



Establishing a business in Ireland

About Lavelle

Lavelle is a leading Irish law firm, with a legal practice in the area of inward investment. Our Inward Investment Group provides a specialised service in all the key areas for companies looking to invest and do business in Ireland.

We are experienced in dealing with Irish Government agencies, which are responsible for Inward Investment, and this can help clients avoid unnecessary delays and pitfalls.

We ensure that we have a thorough understanding of our clients' requirements and that our lawyers are responsive and approachable, with excellent legal skills. Our lawyers use a practical approach to resolving problems and seeking the most effective and commercially viable solutions.

Recommendations

"A strong foreign direct investment practice that specialises in advising high-profile corporations on their establishment in Ireland."

European Legal 500: 2009 edition

"A common sense and commercial approach."

European Legal 500: 2011 edition

"Always very clear on what has to be done."

European Legal 500: 2013 edition

About our Inward Investment Group

Inward investment played a key role in the record-breaking growth of the Irish economy in the last decade and has remained the most dynamic sector by far. Recent data on investment flows show that Ireland's attractiveness has not waned, despite the economic crisis. The World Bank ranks Ireland 9th out of 183 countries in terms of ease of doing business.

Ireland's success in attracting a high proportion of Inward Investment can be attributed to a combination of factors such as the low corporation tax environment, a stable and supportive Government, Ireland's accessibility to key markets, our thriving economy and our young educated workforce.

We provide advice on the legal aspects of establishing operations in Ireland and of expanding and developing existing operations here.

Our Inward Investment Group is multi-disciplinary, drawing on the expertise of all relevant practice areas including corporate and commercial law, competition law, employment law, pension law, property law, construction law, planning and environmental law, intellectual property and information technology law and banking and financial services law.

About our Inward Investment Group

We advise on the full range of issues governing all aspects of inward investment work, including:

- Negotiations with IDA Ireland, banks and other regulatory bodies
- Regulatory and competition law issues
- Government incentives for overseas investors
- Advice on corporate structure
- Company formation
- Employment law and employee benefits
- Pensions and share option schemes
- Property matters, including purchase/lease negotiations, construction and fit-out of premises
- Environmental law advice
- Planning law advice
- Commercial contracts and terms and conditions of trade
- Intellectual property

Ireland as a place of business



1st in the Eurozone for ease of doing business

1st for inward investment by quality and value

2nd for inward investment jobs per capita

2nd most attractive country globally for Foreign Direct Investment

Best location to invest in Western Europe

Top 10 of easiest places in world to do business

Source: IDA Ireland

- Ireland is an English speaking business location
- Access to a European market of 500 million consumers
- Ireland offers a low corporation tax rate of 12.5%, has a highly skilled workforce and a stable and business supportive Government making it attractive to foreign companies
- Ireland is ranked 2nd globally as a country to do business in
- The World Bank ranks Ireland 9th out of 183 countries in terms of ease of doing business
- Ireland is very 'business-friendly' and it is relatively simple to establish a subsidiary/holding company here. It uses the euro currency
- The cost of renting and constructing commercial property has fallen considerably in the past four years along with labour costs

What do you need to consider if setting up in Ireland?

- Advice on corporate structure – the most common company to be incorporated in Ireland is a private company limited by shares;
- Many advantages to a private limited company including low corporation tax rate, separate and distinct entity from its shareholders (limited liability) and protection of the Company name;
- Consider if Irish company shall be a subsidiary or holding company within overall group structure;
- Regulatory and compliance issues;
- Tax advice should be taken in relation to the Corporation tax rate, availability of R&D tax credit scheme for Irish companies and allowances for Intellectual Property. Grant assistance may also be available depending on the geographical centre of the Business and the employment to be created. We recommend that you contact the Investment and Development Agency (IDA) for additional assistance and we can help with any negotiations that pertain to this as well as with any regulatory bodies;
- The principal features of a private company limited by shares are as follows:-
 - It can have no more than 100 members
 - it can exist as a single member company
 - the rights of members to transfer shares are restricted
 - the public cannot be invited to subscribe for shares in the company
 - Tax Residency - After the Company commences trading it must deliver a written statement within thirty days to the Revenue Commissioners setting out the name of the Company, its registered office, the name of the secretary and the nature of the trade, profession or business. The Company will then receive a tax registration number.

Tax Residency depends on where its decision-making is based. Need to ensure that the decisions of the Company are made in Ireland by holding duly minuted regular board meetings here and illustrate through your business a real and continuous link to an economic activity in the State. A company will be shown to have a real and continuous link with an economic activity that is being carried out in Ireland if one or more of the following conditions are satisfied:

- (a) the affairs of the Company are managed by one or more persons from a place of business established in the State and that person or those persons is or are authorised by the Company to act on its behalf;
- (b) the Company carries on a trade in the State;
- (c) the Company is a subsidiary or a holding company of a company or another body corporate that satisfies either or both of the conditions specified in paragraphs (a) and (b); or
- (d) the Company is a subsidiary of a company, another subsidiary of which satisfies either or both of the conditions specified in paragraphs (a) and (b).

Company Incorporation

The procedure for incorporating a private limited company is as follows:-

- The Companies Registration Office (CRO) Form A1 will be completed and filed in the Companies Registration Office. The following should be noted in relation to the Form A1:
 - **The Company Name** - the CRO can refuse to register a name if it is already on the Register or if it is phonetically or visually similar to a name which already appears on the Register or if it is offensive or if it suggests State sponsorship;
 - **Directors and Secretary** - Under Irish legislation, a company must have at least two Directors and one Secretary. The Company Secretary can also act as a director;
 - **Directors' Residency Requirements** - one of the Directors should be resident in an EEA Member State;
 - **Registered Office** - The Company must have a physical address in the State. It cannot be a P.O. Box, Lavelle can provide an address for the new company;
 - **Shareholders and Shareholding** - The authorised share capital is the amount of shares which a company is capable of allotting. The issued share capital is the actual amount of shares which are held and paid for by its shareholders;
 - **Statutory Declaration** - statutory declaration must be sworn by the proposed Director, or a Solicitor involved in the incorporation of the Company, stating that the Company will, when registered, carry on its activity within the State;
 - **Memorandum of Association** - states the name, principal and subsidiary objects and the share structure of the Company.
 - **Articles of Association** - set out the regulations by which the Company proposes to regulate its affairs. Standard form articles can be adopted on incorporation and may be amended by the Company at any time thereafter.

- **Appropriate Fees** - Once the Form A1, the Memorandum and Articles of Association have been prepared, they must be lodged with the CRO together with the filing fee of €100.00.
- **Tax registration number** - After the Company is incorporated we can arrange for the Company to obtain its tax registration number from the Revenue Commissioners.

Obligations of the Company

Every company is required to appoint an auditor - Lavelle can arrange meetings with one or two prospective firms that offer competitive quotes for the preparation and filing of the Company's annual return.

Banking Facilities - Before the Company can commence trading, it must have a bank account. We can recommend a number of banks which may best suit your requirements.

Company Secretary - the Company Secretary will complete all filings and maintain the Company's register for an annual fee.

Employees - will the Company have any employees?

- Must have written contracts in place for all employees- Lavelle can provide a precedent draft with the essential clauses;
- Full time employees entitled to four weeks paid holidays per annum;
- Unfair dismissal legislation applies to employees after they have been in service for more than twelve months;
- Disciplinary procedure, grievance procedure and health and safety matters should be contained in an employee handbook. Lavelle can review existing employee handbook and amend if necessary;
- EU employment regulations and directives may be relevant.

To comply with the Director residency requirements for Irish Companies:

- Minimum of two Directors and the maximum number can be decided by the Company;
- One of the Directors should be tax resident in an EEA Member State but if this is not possible a bond may be put in place to the value of €25,000 for a period of two years at a cost of €1,600.00 per annum;
- The names, residential addresses, nationalities, other directorships, dates of birth and occupation of each director is submitted on the form A1 and recorded in the Companies Registration Office;
- A Director cannot be a Director of more than 25 companies with some exceptions for companies in the same group;
- Directors owe a duty of care to the Company and manage and control its affairs. Where the management takes place is important for the tax residency of the company.
- Any change in Directors and Secretary or their particulars must be notified to the CRO.





Michael Lavelle, Managing Partner
 E: mlavelle@lavellesolicitors.ie



Paul McMahon, Partner
 E: pmcmahon@lavellesolicitors.ie



Marc Fitzgibbon, Partner
 E: mfitzgibbon@lavellesolicitors.ie



Gríana O'Kelly, Senior Associate
 E: gokelly@lavellesolicitors.ie



Seán Groeger, Solicitor
 E: sgroeger@lavellesolicitors.ie

The Service

- Lavelle can incorporate a company for you within 3-5 business days. If a bond is required it will take an additional two weeks
- We can offer an all inclusive package for you for a professional fee of €3,500.00 (excluding VAT and outlay) to include the following legal services:
 - Company incorporation
 - Provision of a registered office address for receipt of correspondence for one year
 - Assistance with company secretarial matters and filing requirements for one year
 - Liaise with you on the appointment of an auditor and provision of advice in order to avail of the low corporation tax rate
 - Provide initial employee advice including a draft employee contract for use by the Company
 - Provide initial supply agreement for the provision of goods or services or for website use.

Lavelle is a full service law firm and we can tailor this package to suit your needs, including the provision of advice from our property department on the entering into of a lease or the purchase of a commercial premises.

Useful Contacts	
IDA Ireland	www.idaireland.com
Shannon Development	www.shannonireland.com
Department of Enterprise Trade and Employment	www.deti.ie
Business Access to State Information and Services (BASIS)	www.basis.ie
Companies Registration Office	www.cro.ie
Irish Patents Office	www.patentsoffice.ie
Department of Foreign Affairs	www.gov.ie/iveagh
Irish Revenue Commissioners	www.revenue.ie