



ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS

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## CASH AND TREASURY MANAGEMENT COUNTRY REPORT

# IRELAND

# Executive Summary

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## Banking

Ireland's central bank is the Central Bank of Ireland. As Ireland is a participant in the eurozone, some central bank functions are shared with the other members of the European System of Central Banks (ESCB). Bank supervision is performed by the Central Bank.

Central bank reporting for balance of payments purposes is conducted by a survey of 500 non-financial and 4,000 financial organizations.

Resident entities are permitted to hold fully convertible domestic (EUR) and foreign currency bank accounts domestically and outside Ireland. Non-resident entities are permitted to hold fully convertible domestic and foreign currency bank accounts in Ireland.

Twenty-four credit institutions currently provide services to the Irish market. There are 34 branches of foreign banks. The domestic banking market is dominated by AIB Group and Bank of Ireland, which compete with a handful of other banks in the retail sector. Many international banks and financial institutions have operations in Dublin's International Financial Services Center.

## Payments

Ireland joined the pan-European TARGET2 real-time gross settlement system for high-value euro payments on February 18, 2008. In addition, Ireland operates separate net settlement systems for paper-based and electronic low-value payments.

Although rarely used by large companies, checks are still widely used by many smaller firms and in the retail sector. However, new banking services are increasing the use of electronic payment methods. Internet-based electronic banking services are widely used by large corporate, business and retail customers.

## Liquidity Management

The Irish banking market provides access to a full range of short-term investment and borrowing options.

Most forms of cash concentration and notional pooling are available and widely used in Ireland. Accounts held by resident and non-resident entities may participate in the same liquidity management structure.

Many large cash management banks have operations in the International Financial Services Center, while tax and regulatory benefits have encouraged a number of large multinational companies to establish their European treasury operations in Ireland.

## Trade Finance

Ireland applies the European Union (EU) customs code and all its associated regulations and commercial policies. All trade is free from tariffs between Ireland and its fellow European Economic Area (EEA) member states.

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# PNC's International Services

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*PNC can bring together treasury management, foreign exchange, trade finance and credit capabilities to support your international needs in a coordinated and collaborative way.*

## International Funds Transfers

International Funds Transfers to over 130 countries in USD and foreign currency can be accessed through PINACLE®, PNC's top-rated, online corporate banking portal.

## Multicurrency Accounts

Set up demand deposit accounts that hold foreign currency instead of U.S. dollars. These accounts offer a simple and integrated way to manage and move money denominated in more than 30 currencies, including offshore Chinese Renminbi. You can easily view deposit and withdrawal details through PINACLE.

## PNC Bank Canada Branch ("PNC Canada")

PNC Bank, through its full service branch in Canada, can help you succeed in this important market. PNC Canada offers a full suite of products including payables, receivables, lending, and specialized financing to help streamline cross border operations.

## Multibank Services

PNC's Multibank Services provide you with balances and activity for all your accounts held with PNC and other financial institutions around the world. PINACLE's Information Reporting module can give you a quick snapshot of your international cash position, including USD equivalent value, using indicative exchange rates for all your account balances. You can also initiate Multibank Transfer Requests (MT101s), and reduce the time and expense associated with subscribing to a number of balance reporting and transaction systems.

## Establish accounts in foreign countries

Establishing good banking relationships in the countries where you do business can simplify your international transactions. PNC offers two service models to help you open and manage accounts at other banks in countries outside the United States.

- PNC Gateway Direct comprises an increasing number of banks located in many European countries and parts of Latin America. PNC's team will serve as a

point of contact for setting up the account helping with any language and time barriers and will continue to serve as an intermediary between you and the bank you select. You can access reporting and make transfers via PINACLE.

- PNC's Gateway Referral service can connect you to a correspondent banking network that comprises more than 1,200 relationships in 115 countries.

## Foreign Exchange Risk Management

PNC's senior foreign exchange consultants can help you develop a risk management strategy to mitigate the risk of exchange rate swings so you can more effectively secure pricing and costs, potentially increasing profits and reducing expenses.

## Trade Services

PNC's Import, Export, and Standby Letters of Credit can deliver security and convenience, along with the backing of an institution with unique strengths in the international banking arena. PNC also provides Documentary Collections services to both importers and exporters, helping to reduce payment risk and control the exchange of shipping documents. We assign an experienced international trade expert to each account, so you always know your contact at PNC and receive best-in-class service. And PNC delivers it all to your computer through advanced technology, resulting in fast and efficient transaction initiation and tracking.

## Trade Finance

For more than 30 years, PNC has worked with the Export-Import Bank of the United States (Ex-Im Bank) and consistently ranks as a top originator of loans backed by the Ex-Im Bank both by dollar volume and number of transactions.<sup>1</sup>

## Economic Updates

Receive regular Economic Updates from our senior economist by going to [pnc.com/economicreports](https://pnc.com/economicreports).

(1) Information compiled from Freedom of Information Act resources.

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# Financial Environment

## Country Information

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### Geographical Information

<b>Capital</b>	Dublin
<b>Area</b>	70,273 km <sup>2</sup>
<b>Population</b>	4.83 million
<b>Official languages</b>	English, Irish (Gaelic)
<b>Political leaders</b>	Head of state — President Michael D. Higgins (since November 11, 2011) Head of government — Taoiseach Leo Varadkar (since June 14, 2017)

### Business Information

<b>Currency (+ SWIFT code)</b>	Euro (EUR)
<b>Business banking hours</b>	Business hours: 09:00-17:00 (Mon-Fri) Banking hours: 10:00-16:00 (Mon-Wed, Fri), 10:00-17:00 (Thu)
<b>Bank holidays</b>	2019 — March 18, April 19, 22, May 6, June 3, August 5, October 28, December 25-27 2020 — January 1, March 17, April 10, 13, May 4, June 1, August 3, October 26, December 25-29 <small>Source: <a href="http://www.goodbusinessday.com">www.goodbusinessday.com</a></small>
<b>International dialing code</b>	+ 353

## Country Credit Rating

FitchRatings last rated Ireland on December 14, 2018 for issuer default as:

Term	Issuer Default Rating
Short	F1+
Long	A +
Long-term rating outlook	Stable

Source: [www.fitchratings.com](http://www.fitchratings.com), January 2019.

## Economic Statistics

<b>Economics Table</b>		<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GDP per capita</b>	<b>(USD)</b>	48,355	51,233	54,761	60,491	62,579
<b>GDP</b>	<b>(EUR billion)</b>	176	180	193	256	266
<b>GDP</b>	<b>(USD billion)</b>	226	239	256	284	296
<b>GDP volume growth*</b>	<b>(%)</b>	- 1.1	+ 1.1	+ 8.5	+ 26.3	+ 5.2
<b>BoP (goods, services &amp; income) as % GDP</b>		+ 4.8	+ 6.8	+ 4.9	+ 11.4	+ 8.4
<b>Consumer inflation*</b>	<b>(%)</b>	+ 1.7	+ 0.5	+ 0.2	- 0.3	0.0
<b>Population</b>	<b>(million)</b>	4.67	4.67	4.68	4.69	4.73
<b>Unemployment</b>	<b>(%)</b>	14.7	13.1	11.3	9.4	8.4
<b>Interest rate (corporate lending rate) †</b>	<b>(%)</b>	3.55	3.28	3.41	3.36	3.48
<b>Exchange rate‡</b>	<b>(EUR per USD)†</b>	0.7783	0.7532	0.7537	0.9017	0.9040

  

		<b>2017</b>		<b>2018</b>		
		<b>Q4</b>	<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>GDP per capita</b>	<b>(USD)</b>	-	70,107	-	-	-
<b>GDP</b>	<b>(EUR billion)</b>	-	296	-	-	-
<b>GDP</b>	<b>(USD billion)</b>	-	334	-	-	-
<b>GDP volume growth*</b>	<b>(%)</b>	+ 7.7	+ 8.0	+ 10.0	+ 8.5	+ 5.0
<b>BoP (goods, services &amp; income) as % GDP</b>		-	+ 14.2	-	-	-
<b>Consumer inflation*</b>	<b>(%)</b>	+ 0.5	+ 0.3	+ 0.3	+ 0.1	+ 0.8
<b>Population</b>	<b>(million)</b>	-	4.76	-	-	-
<b>Unemployment</b>	<b>(%)</b>	6.1	6.7	NA	NA	NA
<b>Interest rate (corporate lending rate) †</b>	<b>(%)</b>	4.07	4.08	4.27	4.03	NA
<b>Exchange rate‡</b>	<b>(EUR per USD)†</b>	0.849	0.887	0.814	0.839	0.860

\*Year on year. †End period. ‡Market rate.

Sources: *International Financial Statistics*, IMF, January 2019 and 2018 Yearbook.

## Sectoral Contribution as a % of GDP

Agriculture - 1.2%

Industry - 38.6%

Services - 60.2% (2017 estimate)

## Major Export Markets

USA (27.1%), UK (13.4%), Belgium (11.0%), Germany (8.1%), Switzerland (5.1%),  
Netherlands (4.9%), France (4.3%)

## Major Import Sources

UK (29.0%), USA (18.9%), France (12.1%), Germany (9.6%), Netherlands (4.1%)

# Political and Economic Background

## Economics

### Interest Rate Management Policy

Ireland's participation in the eurozone means that interest rate policy is determined by the Central Bank of Ireland in concert with the other members of the European System of Central Banks (ESCB) and the European Central Bank (ECB). Ireland's interest rate is set through the mechanism of the ESCB. Its main objective is to maintain price stability, defined by the ECB as keeping inflation below, but close to, 2% in the medium term. Interest rates are set at monthly meetings of the ECB's Governing Council.

### Foreign Exchange Rate Management Policy

The Eurosystem's exchange rate policy is determined by meetings of ECOFIN (a meeting of the finance ministers in all the EU member states). Outside formal agreements, the ECB is also permitted to intervene unilaterally or in concert with other central banks to manage the euro exchange rate relative to other currencies. However, no exchange rate activity is permitted to conflict with the main objective, to preserve price stability.

### Major Economic Issues

Ireland's economy has outperformed its EU neighbors since the financial crisis. The economy expanded just 0.9% in Q3, down from 2.1% growth in the previous quarter. Growth in the nine months to September was up 7.5% in real terms on the same period 2017. The economy has been buoyed by low unemployment (5.3%) and rising wages.

However, the country's Department of Finance warns that the economy faces a number of competitiveness challenges that could stunt future growth. According to the National Competitiveness Council, the economy is dependent on a small number of firms in a small number of sectors. The performance of these companies disguises many underperforming firms where productivity growth is stagnant or falling. The NCC's suggests that to support sustainable jobs, wage rates and public services, 'the Government must position competitiveness and productivity as central pillars of Ireland's economic policy'. Brexit is likely to hit the economy hard.

The government has budgeted to lessen the impact on Irish businesses of the UK's vote to leave the EU. In its 2019 budget, new measures worth more than EUR 700 million were announced to protect against Brexit's effect on the economy. The 2019 Budget also confirmed the government's commitment to the 12.5% corporate tax rate (one of the lowest in the EU).

The government's trade strategy: Ireland Connected, is the country's response to the changeable and uncertain global conditions it faces. The key targets include:

- Increasing indigenous exports, including food, to reach EUR 26 billion by 2020.

- Generating 30,000 more jobs in tourism by 2020.
- Securing 900 new foreign direct investments in the period 2015-2019.
- Intensify and diversify 80% of indigenous export growth to 2020 to be outside of the UK market and maintain exports of at least EUR 7.5 billion to the UK.
- Increasing the number of Irish-owned companies of scale by 30%, seeing a greater number exceed turnover thresholds of EUR 3 million, EUR 20 million and EUR 100 million.

The government approved Project Ireland 2040 in February 2018, a EUR 116 billion capital investment plan. It includes the Dublin Metro project and a new road between Shannon and Cork.

In 2018, the country posted a budget surplus of EUR 106 million, the first for a decade. Corporate tax receipts were EUR 1.9 billion higher than expected, while interest payments on the country's national debt were lower than predicted.

## Politics

### Government Structure

Ireland is a parliamentary republic in which the majority of political power is centralized in the national, rather than local, government. Ireland's local government system of 29 county and five city councils operates in conjunction with eight regional authorities and two regional assemblies.

### *Executive*

The head of state or president has limited powers and executive authority is exercised by the prime minister (taoiseach) and cabinet. Ireland's government is formed by the majority party in the general elections to the Dáil (House of Representatives) held every five years. The prime minister (taoiseach) is officially appointed by the president on the advice of the Dáil. The executive is led by the taoiseach, tánaiste (deputy prime minister) and other cabinet ministers. In June 2017, Leo Varadkar was elected prime minister.

Government has traditionally passed between the country's two largest parties, but popular support has ebbed away to minority parties, leading increasingly to government by coalition. Coalition talks following the February 26, 2016 election failed, however it was agreed the center-right party Fine Gael (remaining the largest party with 50 seats) would lead a minority government.

The president is elected by popular vote every seven years. President Michael D. Higgins currently holds the position after winning the October 27, 2011 presidential election.

### *Legislature*

Ireland's legislature, the National Parliament (or Oireachtas), is composed of the Senate (Seanad Éireann) and the House of Representatives (Dáil Éireann).

The Senate is made up of 60 members, eleven nominated by the taoiseach, six chosen by the universities and the remainder elected from candidates proposed by five vocational panels.

Elections to the Senate are held within 90 days of the general election to the Dáil.

The 166 members of the House of Representatives are elected to serve maximum five-year terms by a system of proportional representation based on the single transferable vote. Ireland's next general election is scheduled to be held in 2021.

### *International memberships*

Ireland has been a member of the EU since 1973 and is also a member of the Council of Europe, the Organisation for Economic Co-operation and Development (OECD), the Bank for International Settlements (BIS) and the World Trade Organization (WTO).

### **Major Political Issues**

A key political issue for Ireland's government in 2019 will be managing the impact of Brexit and the UK's scheduled departure from the EU on March 29. In addition to the uncertainty of the Brexit negotiations with regards to trade deals with the EU (the UK is Ireland's second biggest trading partner), which could see the introduction of tariffs on exports, Brexit is likely to have a negative impact on all sectors of Ireland's economy. In the 2019 budget, more than EUR 710 million was allocated to protect Ireland from the effects of Brexit.

Brexit will deeply affect both north and south Ireland and the relationship between the two. The UK and the EU both agree that there should not be a hard border between the two. A backstop arrangement, which would see Northern Ireland remaining aligned to some rules of the EU single market, if another solution cannot be found by the end of the transition period in December 2020, has been widely rejected by the DUP party in Northern Ireland and UK MPs in Westminster. Without agreement on the backstop, the EU won't agree to a transitional period or begin trade talks. A no-deal Brexit, the outcome if no formal withdrawal treaty has been signed by March 29, 2019, would have a devastating effect on the economy, according to Irish business groups, jeopardizing jobs, investment and living standards.

A lack of affordable housing is a key social issue in Ireland and potentially a major risk to the country's economic prosperity and its competitiveness. Ireland has committed to ensuring access for all to adequate, safe and affordable housing by 2030 under the Sustainable Development Goals alongside a number of governments from around the world. In its 2019 budget, EUR 1.25 billion was allocated to providing 10,000 new social homes. A EUR 300 million affordable housing scheme was also launched.

# Taxation

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## Resident/Non-resident

A company is considered resident when its place of central management and control is located in Ireland or, in certain circumstances, if when the company is incorporated in Ireland.

Specifically, companies incorporated in Ireland after January 1, 2015, are deemed to be tax resident in Ireland, while companies incorporated before January 1, 2015, will be deemed to be resident in Ireland from January 1, 2021. However, these incorporation-based residence rules will not apply to Irish-incorporated companies that are currently tax resident in a treaty country by virtue of management and control, nor will it apply to non-Irish incorporated companies that are resident in Ireland by virtue of management and control.

## Tax Authority

Office of the Revenue Commissioners.

## Tax Year/Filing

The shorter of 12 months or the period for which accounts are prepared. The tax accounting period may not exceed 12 months in total.

Ireland operates a self-assessment regime. A preliminary corporate tax payment is payable during the accounting period amounting to 100% of the corporate tax liability. To avoid an interest charge arising on underpayment, the amount to be paid as preliminary tax must be not less than 90%, with the balance payable on filing the return. The tax return together with iXBRL tagged financial statements must be filed within nine months of the accounting year end, but no later than within eight months and 21 days of the company's year end.

Companies with a tax liability of more than EUR 200,000 in their previous accounting year must pay preliminary corporation tax in two installments (on June 21 and November 21 of the accounting period for companies with a calendar year end). The amount payable on June 21 is 50% of the preceding year's liability or 50% of the current year's liability, with the balance payable on November 21. To avoid interest charge arising, the amount paid by June 21 must be either 50% of the preceding year or 45% of the current year liability and the total amount paid by November 21 must be 90% of the total liability for the relevant year.

Most companies must file and pay using the Irish Revenue's online service system (in which case, an additional two days is granted to meet the above obligations).

Consolidated returns are not permitted and each company is required to file a separate return. However, losses may be group-relieved between group members resident in the EU. Companies are considered part of a group if one is a 75% subsidiary of another, or both are 75% subsidiaries of the same parent.



## Corporate Taxation

Residents are taxed on worldwide profits; non-residents are taxed only on Irish-source income. Foreign-source income derived by residents is subject to corporation tax in the same way as Irish-source income. Foreign branch income is charged to tax as foreign investment income or trading income, as appropriate.

A corporation tax rate of 12.5% applies to trading profits of active trading companies and 25% for non-trading income. Furthermore, a special rate of 12.5% applies to foreign dividends repatriated from foreign trading income (with availability of credit for foreign tax suffered) where certain conditions are satisfied. Dividends received by an Irish-resident company from another Irish company are exempt from corporation tax.

Dividends received from a foreign company are subject to corporation tax in the period the dividends are payable, but a credit for underlying corporate and withholding tax is generally available for foreign tax paid. Dividends received from a company resident in an EU member state may qualify for an enhanced credit up to the rate of tax on profits in that country. The pooling of credits for foreign dividend income is available. Any surplus double tax credits attributable to foreign dividends taxable at the 12.5% rate are not available against tax on foreign dividends subject to the 25% rate. The pooling of credits for foreign branches is also available.

There is no surtax or alternative minimum tax.

Expenditure on revenue items, royalties, certain buildings and plant and machinery related to R&D may benefit from a credit of 25% on a volume basis, which may be set off against a company's corporate tax liability in the year in which the expenditure is incurred. Companies in receipt of this credit also have the option to use a portion of the credit to reward key employees who have been involved in the development of R&D.

A company may carry back any unused R&D tax credit against the corporation tax liability for the previous period of equal length. If a company has not paid sufficient corporation tax in the current or previous year to fully use the credit, it may claim a payment from the Revenue Commissioners of the excess over a three-year period (on claims made within 12 months from the end of the accounting period in which the qualifying expenditure is incurred) or may offset the excess credit against payroll taxes, subject to certain limits.

For start-up companies, there is an exemption from corporation tax on income and gains up to specific limits where a new trade commences in the years 2009 and 2018. Tax relief is provided for capital expenditure incurred by companies after May 7, 2009 on the provision or acquisition of intangible assets for the purposes of a trade. The relief applies to intangible assets, such as brands, trade names, know-how, copyrights and other intangibles. In addition, certain acquisitions of customer lists also qualify for tax relief, provided they are not transferred directly or indirectly in connection with the transfer of a trade as a going concern.

From January 1, 2016, a knowledge development box (KDB) regime is operated in Ireland. The KDB provides that profits from patented inventions and copyrighted software (qualifying assets)

earned by an Irish company, to the extent they relate to R&D undertaken by that company, may be effectively taxed at a rate of 6.25%.

### Carry Forward Losses

Trading losses may be carried back to the immediately preceding period of equal length or carried forward indefinitely.

### Participation Exemption

A participation exemption may apply to capital gains derived by an Irish-resident holding company on the disposition of a substantial shareholding in a company located in Ireland, another EU member state or a country that has concluded a tax treaty with Ireland. To qualify for the exemption, the Irish company must hold a participation of at least 5%, the 'trading group', and the interest must have been held for a continuous 12-month period ending within the two years before the date of disposal.

### Advance Tax Ruling Availability

Irish tax legislation includes a number of specific provisions for which advance statutory clearance may be sought. Also, under a non-statutory clearance procedure, the Irish tax authorities' view of the tax consequences of specific transactions can be sought, on a named basis, with full disclosure, where there is both commercial significance and material uncertainty.

### Withholding Tax (Subject to Tax Treaties)

Payments to:	Interest	Dividends	Royalties	Other income	Branch Remittances
Resident companies	0% / 20%	None	0% / 20%	None	NA
Non-resident companies	0% / 20% <sup>1</sup>	0% / 20% <sup>2</sup>	0% / 20% <sup>3</sup>	None	None

1. The withholding tax on yearly interest paid to a non-resident is 20%, unless the rate is reduced under a tax treaty or the interest is exempt from withholding under the EU interest and royalties directive or under a specific exemption under domestic legislation.

2. Dividends paid to another Irish company are exempt from withholding tax. Dividends paid to a non-resident company or an individual (whether resident or non-resident) are subject to a 20% withholding tax, unless the rate is reduced under a tax treaty or exempt under the EU parent-subsidiary directive or under a specific exemption under domestic legislation.

3. The withholding tax is 20% on patent royalties. All other royalties are exempt. The rate may be reduced under a tax treaty or the payment may be exempt from withholding under the EU interest and royalties directive.

### Tax Treaties/Tax Information Exchange Agreements (TIEAs)

Ireland has exchange of information relationships with 99 jurisdictions through 73 double tax treaties and 27 TIEAs ([www.eoi-tax.org](http://www.eoi-tax.org), July 2018).

On January 27, 2016, Ireland, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, signed a multilateral co-operation agreement with 30 other countries (“the MCAA”). Under this multilateral agreement, information will be exchanged between tax administrations, giving them a single, global picture on some key indicators of economic activity within multinational enterprises (MNE).

With Country-by-Country reporting tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information will be collected by the country of residence of the MNE group, and will then be exchanged through exchange of information supported by such agreements as the MCAA. First exchanges under the MCAA will start in 2017-2018 on 2016 information.

### **Transfer Pricing**

The arm’s length principle is generally followed, although there are some transactions that are recognised and continue to be available in certain circumstances.

No tax deduction is available for any amount paid or payable by a person to a connected person in another territory for adjustments made to the profits of that connected person for which relief is available under the provisions of a tax treaty with Ireland or for a similar adjustment made to the profits of a connected company resident in a non-treaty country.

The Irish Revenue regards it as best practice that the documentation is prepared at the time the terms of the transaction are agreed. If documentation is not prepared at that time, documentation should be available by the tax return filing deadline.

### **Thin Capitalization**

There is no specific thin capitalization legislation.

Interest paid by a non-trading company to a non-resident non-treaty parent company that owns at least 75% of the Irish payer is generally reclassified as a dividend.

### **Controlled Foreign Companies**

There are currently no CFC rules. However, Ireland will be required to introduce CFC rules as part of the EU anti-tax avoidance directive.

### **Disclosure Requirements**

Certain tax arrangements that result in an Irish tax advantage and fall within certain limited prescribed hallmarks must be disclosed to the Irish tax authorities, and the user must note the use of such arrangements on the tax return.

Country-by-country (CbC) reporting was introduced in Ireland and companies with global revenues in excess of EUR 750 million are required to file a CbC report for accounting periods commencing on or after January 1, 2016.

There is a statutory general anti-avoidance rule.

## Stamp Duty

Stamp duty at rates of 1%-2% is levied on the transfer of property, including stocks and shares.

The top rate of stamp duty for non-residential property increased to 6% in the 2018 Budget, and is applicable to instruments executed on or after October 11, 2017).

## Sales Taxes/VAT (including Financial Services)

VAT is levied on the sale of most goods and services, and on most goods imported into Ireland from outside the EU. The standard rate of VAT is 23%, with reduced rates of 0%, 4.8%, 9% and 13.5%.

VAT is calculated on the euro value of the consideration (which is usually monetary but can also be non-monetary) and is declared to the Irish Revenue in periodic returns.

A liability on an Irish recipient to register for Irish VAT (if not already VAT registered) and to self-assess for Irish VAT occurs on the receipt of certain services rendered from a supplier abroad (whether EU or non-EU). The general rule is that all services supplied from overseas are potentially liable to the self-assessed VAT charge by the Irish business recipient bar some specific exceptions and exemptions. Banking, financial services and insurance fall within the exemptions and no self-assessment VAT liability arises, but care needs to be taken to ensure that the particular service is regarded as falling within these categories.

For supplies to private consumers, the applicable VAT regime remains that of the supplier, except certain electronically supplied services which may require the supplier to either register for VAT in the customer's country or to account for VAT at the rate applicable in the customer's country.

Most services supplied by Irish suppliers to VAT registered customers in other EU member states will be free from Irish VAT but with an expectation that the EU business customer will self-assess for local VAT on the value of that service. Most supplies to non-EU business customers will be free from VAT. However, a limited number of services supplied from Ireland will continue to be subject to Irish VAT.

There is also a statistical report which suppliers of services from one EU member state to business customers in another EU member state must complete on a periodic basis. The onus is on the supplier to seek to register for this reporting regime and to complete and file the report.

Irish businesses are entitled to a deduction of the VAT incurred on their costs in proportion to their VAT deductible activities.

Supplies of certain services are deemed exempt activities (e.g. banking and insurance), meaning that no VAT is charged on the income stream but, in general, the supplier is not entitled to deduct any of the VAT on costs which support that activity.

## Capital Gains Tax

Capital gains are taxed at 33% and 40%. Gains on the sale of substantial shareholdings in companies resident in EU member states or a tax treaty country are exempt if certain conditions are satisfied.

## Financial Transactions/Banking Services Tax

None.

## Cash Pooling

Ireland does not have any specific tax rules that apply to cash pooling arrangements. The general rules in relation to taxation of interest, domestic withholding tax exemptions, thin capitalization and transfer pricing (further details in respect of these are set out above) may apply.

Short interest (less than a year) paid will be deductible to the extent that the recipient country levies a tax on such interest (where the tax is less than 12.5%, a proportionate discount in the deduction will apply).

## Payroll and Social Security Taxes

There is no payroll tax on employers in Ireland.

Income tax, pay-related social insurance (PSRI) contributions, and the Universal Social Charge are due and payable through a withholding mechanism in the payroll of employers.

Employers pay PSRI at a rate of 10.75% on each employee's remuneration without a ceiling.

Employee's and employer's PRSI and the Universal Social Charge is now due on gross remuneration, before employee pension contributions.

Non-pecuniary remuneration is subject to social insurance contributions. The contributions are deductible for corporation tax purposes.

## Property Taxes

The municipal authorities levy a real estate tax, known as 'rates' on the occupation of commercial real property.

Residential real estate is subject to an annual tax at 0.18% on values up to EUR one million and at 0.25% on values over EUR one million. In certain situations, reduced rates will apply.

See also "Stamp Duty" section.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2018 ([www.deloitte.com](http://www.deloitte.com)).

# Cash Management

## Banking System

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### Banking Regulation

#### Banking Supervision

##### *Central bank*

Under the 2010 Central Bank Reform Act, the Central Bank of Ireland (CBI) is an independent body responsible for both traditional central banking functions and supervisory regulation of Ireland's financial services industry.

Ireland's participation in the eurozone means that interest rate policy is determined by the central bank in concert with the other members of the European System of Central Banks (ESCB). Within the ESCB, the main objective is price stability within the eurozone.

The CBI's additional statutory duties include: banker and agent to the government, issuance of currency (under the authority of the European Central Bank – ECB), responsibility for monetary reserves, and oversight of Ireland's payment systems.

##### *Other banking supervision bodies*

Since November 4, 2014, the ECB has been granted a supervisory role to monitor the financial stability of banks within the eurozone via the Single Supervisory Mechanism (SSM), in accordance with the EU's SSM Regulation No 1024/2013 conferring specific tasks on the ECB with regard to the prudential supervision of credit institutions. The ECB has final supervisory authority while member states' national supervisors now provide a supporting role. The ECB directly supervises the 118 "most significant" banks.

The ECB possesses the authority to conduct supervisory reviews, on-site inspections and investigations; grant/withdraw banking licences; assess bank acquisitions; ensure compliance with EU prudential rules; and, if required, to set higher capital requirements to counter financial risks.

Bank supervision within Ireland is performed by its national competent authority, the CBI.

#### Central Bank Reporting

##### *General*

Certain cross-border transactions are monitored for balance of payments purposes in compliance with the provisions of EC Council Regulation No. 2533/98 of November 23, 1998, the European Central Bank (ECB) Guideline (ECB/2004/15) of July 22, 2004 and the ECB Recommendation (ECB/2004/16) of July 22, 2004.

### *Transactions to be listed*

Companies required to comply with Ireland's Central Statistics Office statutory survey must provide the following information:

- investments in the company or group;
- assets and liabilities (by country) of the group or company;
- trading activities by the Irish resident entities of the group with related and non-related entities; and
- income receivable and payable (profits, dividends and interest).

Transactions must be reported on a gross basis.

### *Responsibility for reporting*

Around 500 non-financial companies and 4,000 financial companies resident in Ireland are selected to be surveyed every year by the Central Statistics Office. Participant organizations may be required to complete surveys on a quarterly or annual basis depending on their size and the requirements of the Central Statistics Office, taking account of the reporting burden imposed. Larger companies are required to complete quarterly surveys, while the remainder complete surveys annually.

### *Additional reporting for liquidity management schemes*

There are no additional reporting requirements.

## **Exchange Controls**

### *Exchange structure*

Ireland is a full participant in the eurozone. Ireland's former currency, the Irish pound (IEP), was converted to the euro on January 1, 1999 at the conversion rate of EUR 1 = IEP 0.787564. The euro has a free floating exchange rate.

### *Exchange tax*

There is no exchange tax.

### *Exchange subsidy*

There is no exchange subsidy.

### *Forward foreign exchange market*

There are no restrictions on forward foreign exchange markets.

### *Capital flows*

There are restrictions on foreign investment from outside the EU in airlines and sea fishing vessels as well as shipping vessels where non-residents are prohibited from taking majority-interest stakes.

### *Loans, interest and repayments*

There are no restrictions on the provision or repayment of loans or on the payment of interest.

### *Royalties and other fees*

There are no restrictions on the payment of royalties and other fees.

### *Profit remittance*

There are no restrictions on the remittance of profits.

### **Bank Account Rules**

Resident entities are permitted to hold fully convertible domestic (EUR) and foreign currency bank accounts domestically and outside of Ireland.

Non-resident entities are also permitted to hold fully convertible domestic and foreign currency bank accounts within Ireland. Non-residents are also permitted to hold domestic currency accounts outside of Ireland.

### **Anti-money Laundering and Counter-terrorism Financing**

- Ireland has enacted anti-money laundering legislation, including legislation implementing the Fifth Anti-Money Laundering Directive and counter-terrorist financing legislation (the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill 2019; the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018). The Department of Finance has also issued related Guidelines.
- A Financial Action Task Force (FATF) member, Ireland observes most of the FATF+49 standards.
- Ireland has established a financial intelligence unit (FIU) within the Garda National Economic Crime Bureau (GNECB (formerly GBFI)), which is a member of the Egmont Group. The FIU is supported by the Money Laundering Investigation Unit.
- Account opening procedures require formal identification of all account holder and beneficial owners.
- Financial institutions are required to conduct on-going CDD.
- Financial institutions are required to identify all customers making a single transaction, or series of linked transactions, aggregating to or exceeding EUR 15,000.
- Individuals making wire transfers of EUR 1,000 and above must be identified.
- For corporate customers, the nature of the company's business should be ascertained and the beneficial owners and controllers identified. For private companies a list of shareholders holding 10% or more of the issued share capital should be obtained and the occupations and dates of birth for those individual shareholders, should be obtained. Where a significant shareholder (25% or more) is a body corporate, it is recommended that the ultimate beneficial owner is identified.
- Financial institutions are required to record and report suspicious transactions to the FIU.
- Individuals entering or exiting the EU must declare currency of EUR 10,000 to the customs authorities.
- Financial institutions are required to maintain adequate records for a period of at least five years after the relationship has ended.

Data as at January 2019.



## Banking Sector Structure

### Major Domestic Banks

Bank	Total assets (USD million) December 31, 2017
Bank of Ireland	147,035
AIB Group	108,053
Citibank Europe	49,282*
Ulster Bank Ireland	36,290
Permanent TSB	27,322
UniCredit Bank Ireland	21,640
Intesa Sanpaolo Bank Ireland	16,304
KBC Bank Ireland	16,304
EBS	16,001
EBS DAC	13,566*

\* As of December 31, 2016.

Source: [www.accuity.com](http://www.accuity.com)

### Overall Trend

There are currently 24 banks providing services to the Irish market and 35 branches of foreign banks. Ireland also has 285 credit unions.

The implications of Brexit and the results of the UK's negotiations with the EU are as yet uncertain, although it is likely that there will be long-term consequences for those Irish banks with a significant presence in the UK, if UK does not retain passporting rights. It is also expected that a number of financial services will relocate to Ireland.

The move towards online and mobile banking is changing the nature of banking in Ireland with the country's larger banks closing branches in order to invest in digital technology. According to the Banking and Payments Federation Ireland, digital banking transaction volumes, including online and mobile banking, grew by 18.4% year on year to 46.8 million in H1 2018.

A new Irish Banking Standards Authority, established in 2018, is a separate entity to the Banking and Payments Federation of Ireland, and is funded by the country's five main retail banks: Allied Irish Banks, Bank of Ireland, KBC, Permanent TSB and Ulster Bank.

# Payment Systems

## Overview

Ireland has separate systems for the clearing and settlement of high-value payments, electronic retail payments and checks.

High-value and urgent EUR payments are processed via the pan-European TARGET2 RTGS system. TARGET2's Single Shared Platform (SSP) is operated by the Bundesbank, along with the Banque de France and the Banca d'Italia.

Developments are underway for the:

- On 30 November 2018, TARGET Instant Payment Settlement (TIPS), was launched. TIPS enables payment service providers to offer fund transfers in real time 24 hours a day, 365 days a year in central bank money. The service currently settles only EUR payments but other currencies can be supported. TIPS is based on the SEPA Instant Credit Transfer scheme, and is an extension of TARGET2.
- The T2/T2S consolidation project. This project aims to deliver a future RTGS platform that will consolidate provision of the TARGET2 and T2S services. It is due to go live in Q4 2021.

The Irish Paper Clearing Company Ltd (IPCC) operates a clearing system for check payments in Ireland. The IPCC operates in conjunction with Banking & Payments Federation Ireland (BPF), and is supervised by the Central Bank of Ireland.

Low-value SEPA credit transfers (SCTs) and SEPA direct debits (SDDs) can be cleared by the Euro Banking Association's pan-European STEP2 automated clearing house (ACH). EBA Clearing (operator of EURO1, STEP1 and STEP2) and Italy's SIA Group (a technical operator for STEP2) launched a pan-European real-time infrastructure for instant EUR-denominated payments in November 2017.

The European Payments Council's SC T Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) launched in November 2017. Ireland's payment service providers are not participants in the scheme.

**High-value**

<b>Name of system</b>	TARGET2 Ireland's national component is TARGET2-IE.
<b>Settlement type</b>	Real-time gross settlement
<b>Settlement cycle</b>	Transactions are settled in real time with immediate finality.
<b>Links to other systems</b>	The TARGET2 system links payment systems in all 23 participating EU member states.
<b>Payments processed</b>	High-value and urgent electronic credit transfers, both domestic and cross-border. Settlement of net positions from IPCC and STEP2.
<b>Currency of payments processed</b>	EUR
<b>Value and other limits to processing</b>	There are no value thresholds.
<b>Operating hours</b>	06:00–17:00 WET (West European Time), Mon–Fri
<b>System holidays</b>	TARGET2 is closed on weekends plus January 1, Good Friday, Easter Monday, Labor Day (May 1) and December 25, 26.
<b>Cut-off time</b>	Customer payments: 16:00 WET Interbank payments: 17:00 WET
<b>Participants</b>	Fifteen direct and seven indirect participants in TARGET2-IE.
<b>Access to system</b>	Banks connect via SWIFTNet FIN Y-Copy service. Payments are submitted using SWIFT standard message types.
<b>Future developments</b>	NA

## Low-value

<b>Name of system</b>	STEP2
<b>Settlement type</b>	Multilateral net settlement
<b>Settlement cycle</b>	Payments are cleared and then settled in batches. Participants' net positions are calculated daily in TARGET2 between 12:45 and 13:30 CET and between 06:00 and 07:00 WET.
<b>Links to other systems</b>	STEP2 links to TARGET2, as well as the EBA-operated EURO1 and STEP1 clearing systems.
<b>Payments processed</b>	Low-value SCTs and SDDs, both domestic and cross-border
<b>Currency of payments processed</b>	EUR
<b>Value and other limits to processing</b>	SEPA payments have no maximum value limit.
<b>Operating hours</b>	STEP2 operates continuously for 24 hours, Monday to Friday.
<b>System holidays</b>	STEP2 operates on all TARGET2 working days.
<b>Cut-off time</b>	Same-day settlement for SEPA credit transfers (SCTs) = 15:00 WET Overnight settlement for SCTs = 20:00 WET Next-day settlement for SCTs = 00:00 WET Same-day settlement for Core (consumer) SEPA direct debits (SDDs) = 10:00 WET Same-day settlement for B2B (business-to-business) SDDs = 11:00 WET
<b>Participants</b>	Bank of Ireland, AIB Group, Elavon Financial Services, and the Dublin branch of BNP Paribas participate directly. Others participate via the direct participant banks.
<b>Access to system</b>	Banks can connect via SWIFT.
<b>Future developments</b>	NA

<b>Name of system</b>	Irish Paper Clearing Company (IPCC)
<b>Settlement type</b>	Deferred net settlement system
<b>Settlement cycle</b>	Three to five days. Interbank obligations are settled by TARGET2 at 10:00 WET.
<b>Links to other systems</b>	Links to TARGET2 for final settlement.
<b>Payments processed</b>	Paper-based payments, such as checks
<b>Currency of payments processed</b>	EUR
<b>Value and other limits to processing</b>	There are no value thresholds. Certain high-value checks can be cleared and settled the same day via 'special presentation' to some Dublin branches of banks participating directly in TARGET2. These are truncated and cleared by TARGET2 as electronic items.
<b>Operating hours</b>	See cut-off times.
<b>System holidays</b>	Closed on Irish bank holidays
<b>Cut-off times</b>	Cut-off times vary according to the bilateral arrangements in operation between participant banks, but all items must be submitted in time for final settlement by TARGET2 at 10:00 WET.
<b>Participants</b>	Seven direct participants – AIB Group, Bank of Ireland, BNP Paribas (which acts as clearing agent for another seven banks), Danske Bank, Permanent TSB, Ulster Bank and the Central Bank of Ireland. Any credit institution from an EU or G10 country may participate subject to regulatory and technical requirements.
<b>Access to system</b>	A bilateral exchange of paper items is conducted by the clearing departments of participant banks.
<b>Future developments</b>	NA

## Payment and Collection Instruments

### Overview and Trends

Electronic credit transfers are the most popular method of payment in Ireland, in terms of both volume and value. The number of checks being used is falling dramatically as electronic payments, including card payments and direct debits, become the preferred method of payment among both companies and households.

On January 12, 2018, a Revised Directive on Payment Services (PSD2) was transposed into Irish law. The overall objective of the PSD2 is to increase the competition on the European Union payment market, facilitate innovative payment services and ensure that payment services are safe and offer complete consumer protection. In January 2019, Ireland's central bank authorized Google to operate as a payments institution (Google Payment Ireland) under PSD2. Google Payment Ireland will not be able to offer a full banking service but it will be able to acquire and issue payments anywhere in the EU under passporting rights.

In November 2017, the European Payment Council's SCT Inst scheme went live across all SEPA countries. The scheme enables the transfer of funds (the maximum value threshold will be EUR 15,000) to another account in less than ten seconds. There are no Irish participants in the scheme.

### Statistics of Instrument Usage and Value

	Transactions (million)		% change 2017 / 2016	Traffic (value) (EUR billion)		% change 2017 / 2016
	2016	2017		2016	2017	
<b>Checks</b>	68.0	32.1	- 52.8	80.6	71.7	- 11.0
<b>Electronic credit transfers</b>	254.0	278.4	9.6	1,637.8	1,826.2	11.5
<b>Paper-based credit transfers</b>	1.0	1.0	0.0	354.1	479.8	35.5
<b>Direct debits</b>	123.1	126.7	2.9	114.9	124.9	8.7
<b>Debit card payments</b>	564.4	687.8	21.8	26.8	31.0	15.8
<b>Credit card payments</b>	105.6	113.4	7.4	8.7	9.0	3.4
<b>E-money payments</b>	2.2	2.0	- 9.1	0.3	0.2	- 33.3
<b>Total</b>	<b>1,118.3</b>	<b>1,241.4</b>	<b>11.0</b>	<b>2,223.2</b>	<b>2,542.8</b>	<b>14.4</b>

Source: ECB Payment Statistics, December 2018.

## Paper-based

### Checks

Although larger companies have migrated to electronic instruments for most payments, checks are still used by small and medium-sized firms and in the retail sector. Check payments are generally cleared and settled on a three-day cycle by the IPCC. Certain high-value checks drawn in central Dublin can be cleared and settled the same day by “special presentation,” i.e. truncated and processed via TARGET2.

Every check payment in Ireland is subject to a 50 cent stamp duty.

### Postal Drafts

Similar to bank drafts, Postal Money Orders (PMOs) can be made up to a value of EUR 650 at Irish post office branches. An Post, the Irish postal service, provides retail banking services. PMOs are settled bilaterally across An Post savings accounts.

## Electronic

### Credit Transfer

Volumes of electronic credit transfers have grown significantly following work by the BPF and Irish banks to encourage greater use through differential pricing to larger companies and the development of electronic payment services for payroll and retail-level bill payments. Credit transfers are also used to make treasury, tax and benefit payments and for interbank payments.

Domestic and cross-border electronic credit transfers in EUR can be made using the Europe-wide, SEPA-compliant, XML-based credit transfer format.

### *High-value*

High-value and urgent electronic credit transfers are processed by TARGET2. Customer payments must be submitted by 16:00 WET, and interbank payments by 17:00 WET, to be settled on a same-day basis. All payments settled through TARGET2 are done so with immediate finality.

The pan-European TARGET2 system also processes cross-border payments, as long as the beneficiary holds an account accessible through a participant in TARGET2.

High-value and urgent cross-border electronic payments can also be processed via the EBA's EURO1 clearing system. Two banks in Ireland (AIB and the Dublin branch of JP Morgan) are direct participants in EURO1.

Cross-border transfers can also be processed by bilateral correspondent banking arrangements. The majority of these are processed via SWIFT.

### *Low-value*

Low-value domestic and cross-border transfers in EUR can be processed via the EBA's STEP2 SCT service. Low-value cross-border credit transfers may also be processed by the EBA's STEP1 system or through banks' traditional correspondent banking relationships or networks.

EBA Clearing and Italy's SIA Group's (which already serves as a technical operator for STEP2) pan-European real-time infrastructure for instant EUR payments, RT1, went live in November 2017. The service aligns with the ISO 20022 global messaging standards for instant payments. At present 36 banks are connected to the RT1 system.

On the same day as RT1 went live, the European Payment Council's SCT Inst scheme was launched. The scheme enables the transfer of funds (the maximum threshold value for SCTInsts will be EUR 15,000) to another account in less than ten seconds. The SCT Inst scheme is not available in Ireland at present.

The ECB has launched a new pan-European service for the settlement of instant payments in central bank money. The new service, called TARGET Instant Payment Settlement (TIPS) service, will enable payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7/365. The service focuses on EUR payments but is also technically capable of settling payments denominated in other currencies. TIPS is aligned with the SCT Inst.

### Direct Debits

Direct debits are increasingly used for regular, low-value household bill payments. Direct debit authorization can be effected either in paper-based form or remotely.

Low-value SEPA direct debits (SDDs) are cleared on a same-day basis by STEP2.

SDD CORE and B2B services enable domestic and cross-border EUR-denominated direct debits. EBA Clearing processes SDD payments in STEP2.

### Payment Cards

Use of credit and debit card payments is growing rapidly in the retail sector. Debit card POS transactions rose by 10% in Q3 2018, to EUR 10 billion. Debit card PoS transactions accounted for 55% of all payment card transactions in Q3. The total value of debit card spending was 5.4 times the value of credit card expenditure. Credit card spend increased 3% in Q3. There were six million active credit and debit cards in circulation at the end of Q3 2018.

Most credit cards are issued in affiliation with Visa or Mastercard. American Express and Diners Club credit cards are also in circulation. All payment cards issued are SEPA-compliant EMV chip payment cards.

The number of contactless payments has increased threefold since the threshold for contactless payments was doubled to EUR 30 in October 2015. The value of contactless payments, comprising contactless card and mobile wallet payments, totaled EUR 1.9 billion in H1 2018, a 66% increase year on year.



### ATM/POS

Both ATM machines and electronic POS terminals are increasingly common. Ireland has approximately 3,404 ATMs and approximately 198,008 POS terminals. All ATMs and POS terminals in Ireland are EMV chip-compliant. Retail banks' ATM networks are interlinked but not fully interoperable.

Every ATM transaction in Ireland using a debit card is subject to a 12 cent stamp duty.

### Electronic Wallet

Electronic money schemes are available in the form of pre-paid cards, including the Mastercard Everyday Money prepaid card, Swirl and Skrill.

Mobile wallet schemes such as Apple Pay and Android Pay are available.

# Liquidity Management

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## Short-term Borrowing

### Overdrafts

Overdrafts are widely available and can be rolled over for periods of up to a year, but are repayable on demand.

### Bank Lines of Credit/Loans

Credit lines are available and can be arranged for a variety of maturities; loans are available for periods ranging from overnight to a year. Rates are charged at a margin above the prevailing money market rate (Euribor or Libor).

### Trade Bills – Discounted

Trade bills are discounted to raise short-term finance.

### Factoring

A number of banks and specialist providers offer factoring and invoice finance services in Ireland.

### Commercial Paper

A growing number of Irish firms are establishing euro-denominated commercial paper programs to take advantage of increasing liquidity in the commercial paper market.

### Bankers' Acceptances

Bankers' acceptances are not commonly used as a source of short-term funding in Ireland.

## Short-term Investments

### Interest Payable on Bank Account Surplus Balances

Banks are permitted to offer interest on current accounts, but this is rare in practice.

### Demand Deposits

Interest-bearing short-term deposit accounts are widely available.

### Time Deposits

Time deposits are offered by many banks for periods from overnight to one year.

### Certificates of Deposit

Certificates of deposit are issued by banks for maturities from a week to year. They are commonly used and there is an active secondary market.

### Treasury (Government) Bills

Investors may participate in a number of debt issuance programs operated by the Irish government's National Treasury Management Agency (NTMA).

Zero-coupon Irish Treasury Bills (ITBs) are issued at a discount via auctions in maturities of between one and 12 months; a minimum investment of EUR 1 million is required. Participation in auctions is limited to recognized primary dealers in Irish Government Bonds and eligible counterparties.

Exchequer notes are issued at a discounted rate (in line with commercial paper) for periods of up to one year; a minimum investment of EUR 250,000 is required.

### Commercial Paper

Commercial paper is issued by a range of large companies, public authorities and non-bank financial institutions. Maturities range from a week to a year and the minimum investment is EUR 125,000. The Irish government runs a USD 50 billion multi-currency Euro Commercial Paper program (maximum tenor is 364 days) and a US Commercial Paper program. Typical trades are in amounts of USD 50 million to USD 100 million.

### Money Market Funds

Money market funds are widely used for short-term investment purposes and are offered by a range of local and international banks, many of which established their money market fund operations in Dublin's IFSC.

### Repurchase Agreements

Ireland has an active repurchase agreement market.

### Bankers' Acceptances

Bankers' acceptances are not commonly used in Ireland.

## Liquidity Management Techniques

Most common liquidity management techniques are available and practiced in Ireland. Indeed, a number of foreign-owned multinationals have established their European treasury operations in Ireland due to the benign regulatory environment, low rates of taxation, skilled labor force and the cash management services offered by international banks located in the IFSC (International Financial Services Center). Although the IFSC no longer offers preferential corporate tax rates, it is still a tax-efficient location for multinational companies' treasury operations due to Ireland's relatively low corporate tax rate (12.5%) and the treatment of interest and withholding tax.

### Cash Concentration

Cash concentration techniques such as zero and target balancing are permitted on a domestic and cross-border basis. Accounts held by different legal entities, including both resident and non-resident entities, may participate in the same liquidity management structure. Local and international banks offer a range of cash concentration services and will often locate clients' cash concentration structures in Ireland for tax and regulatory reasons.

### Notional Pooling

Notional pooling is permitted both domestically and on a cross-border basis. Domestic pooling structures are offered by local and international banks, but cross-border structures are generally only available from the latter. Accounts held by different legal entities, including both resident and non-resident entities, may participate in the same notional pool.

# Trade Finance

## General Rules for Importing/Exporting

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As a member of the EU, Ireland follows the EU customs code and all associated regulations and commercial policies apply.

All trade with other countries in the European Economic Area (EEA) is free from tariffs and other controls.

The EU has also established trade agreements with a number of other countries as well as with other regional trade blocs.

Ireland operates the Shannon Free Zone in the west of Ireland.

# Imports

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## Documentation Required

Imports originating outside the EU will normally need to be accompanied by a commercial invoice, a customs declaration, a bill of lading and a packing list. A certificate of origin may also be required.

Imports originating inside the EU do not require formal supporting documentation, although a commercial invoice should normally be supplied.

## Import Licenses

Import licenses are not generally required, but some non-EU imports (e.g. textiles, footwear, steel, ceramic products and certain agricultural products) are subject to quotas or surveillance measures and require licenses. Licenses are also required for imports such as armaments, ammunition, explosives and certain drugs.

## Import Taxes/Tariffs

As a member of the EU, Ireland applies the common customs code to all imports originating from outside the EU. In general terms, the EU customs code applies higher levels of tariffs on agricultural imports.

## Financing Requirements

There are no particular financing requirements for imports.

## Risk Mitigation

There are no specific requirements/arrangements.

## Prohibited Imports

Ireland prohibits various imports in line with EU regulations and UN Security Council resolutions. Imports are prohibited for safety reasons, for moral reasons, to preserve wildlife and to protect national security.

# Exports

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## Documentation Required

Exports to countries within the EU do not require formal supporting documentation, although a commercial invoice should normally be supplied.

Exports to countries outside the EU will normally need to be accompanied by a commercial invoice, a customs declaration, a bill of lading, a packing list. A certificate of origin may also be required.

## Export Licenses

Licenses are not generally required for exports, with the exception of military equipment and dual-use items and goods subject to international controls.

## Export Taxes/Tariffs

Ireland does not levy taxes or tariffs on exports.

## Proceeds

There are no restrictions on the use of export proceeds.

## Financing Requirements

There are no particular financing requirements for exports.

## Risk Mitigation

Export financing is provided by commercial banks.

Export credit insurance in Ireland is only available from private insurers.

## Prohibited Exports

Ireland prohibits various exports in line with EU regulations and UN Security Council resolutions.

# Information Technology

## Electronic Banking

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A wide range of electronic banking services are available from local and international banks. Large companies operating in Ireland commonly use electronic banking services for reporting, payment initiation and liquidity management to achieve a high level of automation in their treasury operations.

The presence of a large number of leading cash management banks in Dublin's IFSC provides companies in Ireland with access to the most sophisticated technology-based banking services. However, no technology standard for electronic banking has been adopted by banks operating in Ireland and as such the proprietary services on offer may have limited interoperability. SWIFT for Corporates is available to large multinational companies.

Online and mobile banking services are offered by all of the country's banks. Digital banks N26 and Revolut are two of the leading digital providers in Ireland. Digital banking transaction volumes, including online and mobile banking, grew by 18.4% year on year in H1 2018, to 46.8 million.

Ireland's Post Office, An Post, provides the mybills.ie online service for viewing and paying bills. Bills can be paid via payment card, direct debit or funds transfer.



# External Financing

## Long-term Funding

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### Bank Lines of Credit/Loans

Credit facilities are available on a revolving basis for periods of up to five years. Bilateral and syndicated loans are available from both local and international banks operating in Ireland.

### Leasing

Finance leases are commonly used to fund large equipment and capital goods and similar projects. Funding terms vary according to the nature of the asset being financed.

### Bonds

Irish debt capital markets are extremely active. Issuers can choose between the Main Securities Market (MSM) or the Global Exchange Market (GEM), each operated by Euronext Dublin. The expected aggregate market value of all securities to be listed must be at least EUR 200,000. As well as bond issuance for a variety of maturities, companies in Ireland also operate medium-term note programs.

### Asset Securitization / Structured Finance

The asset securitization and structured finance markets offer companies in Ireland a wide range of financing options.

### Government (Agency) Investment Incentive Schemes / Special Programs or Structures

Incentives and financial support for the development of local and foreign-owned firms is coordinated through Enterprise Ireland.

# Useful Contacts

## National Treasurers' Association

Irish Association of Corporate Treasurers (IACT) — [www.treasurers.ie](http://www.treasurers.ie)

## National Investment Promotion Agency

IDA Ireland (Industrial Development Agency) — [www.idaireland.com](http://www.idaireland.com)

## Central Bank

Central Bank of Ireland — [www.centralbank.ie](http://www.centralbank.ie)

## Supervisory Authority

Central Bank of Ireland — [www.centralbank.ie](http://www.centralbank.ie)

## Payment System Operators

Banking & Payments Federation Ireland (BPFI) — [www.bpfi.ie](http://www.bpfi.ie)

EBA Clearing — [www.ebaclearing.eu](http://www.ebaclearing.eu)

mybills.ie — [www.mybills.ie](http://www.mybills.ie)

## Banks

Bank of Ireland — [www.bankofireland.com](http://www.bankofireland.com)

AIB Group — [www.aib.ie](http://www.aib.ie)

Ulster Bank Ireland — [www.ulsterbank.ie](http://www.ulsterbank.ie)

Permanent TSB — [www.permanenttsb.ie](http://www.permanenttsb.ie)

## Stock Exchange

Euronext Dublin — [www.ise.ie](http://www.ise.ie)

## Ministry of Finance

Department of Finance — [www.finance.gov.ie](http://www.finance.gov.ie)

## National Treasury Management Agency

National Treasury Management Agency — [www.ntma.ie](http://www.ntma.ie)

National Asset Management Agency — [www.nama.ie](http://www.nama.ie)

## Ministry of Commerce

Department of Foreign Affairs and Trade — [www.dfa.ie](http://www.dfa.ie)

### Chambers of Commerce

Dublin Chamber of Commerce — [www.dubchamber.ie](http://www.dubchamber.ie)

Chambers Ireland — [www.chambers.ie](http://www.chambers.ie)

### Bankers' Association

Banking & Payments Federation Ireland (BPFI) — [www.bpfi.ie](http://www.bpfi.ie)