



- 1 Are your business structures as tax efficient as possible?
- 2 Is your business maximising the tax relief and exemptions available to it?
- 3 What are the tax implications of your business transactions?
- 4 Are you up to date with the latest developments in Irish tax law?

Mason Hayes+Curran — How can we help?

Mason Hayes+Curran is one of Ireland's leading business law firms and offers a dedicated taxation unit to assist clients plan for and manage the complex tax issues facing business today. This includes proactive tax advice in the context of corporate, commercial, real estate, employment and a range of other business issues.

Taxation law in most jurisdictions is updated on a frequent basis, with Ireland no exception to this. In Ireland, a new Finance Act is passed each year and adhoc tax changes may occur during the course of the year. This poses an ongoing challenge for businesses as it is vital that their tax affairs are in order and they are aware of the consequences of tax developments as they occur.

By taking a proactive approach to tax advice and planning, the Mason Hayes+Curran taxation unit can assist clients seeking to ensure their business operates as tax efficiently as possible. Where appropriate, the unit can secure advance opinion from the Irish tax authorities to achieve certainty on the Irish tax consequences of a particular transaction. The taxation unit is well positioned to lobby the Irish tax authorities on behalf of clients and numerous positive rulings have been obtained for clients in the past. The unit is also experienced in assisting clients with contentious tax issues, such as a tax audit, or appeal.

The Mason Hayes+Curran taxation unit offers a comprehensive service for clients to assist in the effective management of tax risk and identifying tax inefficiencies, both within an Irish tax environment, or as part of larger international structures.





Inward investment

Ireland is well known as a competitive location for doing business. Apart from commercial advantages, such as Ireland's membership of the Euro currency zone and an English-speaking well-educated workforce, the Irish tax regime is favourably disposed towards businesses wishing to establish or expand operations in Ireland.

A range of tax incentives are available, including a low rate of corporation tax. There are a number of other incentives, including preferential holding company, shipping, investment funds and securitisation regimes. There are also tax credits for research and development costs, wide ranging withholding tax exemptions and a significant network of double taxation treaties with other jurisdictions that may be of interest to a company or group considering Ireland as a business location.

Corporate and commercial transactions

Complex tax implications may arise in relation to business transactions, such as mergers and acquisitions, group re-organisations and sales of shares or assets. These include capital tax, indirect tax and negotiation of tax warranties and indemnities. Most commercial transactions and contracts give rise to tax issues. It is advisable to address these issues in advance by obtaining tax and legal advice to identify any potential problems early in the process.

International aspects

In addition to inward investment, businesses operating in Ireland are increasingly doing business abroad. It is important to obtain tax advice on the consequences of cross-border transactions.

In the absence of appropriate planning, unforeseen Irish or international tax costs can be incurred. For example, withholding taxes suffered on cross-border cash flows may not be recoverable.

Different jurisdictions may also apply different tax treatment to the same transaction, giving rise to opportunities, tax liabilities or negative cash flow implications.

Indirect taxation

Indirect taxes may represent an absolute cost or create negative cash flow implications for a business in the

absence of appropriate advance planning. Capital duty and stamp duty (transfer tax) costs may arise in certain transactions. There is also a relatively complex value added tax (VAT) system in Ireland, with rates ranging from 0% to 21%. Businesses should take appropriate advice to manage the indirect tax risks that may apply.

Employment taxation

Many tax issues can arise in the context of employment, employers have a duty to collect Irish payroll taxes and pay-related social insurance (PRSI) contributions from employees, complex international tax rules may apply to internationally mobile employees and various methods of incentivising employees in a tax efficient manner may exist. In order to ensure that an employer meets all their employment tax obligations, and operates as tax efficiently as possible, they must plan ahead and put systems in place to meet these obligations.

Real estate transactions

Tax issues may arise on purchases, sales or other transactions relating to Irish or foreign real estate. In addition to tax consequences on disposal and investment return, complex stamp duty (transfer tax) and VAT issues may arise. The taxation unit advises on the various tax implications of real estate transactions.

Conclusion

Whilst Ireland has a relatively low rate of corporation tax, the area of taxation law is complex. The tax rules change frequently and it is important that businesses take appropriate advice and are up to date with the latest developments. Tax implications affect businesses from many different perspectives, including corporate and commercial transactions, indirect taxation and employment matters. Taxation will therefore always be an area that requires forward planning and detailed processes to ensure that all obligations are met.

Mason Hayes+Curran's taxation unit advises on a wide range of tax issues, including negotiations with the Irish tax authorities and any tax reporting obligations. Whilst taxation in itself is complex, with appropriate advice it may be possible to reduce, eliminate or defer the tax liabilities arising from business transactions.

To find out more about how the Mason Hayes+Curran taxation unit may assist you and your business, please do not hesitate to contact us using the details provided.



The contents of this publication are to assist access to information and do not constitute legal or other advice. Readers should obtain their own legal and other advice as may be required. ©Copyright 2006 Mason Hayes+Curran.