%

Source: OECD Economic Outlook No. 84, Nov. 2008.
(*CPI)

Unemployment (% of Labour Force)

Country	2007	2008	2009(f)	2010(f)
Ireland	4.6%	5.9%	7.7%	7.8%
UK	5.4%	5.5%	6.8%	8.2%
France	8.0%	7.3%	8.2%	8.7%
Germany	8.3%	7.4%	8.1%	8.6%
Netherlands	3.3%	3.1%	3.7%	4.1%
Spain	8.3%	10.9%	14.2%	14.8%
Portugal	8.0%	7.6%	8.5%	8.8%
Switzerland	3.6%	3.5%	3.9%	4.2%
USA	4.6%	5.7%	7.3%	7.5%
Japan	3.9%	4.1%	4.4%	4.4%
Euro Area	7.4%	7.4%	8.6%	9.0%

Source: OECD Economic Outlook No. 84, Nov. 2008.

Population Demographics

Total Population

4,339.000

Source: CSO, December 2007

% Population under 25 in the years 2010 & 2015

Country	% Population under 25 2010	2015
USA	34.4	33.5
Ireland	34.1	33.2
France	30.4	29.7
United Kingdom	30.4	29.5
Netherlands	29.6	28.6
Europe	28.0	26.4
Hungary	27.0	25.6
Portugal	26.6	25.8
Czech Republic	26.1	24.3
Germany	24.9	23.4
Spain	25.1	24.7
Japan	23.3	22.1

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision.

Average age of the population in the years 2010 & 2015

Country	Median Age (yrs) 2015	2010
Ireland	34.4	36.1
USA	36.5	36.9
Hungary	39.8	41.3
United Kingdom	40.0	40.8
France	40.0	41.1
Czech Republic	40.1	42.1
Europe	40.2	41.6
Portugal	40.5	42.1
Spain	40.6	42.6
Netherlands	41.0	42.7
Germany	44.2	46.2
Japan	44.6	46.4

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2006 Revision.

Destination of exports (Jan-Sep 2008)

Source: CSO 2008

EU	60.7%
USA	18.4%
China	2.6%
Japan	1.8%
Rest of world	16.2%

Corporation Tax Rates

Ireland	12.5%
United Kingdom	28%
Belgium	33.99%
France	34.43%
Netherlands	25.5%
Spain	30%
Austria	25%
Germany	30%
China	25%
Czech Republic	21%

Poland	19%
Latvia	15%
Cyprus	10%
Lithuania	15%
Hungary	16%
Luxembourg	29.63%
Portugal	26.5%
Sweden	28%
Denmark	25%
Malta	35%
USA	39.5%

According to the IMD World Competitiveness Yearbook 2008, Ireland scores highly for:

- Corporate tax rate on profit (2nd)
- Flexibility and adaptability of people are high when faced with new challenges (4th)
- Overall productivity (PPP) (4th)
- Brain drain (well-educated and skilled people) does not hinder competitiveness (3rd)
- Banking sector assets as percentage GDP (3rd)
- High tech exports (5th)
- Human development index (4th)
- Investment Incentives (2nd)
- GDP Per capita (3rd)

CONTACT US

Our Offices

Dublin
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.
Tel: +353 1 667 0022
Fax.: +353 1 667 0042

Cork
8 Webworks Cork,
Eglinton Street,
Cork, Ireland.
Tel: +353 21 425 0630
Fax: +353 21 425 0632

Boston
26th Floor,
225 Franklin Street,
Boston, MA 02110,
United States of America.
Tel: +1 617 217 2866
Fax: +1 617 217 2566

New York
245 Park Avenue
39th Floor
New York, NY 10167
United States
Tel: +1 212 792 4166
Fax: +1 212 792 4167

Tokyo
12th Floor,
Yurakucho Itocia Building
2-7-1 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan
Tel: +813 6860 4885
Fax: +813 6860 4501

e-mail: enquiries@dilloneustace.ie
website: www.dilloneustace.ie

Contact Points

Date: February 2009

For more details on how we can help you, to request copies of most recent newsletters, briefings or articles, or simply to be included on our mailing list going forward, please contact any of the team members below.

Andrew Bates
e-mail: andrew.bates@dilloneustace.ie
Tel : +353 1 667 0022
Fax: + 353 1 667 0042

David Dillon
e-mail: david.dillon@dilloneustace.ie
Tel : +353 1 667 0022
Fax: + 353 1 667 0042

DISCLAIMER:
This document is for information purposes only and does not purport to represent legal advice. If you have any queries or would like further information relating to any of the above matters, please refer to the contacts above or your usual contact in Dillon Eustace.

Copyright Notice:
© 2008 Dillon Eustace. All rights reserved.

DILLON EUSTACE

DUBLIN CORK BOSTON NEW YORK TOKYO

33 Sir John Rogerson's Quay, Dublin 2, Ireland.
www.dilloneustace.ie

In alliance with Arendt & Medernach