

Why Ireland?

Ireland's success as an investment location continues to grow. We can help you expand your international business and access the European market using Ireland as your base.

Did you know?

*Ireland is ranked
the number 1
place to do
business in
Europe*

#1

(Source: Forbes 2010)





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With over 1,000 international companies here, Ireland continues to be one of the most favoured global locations for investment. In 2011, new investment into Ireland increased by 30% and 13,000 new jobs were created by foreign direct investment (FDI) companies.

We are reporting continued success despite our ongoing economic challenges. In fact, Ireland is gaining increased international recognition for progress made in addressing its economic challenges and stimulating an export-led economic recovery.

If you are considering Ireland as an investment location, please give us a call. We look forward to exploring how you might maximise the benefits of an Irish investment.

Feargal O'Rourke

Head of FDI

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How did Ireland do in 2011?

- 13,000 new IDA Ireland supported FDI jobs created
- Approx. €700 million Research and Development investment
- 148 new foreign direct investments won (22 more than 2010)
- 41% of investments came from first time investors
- 30% increase in first time investors compared to 2010

Source: IDA Ireland

This publication is designed to support international businesses considering investing in Ireland. Its purpose is to introduce you to the potential benefits Ireland can bring to your business.



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Tax

- 12.5% corporate tax rate
- Attractive investment and financing platforms

People

- Highly skilled and educated workers, youngest workforce in Europe
- Globally experienced senior management

IP + R&D benefits

- Attractive Intellectual Property (IP) and holding company regimes
- 25% Research and Development (R&D) tax credit plus R&D grants

Costs

- Increased cost competitiveness
- Lowest inflation rate in the EU

Business environment

- Free movement of goods and services in EU
- English speaking and member of EU/Eurozone

Location

- Connect to the US and Asia in the same day
- Access to European market and beyond





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Ireland has one of the most favourable tax regimes in the world attracting hundreds of foreign companies to locate here. But it's not just our 12.5% corporate tax rate that attracts companies to Ireland.

Ireland's pro-business environment and young, well-educated, skilled workforce are also key attractions. Add to this reducing costs in property, rents, services, construction and labour, the availability of attractive business incentives and grants, and you can understand why investment into Ireland continues to thrive.

Overleaf we have included quotes from some existing foreign, multi-national companies (MNC's) on the key reasons why they continue to invest and grow their presence in Ireland.

An unrivalled tax/ business regime...

1st for FDI and corporate tax regime¹

1st for real corporate taxes²

1st in Europe for best country for business (4th globally)³

1st for ease of paying taxes in Europe (4 years running)⁴

1st in Europe for R&D investment competitiveness⁵

3rd lowest total tax rate in EU⁴

Our talent scorecard...

1st in EU for completion of 3rd level education²

1st for availability of skilled labour²

3rd highest proportion of maths, science and computer graduates in the EU⁶

4th for labour productivity²

34% of workforce under 25 years of age⁷

48% of 25-34 year olds have a third level qualification (compared to the EU average of 33%)⁸

Incentives...

1st for investment incentives²

Financial incentives include:

- Capital grants
- Employment grants
- R&D grants (in addition to R&D tax credits)
- Training grants

** All grants are negotiated on a case by case basis and are determined primarily by activity and location*

Increased cost competitiveness...

10% reduction in wages in the professional, technical and scientific sectors⁸

13 places, this year's fall in Dublin's office occupancy costs⁹

16 places, this year's fall in Dublin's ranking of most expensive cities in the world¹⁰

42% decrease in office rents¹¹

49% decrease in Dublin house prices since the peak in 2007⁸

¹ Global Innovation Survey 2009

² IMD World Competitiveness Yearbook, 2011

³ Forbes, 2011

⁴ PwC Paying Taxes Report, 2011

⁵ Mazars Review of Global R&D Incentives, 2010

⁶ Eurostat Yearbook, 2010

⁷ IDA Vital Statistics, October, 2011

⁸ Central Statistics Office, 2011

⁹ Cushman & Wakefield report, 2011

¹⁰ Mercer Cost of Living report, 2011

¹¹ Goodbody's Irish Competitiveness report 2011



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What business leaders are saying about Ireland...

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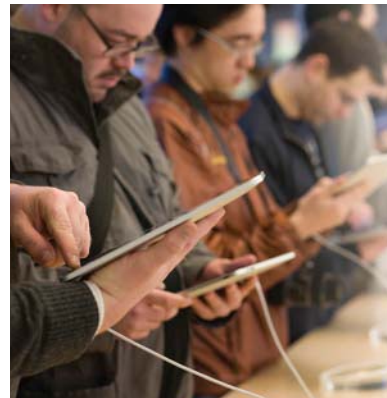
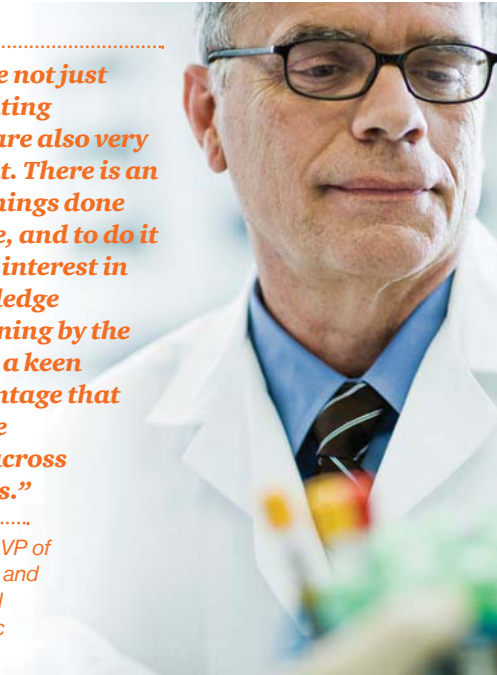
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“Irish workers are not just good at accumulating knowledge. They are also very good at applying it. There is an eagerness to get things done right the first time, and to do it better, faster. The interest in continuous knowledge building and learning by the Irish workforce is a keen competitive advantage that enables them to be multifunctional across business processes.”

Bernard Collins, former VP of International operations and Director of International Board, Boston Scientific



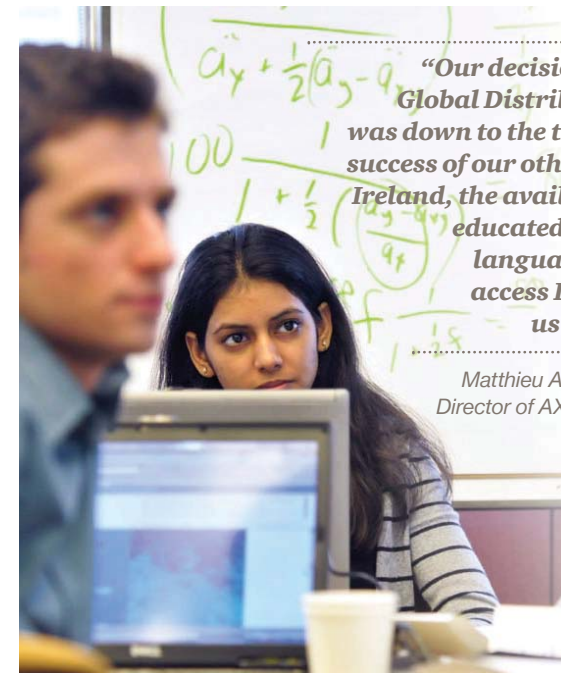
“Dublin is rapidly becoming the multilingual internet capital of Europe and Google is proud to be leading the charge on this and further increasing our presence here”

David Martin, Director, Geo Operations for Google in Europe



“Ireland brings so many advantages for a company like ours – a pro-enterprise culture, a highly qualified and well-educated population, necessary support infrastructure and a record of success”

Mr Willie Deese, Executive Vice President and President of Merck Manufacturing Division on MSD's investments in Ireland



“Our decision to locate AXA Global Distributors in Dublin was down to the track record and success of our other operations in Ireland, the availability of highly educated graduates with language skills and the access Ireland provides us to EU markets.”

Mathieu André, Joint Managing Director of AXA Global Distributors



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‘Tried and tested’ by the best...

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Ireland has attracted and continues to attract well-known global companies as well as emerging companies from a wide variety of sectors, including ICT, pharma and life sciences, financial services and more recently social media and online gaming. In addition to manufacturing, some of the activities that are regularly conducted here include: sales and licensing, IP management, R&D, supply chain management, shared services, finance/ treasury and headquarters/holding companies.

To see which companies in your industry are already in Ireland please [click here](#):



Pharma scorecard...

9 of the top 10 pharmaceutical companies are already here

12 of the world’s top selling medicines are made here

163 pharmaceutical and life science companies are already here

Financial services scorecard...

1st for hedge fund administration and stock exchange listed investment funds

9 of the top 10 aircraft leasing companies are here

50% of the world’s top banks are already here

250 global financial institutions are here

Largest provider of cross border life insurance in the EU

Medical technology scorecard...

2nd largest exporter of medical devices in Europe

17 of the world’s top 25 medical technology companies manufacture in Ireland

Most med-tech personnel per capita in Europe

Technology & internet scorecard...

3 of the world’s top 5 gaming companies are here

Top 5 exporter of software in the world

8 of the world’s top 10 technology companies are here

Top 10 “born on the internet” companies are all here

Highest concentration of ICT activity in OECD countries



Ireland's favourable tax regime

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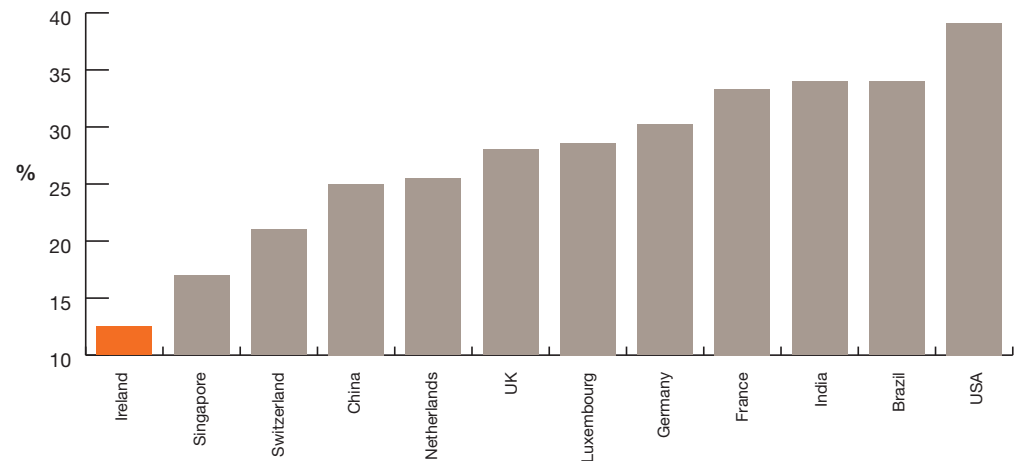
Ireland's attractive tax regime

Ireland has one of the lowest statutory corporate tax rates in the world at 12.5%.

Companies that have chosen Ireland as their European or international base have been able to maximise Ireland's favourable tax regime to achieve a high rate of return on their investment.

Manageable transfer pricing rules allied to favourable provisions for IP exploitation, R&D activities and holding companies (see below) make Ireland's tax regime world class and offer unrivalled opportunities to foreign investors.

So, how does our tax rate compare to elsewhere?



IP exploitation benefits

- Amortisation for qualifying IP acquired outright for trade purposes
- No balancing charge/recapture on IP sale after 10 years
- Deduction for licensed-in IP rights
- Various tax-efficient IP structuring opportunities

R&D benefits

- Refundable 25% tax credit (effective benefit of 37.5%)
- Monetisation-possible repayment of excess credits over three year cycle
- No "base year" limitation for new investors (ie full volume basis applies)
- Possible grant aid for qualifying R&D activities

Holding company

- Tax exemption for domestic and foreign gains (EU and treaty countries)
- Tax exemption for Irish dividends, effective exemption for foreign dividends (FTCs)
- Extensive domestic law withholding tax exemptions
- No thin capitalisation or Controlled Foreign Companies (CFC) rules

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Hub location of choice

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Ireland's world class tax regime offers unique opportunities to foreign investors to use Ireland as the low-tax "hub" for their European or indeed international or global businesses.

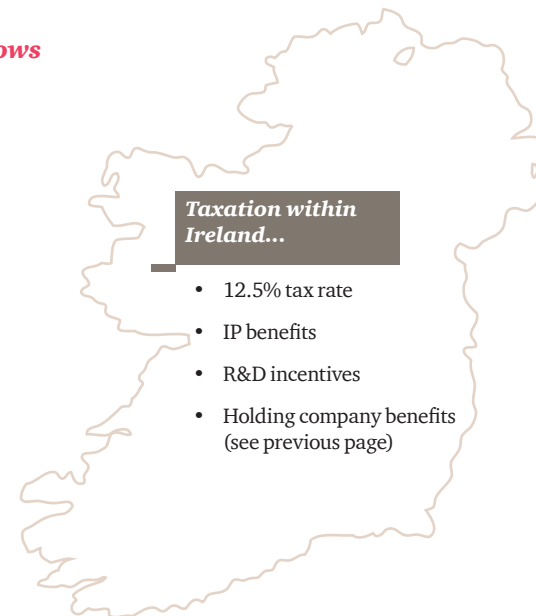
The combination of Ireland's domestic tax regime combined with an excellent and growing tax treaty network and access to EU tax directives means that Ireland is the ideal regional hub or headquarters location for international business.

Whether you are looking to simplify an existing business model involving duplicated functions or to identify the optimal base for a new/growing international business, Ireland is the place to be.

Benefits for international revenue flows

Funds flowing in...

- Tax treaties & EU Directives (65, 7 more under negotiation)
- Generally 0% withholding rates in treaties
- Excellent China and Korea treaties
- No capital duty on equity investments
- Not a "tax haven", no banking secrecy rules, etc.



Funds flowing out...

- 0% withholding tax generally available on outbound payments
- Typically under domestic law (avoids tax treaty claims)
- Can also manage flows to non-treaty countries
- Recent simplification of domestic withholding tax exemptions
- Tax-efficient restructuring and exit planning

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Snapshot of business taxes

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Tax area	Rates	
Corporate tax	12.5%	applies to trading income (including qualifying foreign dividends paid out of trading profits)
	25%	applies to all other income (including non-trading income and non-qualifying foreign dividends)
R&D incentive	25%	tax credit (in addition to standard tax relief at 12.5%)
Capital gains tax	0%	participation exemption on qualifying share disposals
	30%	standard rate for gains (subject to various reliefs/exemptions)
Value added tax (VAT)	23%	standard rate
	13.5%	heating fuel, electricity, building services etc.
	9%	hotels, restaurants, catering services, entertainment etc.
Stamp duty	1-2%	payable on legal and commercial documents, including conveyances of property, leases of property, share transfer forms and certain agreements (subject to various reliefs/exemptions)
Tax treaties	65	treaties signed with many major business jurisdictions, another 7 in process
Customs	Various	free circulation of goods to and from other EU Member States. The EU Common Customs Tariff (CCT) sets out rates applying to goods being imported to the EU.

Tax administration

The Irish tax system incorporates a self-assessment regime under which a company determines whether or not it is chargeable to tax and, if so, to file tax returns and make appropriate tax payments. Tax returns can be filed online with the Revenue online service (ROS).

Tax facts 2012

For full details of tax treaties and other business and individual tax rates, please view our Tax facts 2012 publication.



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Doing business in Ireland couldn't be simpler and getting started is both quick and straightforward. The following is a brief introduction to some of the key things you need to consider when starting a business in Ireland.

Corporate registrations

Once the optimal corporate structure for the Irish investment is decided, the appropriate legal form for the Irish entity can be chosen. The most commonly used options are:

- Place of business
- Branch
- Private limited company
(minimum share capital normally €2)

Once the entity is registered, registration for all taxes (corporate, payroll taxes and VAT), can be done by submitting one form to Revenue.

Hiring people

One of the most critical factors for any company investing in a new country is the ability to recruit employees with the right education, skills and experience. Ireland is renowned for the breadth and depth of its people talent and for attracting fresh talent from the EU and internationally.

“75% of Google staff have relocated from overseas to work in Dublin”

John Herlihy, VP of Online Sales and Operations, Google Ireland



5 days
typical processing time to
incorporate an entity

Mobile labour: As Ireland is a member of the EU there is free movement of labour within the European Economic Area (EEA). This provides access to multiple languages and other skills, whilst retaining the benefits of an Irish base. Employees from countries outside the EEA require an employment permit and, in some cases, a visa.

We can help manage this process, as well as provide input on tax-efficient planning for assignees.

Payroll taxes: The only payroll tax borne by employers in Ireland is Pay Related Social Insurance (PRSI) – maximum rate is 10.75%. This must be returned to Revenue along with employee withholding taxes as they fall due. Full details of employer obligations, payroll taxes and personal tax rates are provided in our Tax facts publication.

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Businesses work with us because we've done it before!

We understand the business and economic environment and combine this with specialist tax, advisory and assurance knowledge to provide you with an outcome that best suits your business requirements.

We will help you with each step of your investment decision. This includes guiding you through all the start-up procedures, including tax, regulatory, accounting and legal issues and helping you to design the optimal corporate structure and business model for your business needs.

Our experience includes working with a variety of clients, both start-ups and large multinationals, across a diverse range of sectors including; technology, internet and media, pharmaceuticals, medical technology and financial services.

Some of the areas where we work with businesses to add value include:

- Designing and implementing the optimal corporate structure and business model
- Achieving and maintaining a low effective tax rate
- Selecting and registering legal entities
- Getting the best deal in grants and incentives
- Registering for tax and other compliance obligations
- Managing regulatory requirements and compliance structures
- Dealing with employment, remuneration and mobility issues
- Supporting business acquisitions

We work with...

8 of the top 10 technology companies in Ireland

67% of the assets of Irish domiciled funds

9 out of the top 10 pharmaceutical companies in Ireland

The Global Tax Monitor* recognises PwC as the leading adviser globally for international corporate tax planning, by reputation, with a very strong lead over the competition.

PwC thought leadership



*"Launched in 2000, the Global Tax Monitor (GTM) is an independent survey conducted by research agency TNS, that examines the competitive position of the top firms in the tax advisory market - globally, regionally, nationally and on an industry basis. It provides a comprehensive measure of firm reputation, client service and brand health, gained currently from just over 3,000 telephone interviews annually with key decision makers (CFOs and Tax Directors) in 31 key markets".



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Who to call?

We would be delighted to meet with you to discuss how Ireland can be used as a platform for expanding your business.

Contact details for some of our partners dedicated to foreign direct investment and covering our main practice areas are provided below or for general FDI enquires please contact **Liam Diamond** on +353 1 792 6579 or by email at liam.f.diamond@ie.pwc.com



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Alternatively you can contact your regular PwC contact or any of our 96 partners using the Partner Directory

Please [click here](#)

You can also contact one of our "Irish Desks" for further information:

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Population: 4.6 million

Nationality: Irish

Language: English

Location: The island of Ireland is situated in the north west of Europe and lies approximately 20km west of Great Britain

Capital city: Dublin

Size: 70,282 km²

Currency: €uro

Climate: Average daily temperatures of 14-16C in summer 4-7C in winter

Time difference: GMT + 0.00 (Daylight saving +1hr). Ireland is 5 hours ahead of US east coast and 8 hours behind Beijing and Hong Kong

Government system: Republic, parliamentary democracy and a stable political environment. Ireland is a member of the European Union (EU) and is also a member of most major international organisations. It retains a neutral stance on military matters.

Infrastructure: Ireland has invested heavily in a well-developed infrastructure with world class support services – from banking and trade finance to efficient transport logistics and roads. This investment has led to Ireland having some of the safest roads in Europe and was recently recognised for the EU Road Safety award in 2010.

Airports and sea ports: 3 international airports at Dublin, Shannon and Cork, and 6 regional airports. The major sea ports are Dublin, Cork, Rosslare and Waterford.

Over 1,800 flights a week leaving from the three main airports to the UK, Europe, US, Canada and Abu Dhabi

Education: 81% of Irish students complete second-level education and approximately 60% go on to higher education. This continued commitment and investment in education has helped to develop a knowledgeable and innovative workforce in Ireland.

Culture:

Ireland is a diverse and multi-cultured society. Extensive immigration has helped Ireland become a melting pot for skills, experience and creativity. In PwC Ireland alone there are approximately 40 different nationalities and nearly 10% of our staff are foreign nationals.

Music: Ireland has a vibrant and international music scene with many successful music artists including Thin Lizzy, The Pogues, Rory Gallagher, Bob Geldof, Riverdance, Van Morrison, U2 and The Cranberries.

Literature: For such a small country, Ireland has contributed considerably to the world of poetry and literature, from James Joyce and Samuel Beckett to Bram Stoker and Oscar Wilde, Irish talent has made a significant contribution to classical and modern writing.

Film: In the past 20 years, the Irish film industry has grown enormously, producing a new generation of film directors and writers including Ken Loach, Jim Sheridan and Neil Jordan and actors such as Colin Farrell, Gabriel Byrne, Brendan Gleeson, Saoirse Ronan and Daniel Day Lewis. Ireland has also played host to a number of international productions including Braveheart, Saving Private Ryan and Harry Potter.

Sport: Sport in Ireland is extremely popular. Ireland has a number of world class golfers including Padraig Harrington, Darren Clarke, Rory McIlroy and Graeme McDowell and competes well in rugby and soccer on a world and European stage.

33% of population are under the age of 25

