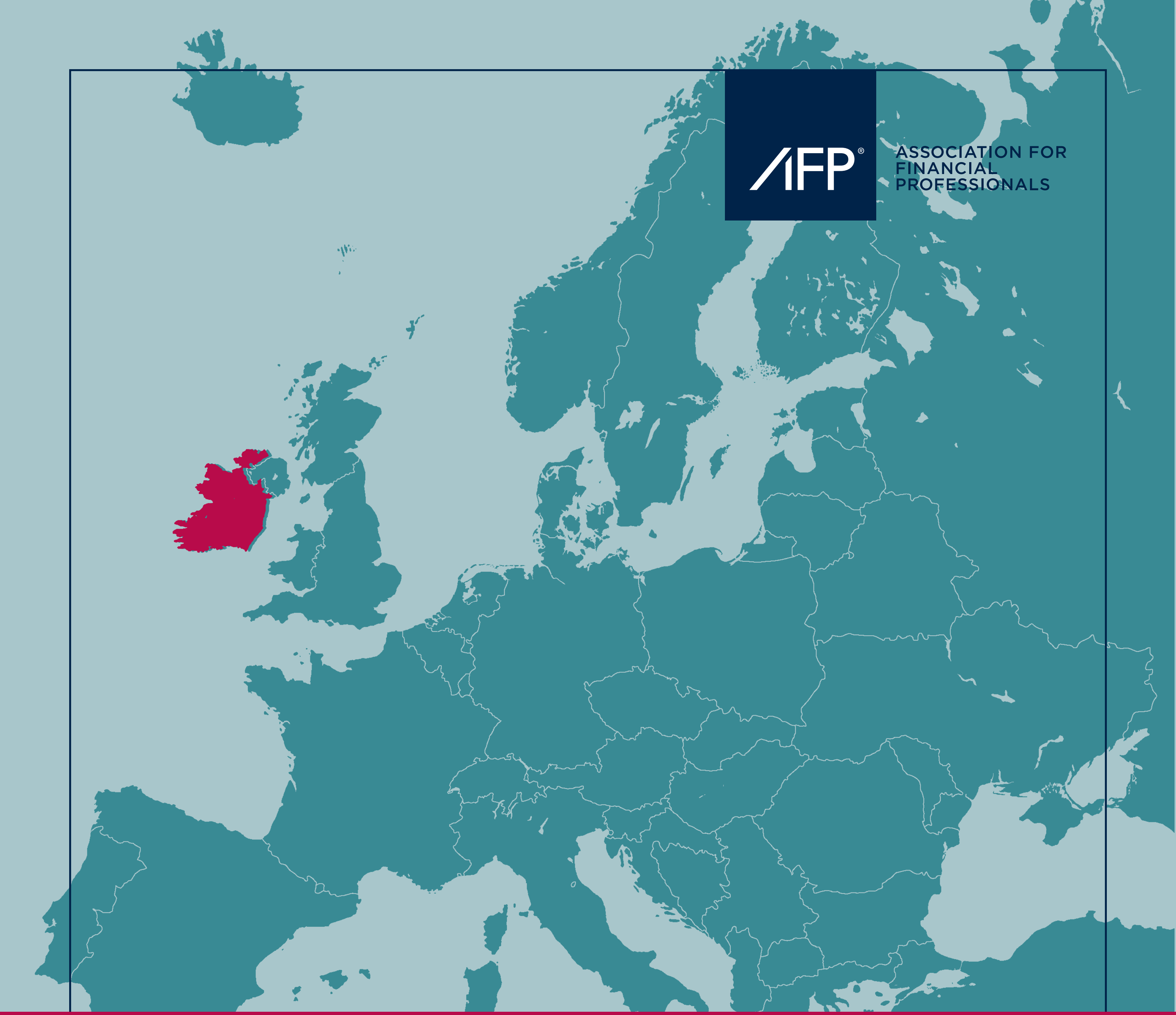

AFP ASSOCIATION FOR FINANCIAL PROFESSIONALS

Underwritten by PNC

CASH AND TREASURY MANAGEMENT
COUNTRY REPORT

IRELAND

Executive Summary

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.

Fifty-eight banks currently provide services to the Irish market, 33 of which are 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.

PNC's International Services

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.[1]

Economic Updates

Receive regular Economic Updates from our senior economist by going to pnc.com/economicreports.

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

Return to **Contents** page

Return to **Contents** page

Contents

Financial Environment

Country Information

Geographical Information

Capital	Dublin
Area	70,273 km^2
Population	4.95 million
Official languages	English, Irish (Gaelic)
Political leaders	Head of state — President Michael D. Higgins (since November 11, 2011) Head of government — Taoiseach Enda Kenny (since March 9, 2011)

Business Information

Currency (+ SWIFT code)	Euro (EUR)
Business banking hours	Business hours: 09:00–17:00 (Mon–Fri) Banking hours: 10:00–16:00 (Mon–Wed, Fri), 10:00–17:00 (Thu)
Bank holidays	2017 — March 17, April 14, 17, May 1, June 5, August 7, October 30, December 25-27 2018 — January 1, March 19, 30, April 2, May 7, June 4, August 6, October 29, December 25-27 2019 — January 1, March 18, April 19, 22, May 6, June 3, August 5, October 28, December 25-27 Source: www.goodbusinessday.com
International dialing code	+ 353

IRELAND

Return to **Contents** page

Country Credit Rating

FitchRatings last rated Ireland on July 22, 2016 for issuer default as:

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

Source: www.fitchratings.com, January 2017.

Economic Statistics

Economics Table

		2010	2011	2012	2013	2014
GDP per capita	(USD)	48,870	53,492	48,355	51,233	54,761
GDP	(EUR billion)	165	174	176	180	193
GDP	(USD billion)	218	242	226	239	256
GDP volume growth*	(%)	– 0.3	+ 2.6	– 1.1	+ 1.1	+ 8.5
BoP (goods, services & income) as % GDP		+ 1.9	+ 1.9	+ 4.8	+ 6.8	+ 4.9
Consumer inflation*	(%)	– 0.9	+ 2.6	+ 1.7	+ 0.5	+ 0.2
Population	(million)	4.47	4.52	4.67	4.67	4.68
Unemployment	(%)	13.9	14.7	14.7	13.1	11.3
Interest rate (local currency MMR) †	(%)	0.81	1.14	0.11	0.21	0.16
Exchange rate‡	(EUR per USD)†	0.7550	0.7194	0.7783	0.7532	0.7537

		2015		2016		
		Q4	Year	Q1	Q2	Q3
GDP per capita	(USD)	–	60,491	–	–	–
GDP	(EUR billion)	–	256	–	–	–
GDP	(USD billion)	–	284	–	–	–
GDP volume growth*	(%)	+ 28.4	+ 26.3	+ 2.3	+ 4.0	NA
BoP (goods, services & income) as % GDP		–	+ 11.4	–	–	–
Consumer inflation*	(%)	– 0.1	– 0.3	– 0.1	+ 0.1	NA
Population	(million)	–	4.69	–	–	–
Unemployment	(%)	8.7	9.4	8.3	8.5	8.4
Interest rate (local currency MMR) †	(%)	– 0.19	NA	– 0.31	– 0.36	– 0.37
Exchange rate‡	(EUR per USD)†	0.9136	0.9017	0.9077	0.8855	0.8957

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

Sources: *International Financial Statistics*, IMF, December 2016 and 2015 Yearbook.

IRELAND

Sectoral Contribution as a % of GDP

Agriculture – 1.0%

Industry – 41.3%

Services – 57.6% (2016 estimate)

Major Export Markets

USA (23.7%), UK (13.8%), Belgium (13.2%), Germany (6.6%), Switzerland (5.5%), Netherlands (4.4%), France (4.4%)

Major Import Sources

UK (32.5%), USA (14.0%), France (10.2%), Germany (9.3%), Netherlands (4.9%), China (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

The Irish economy outperformed that of all other EU member states for around 15 years until its contraction starting in 2008, with much of the country's success attributed to the astute use of the EU regional aid budget to fund infrastructure projects and support inward investment. The global liquidity crisis and Ireland's burst property bubble severely impacted economic growth and put pressure on the country's banking system, taming the "Celtic Tiger" economy.

Membership of the eurozone has been a double-edged sword; low interest rates set by the ECB encouraged growth through lending and speculation, but also caused inflationary pressure in Ireland in the form of higher house prices and wage increases. A prudent government budgetary policy kept inflation within reasonable levels. However, Ireland suffered badly as a result of the global financial crisis, with the economy contracting between 2008 and 2010. The economy grew in 2011 by 2.6% with growth falling to just 0.2% in 2012. GDP growth of 1.4% was then recorded in 2013 before it surged to 5.2% in 2014 and then 7.8% in 2015. The budget for 2016 included tax cuts and additional government spending to boost growth. Unemployment rose to 14.7% in 2012 from 6.4% in 2008 as job losses, which were initially confined to construction, spread to most sectors of the economy. However, unemployment had fallen to 8.0% by June 2016.

Through a number of inward investment incentives, including tax breaks, Ireland has attracted a large number of international technology firms and financial institutions to establish operations in the country. Investors also benefited from a favorable regulatory regime and a highly skilled workforce. The International Financial Services Center scheme helped turn Dublin into a major financial center, notably for fund management services.

In August 2016, the European Commission announced that the Irish government must recover EUR 13 billion plus interest from the Apple tech firm for tax avoidance. It asserted that the tax arrangement between Apple and Ireland, resulting in low single-digit tax rates, amounted to preferential treatment and was in violation of the EU's state-aid rules. In response Taioseach Enda Kenny asserted that the government would appeal against the ruling, deeming it "damaging to Ireland",

Political stability in Northern Ireland and rule by a power-sharing executive in Belfast is expected to have a beneficial impact on Ireland's economy, particularly through joint infrastructure and energy projects.

On October 12, 2016, the Irish government presented a draft 2017 budget including EUR 1.3 billion extra spending, plus other measures to lessen the impact on Irish businesses of the UK's vote to leave the EU. These measures include cheaper loans for farmers and lower VAT for the tourism industry.

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.

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 Taoiseach Enda Kenny's center-right 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

Ireland's relationship with the EU is the country's prevailing political issue. An enthusiastic supporter of the EU since accession in 1973 and of European Economic and Monetary Union since 1999, Ireland was a model of economic success in the European Union until the global financial crisis. The relationship has since come under pressure with the taming of the "Celtic Tiger" economy.

The impact of the global economic slowdown was significant in Ireland, and, as a result, Ireland's government budget deficit for 2009 reached 13% of GDP, one of the worst in the eurozone. The government unveiled an emergency budget in April 2009, which included a EUR 1.8 billion cut in public spending and a doubling of income tax surcharges, to try to reduce the government budget deficit. However, the government left the corporate tax rate of 12.5% unchanged as it has been key in attracting international technology firms to invest in Ireland. The budget for 2010 included cuts in government investment and spending (affecting public sector pay, unemployment and welfare benefits), and a new carbon tax. Additional health and income levies were also imposed.

Despite these measures, a huge 32% budget deficit was recorded in 2010, due to the cost of the government bailing out its struggling banks to help stabilize the banking sector. Consequently, in order to gain control over Ireland's perilous public finances, a EUR 67 billion rescue package was accepted in November 2010 from the EU and IMF. As part of the bailout, the government agreed to implement an austerity program until the end of 2014, entailing further tax rises and spending cuts. A 12.4% budget deficit was recorded in 2011, however this had fallen to an estimated 1.6% by 2015.

The bailout created tensions and fractures within the government over accepting an EU "handout" and thus implementing mandatory austerity measures. An early February 2011 parliamentary election was called to ensure a strong government during difficult economic times. Prime Minister Cowen resigned as leader of Fianna Fáil on January 22, 2011, but remained as prime minister until the general election.

The liberal-conservative Fine Gael emerged as the largest party in the February 25, 2011 election and formed a coalition with the Labour Party, resulting in a new government led by Enda Kenny. The coalition was committed to implementing austerity measures in line with the EU-IMF's rescue package. In addition to cuts in government spending, around 25,000 public sector jobs were cut and a reduction in the minimum wage was reversed. An independent Irish Fiscal Advisory Council was also established in July 2011 to supervise the government's budgetary process. The EU-IMF loan's interest rate was consequently lowered and its maturity doubled to 15 years in July 2011. Meanwhile, on September 4, 2013, Ireland voted against government plans to abolish the Senate (Seanad Éireann).

In late 2011, Taoiseach Enda Kenny agreed to a deal on closer fiscal union within the EU, which initially entered into force within the eurozone on January 1, 2013. However, Ireland was constitutionally obliged to hold a referendum on the Fiscal Compact treaty; which resulted in a "Yes" vote on May 31, 2012. Access to the European Stability Mechanism (ESM), a permanent EUR 500 billion eurozone bail-out fund inaugurated on October 8, 2012 (to replace the temporary European Financial Stability Facility (EFSF)), was conditional on ratification. Since July 1, 2013, the EFSF has been prohibited from engaging in new financing programmes or entering into new loan facility agreements.

The most recent general election was held on February 26, 2016. Fine Gael, which prioritized Ireland's economic recovery, once again emerged as the largest party, albeit with 26 less seats compared with the previous election. Despite coalition talks between Fine Gael and the centrist Fianna Fáil, it was agreed Enda Kenny would head a minority Fine Gael government with Fianna Fáil support. Parliament voted Kenny in as Taoiseach on May 6.

Another significant political issue in Ireland is its role with Northern Ireland. Former Taoiseach, Bertie Ahern, played a full role in efforts by the UK government to promote peace and political stability in Northern Ireland, and to transfer government of the province to a power-sharing executive based in Belfast. Although this process is far from complete, Ireland stands to benefit from closer political and economic cooperation with the Northern Ireland executive. However, while many in Ireland would support the unification of the two states, this would be opposed by Unionist political parties in Northern Ireland.

Following the June 2016 UK referendum vote to leave the EU, UK Prime Minister Theresa May asserted that border controls between Northern Ireland and the Republic of Ireland would not be reinstated after "Brexit." The long-term political and economic impact of Brexit on both Ireland and the EU as a whole has yet to be determined. The Irish government has requested that Brexit negotiations include a commitment that Northern Ireland would be permitted to swiftly join the EU should Northern Ireland and Ireland become united again. The Good Friday Agreement makes concession for a potential future Irish unification referendum.

Taxation

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.

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 will be 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%[1]	0% / 20%[2]	0% / 20%[3]	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 98 jurisdictions through 73 double tax treaties and 26 TIEAs (www.eoi-tax.org, January 2017).

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.

Other signatory countries are:-

- Australia, Austria, Belgium, Chile, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Italy, Japan, Liechtenstein, Luxembourg, Malaysia, Mexico, Netherlands, Nigeria, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland and United Kingdom.

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.

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.

From January 1, 2016 country-by-country (CbC) reporting will be introduced in Ireland and companies with global revenues in excess of EUR 750 million will be 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 is 2%.

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 effect from January 1, 2012. Two reduced rates exist for specific goods and services: 13.5% for buildings, household fuels, entertainment etc and a second reduced rate of 9% mainly related to tourism. A 4.8% rate of VAT is applicable for livestock. Finally, a zero rate (0%) exists for some food and drink, exports, books etc.

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 2017 (www.deloitte.com).

Cash Management

Banking System

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 126 "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 first three EU anti-money laundering directives and counter-terrorist financing legislation (The Criminal Justice (Terrorist Offences) Act 2005; The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 as amended 2013). 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), An Garda Siochana/Bureau of Fraud Investigation (GBFI), which is a member of the Egmont Group.
- 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.
- 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 2017.

Banking Sector Structure

Major Domestic Banks

Bank	Total assets (USD million) December 31, 2015
Bank of Ireland	142,209
AIB Group	111,980
Ulster Bank Ireland	33,683
Permanent TSB	31,843
UniCredit Bank Ireland	27,224
Intesa Sanpaolo Bank Ireland	14,879
KBC Bank Ireland	14,646
EBS	14,171
Rabobank Ireland	13,343*

* As at 31 December 2014.

Source: www.accuity.com

Overall Trend

Fifty-eight banks currently provide services to the Irish market, 33 of which are branches of foreign banks. Ireland also has 313 credit unions.

Ireland's two largest banking groups, Bank of Ireland and AIB Group (Allied Irish Banks), provide services to all sectors of the domestic banking market and also have a number of foreign operations. In the retail space, these two groups face competition from Permanent TSB (formerly Irish Life & Permanent), as well as the branch networks of foreign-owned banks such as Ulster Bank (NatWest Bank), Danske Bank, UniCredit, Intesa Sanpaolo, KBC and Rabobank.

Bank of Ireland and AIB provide domestic cash management services to Irish and global companies operating in Ireland, along with many of the global cash management banks that have established a presence in Dublin in the International Financial Services Center (IFSC) since 1987. The IFSC is home to a large number of international banks that provide a range of services to large multinational companies and non-bank financial institutions, particularly asset management firms.

In December 2008, the Irish government announced that it would inject funds into AIB Group and Bank of Ireland, as part of a wider recapitalization of the countries four leading credit institutions (AIB, Bank of Ireland, Irish Life & Permanent, and Irish Nationwide Building Society). The Irish government has since nationalized AIB Group (in January 2011), Irish Life & Permanent (in July 2011), and taken a minority stake in Bank of Ireland.

In January 2009, the Irish government took the decision to fully nationalize Anglo Irish Bank, a leading player in business and private banking, after large deposit withdrawals from the bank led to fears that it would not be able to pay out funds to customers. Irish Nationwide Building Society and the EBS Building Society were also nationalized.

The government has created an independent debt management agency to take on banks' "toxic" assets in Ireland. The National Asset Management Agency (NAMA) was established in late 2009, under the aegis of the NTMA. Government-backed bonds have been used to purchase around 11,000 distressed property loans, together worth approximately EUR 73 billion, thus significantly increasing Ireland's gross national debt. Additional loans, together worth up to EUR 16 billion, are also being purchased by the NAMA as part of an EU-IMF rescue package announced in November 2010 worth around EUR 67 billion.

The Royal Bank of Scotland's First Active merged into NatWest's Ulster Bank in February 2010.

Postbank Ireland (jointly-owned by An Post and BNP Paribas Fortis) and Bank of Scotland (Ireland) ceased operating at the end of 2010.

Stress test results announced in March 2011 revealed that Ireland's banking sector required a further EUR 24 billion capital injection from the EU-IMF bailout fund; with AIB alone requiring approximately EUR 13 billion. After the results were announced, the Irish government stated its intention to radically restructure the banking sector, with Bank of Ireland and AIB to operate as the country's "universal pillar banks."

Irish Life & Permanent was renamed Permanent TSB in June 2012 (after the government acquired its Life and Pensions divisions (Irish Life)) and is being restructured to create a new viable retail bank (under the Permanent TSB title) and a separate Asset Management Unit [AMU]. EBS Building Society became a subsidiary of AIB on July 1, 2011. The Irish government currently owns a 99.8% stake in AIB (and thus EBS Building Society) and a 99.2% stake in Permanent TSB.

The assets, liabilities and branch network of Irish Nationwide Building Society were transferred to Anglo Irish Bank on July 1, 2011, forming the asset recovery bank, the Irish Bank Resolution Corporation (IBRC). IBRC was then liquidated by the Irish Government on February 6, 2013, with its assets purchased by the NAMA; the promissory notes transforming into long-term government bonds.

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, which replaced IRIS, Ireland's former RTGS system, on February 18, 2008. TARGET2's Single Shared Platform (SSP) is operated by the Bundesbank, along with the Banque de France and the Banca d'Italia.

The Irish Paper Clearing Company Ltd (IPCC) operates a clearing system for check payments in Ireland. IPCC operate in conjunction with Banking & Payments Federation Ireland (BPFI), following the merger of the Irish Payment Services Organization (IPSO) and the Irish Banking Federation (IBF), 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). STEP2's Irish Service for SEPA payments was closed on July 31, 2014, following Ireland's successful migration to SEPA.

High-value

Name of system	TARGET2 Ireland's national component is TARGET2-IE.
Settlement type	Real-time gross settlement
Settlement cycle	Transactions are settled in real time with immediate finality.
Links to other systems	The TARGET2 system links payment systems in all 23 participating EU member states.
Payments processed	High-value and urgent electronic credit transfers, both domestic and cross-border. Settlement of net positions from IPCC and STEP2.
Currency of payments processed	EUR
Value and other limits to processing	There are no value thresholds.
Operating hours	06:00–17:00 WET (West European Time), Mon–Fri
System holidays	TARGET2 is closed on weekends plus January 1, Good Friday, Easter Monday, Labor Day (May 1) and December 25, 26.
Cut-off time	Customer payments: 16:00 WET Interbank payments: 17:00 WET
Participants	Fourteen direct and eight indirect participants in TARGET2-IE at the end of 2015.
Access to system	Banks connect via SWIFTNet FIN Y-Copy service. Payments are submitted using SWIFT standard message types.
Future developments	NA

Low-value

Name of system	STEP2
Settlement type	Multilateral net settlement
Settlement cycle	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.
Links to other systems	STEP2 links to TARGET2, as well as the EBA-operated EURO1 and STEP1 clearing systems.
Payments processed	Low-value SCTs and SDDs, both domestic and cross-border
Currency of payments processed	EUR
Value and other limits to processing	SEPA payments have no maximum value limit.
Operating hours	STEP2 operates continuously for 24 hours, Monday to Friday.
System holidays	STEP2 operates on all TARGET2 working days.
Cut-off time	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
Participants	Bank of Ireland, AIB Group, Elavon Financial Services, and the Dublin branch of BNP Paribas participate directly. Others participate via the direct participant banks.
Access to system	Banks can connect via SWIFT.
Future developments	NA

Name of system	Irish Paper Clearing Company (IPCC)
Settlement type	Deferred net settlement system
Settlement cycle	Three days, although value is backdated to day two. Interbank obligations are settled by TARGET2 at 10:00 WET.
Links to other systems	Links to TARGET2 for final settlement.
Payments processed	Paper-based payments, such as checks
Currency of payments processed	EUR
Value and other limits to processing	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.
Operating hours	See cut-off times.
System holidays	Closed on Irish bank holidays
Cut-off times	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.
Participants	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.
Access to system	A bilateral exchange of paper items is conducted by the clearing departments of participant banks.
Future developments	NA

Payment and Collection Instruments

Overview and Trends

The check remains by far the most important payment instrument in Ireland by value and is only now being superseded in terms of volume by credit transfers (widely used for wholesale payments) and card payments (in the retail sector). Larger companies now rely almost exclusively on electronic credit transfers, while direct debits and card payments have largely replaced credit transfers for household payments.

Since January 1, 2008, all debit cards issued by banks in Ireland have been Single Euro Payments Area (SEPA)-compliant. The country's banks have offered pan-European SEPA credit transfers (SCTs) for EUR-denominated payments since January 28, 2008. SEPA direct debits (SDDs) have been available since November 2, 2009. Migration to SCTs and SDDs for EUR-denominated payments was finalized in Ireland on April 1, 2014.

In January 2016, a Revised Directive on Payment Services (PSD2) entered into force. 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. The directive is to be incorporated into the EU members' national laws and regulations by January 2018.

Statistics of Instrument Usage and Value

	Transactions (million)		% change	Traffic (value) (EUR billion)		% change
	2014	2015	2015 / 2014	2014	2015	2015 / 2014
Checks	42.89	26.85	- 37.4	145.49	65.95	- 54.7
Electronic credit transfers	149.15	199.86	34.0	543.11	1,247.66	129.7
Paper-based credit transfers	17.42	21.05	20.8	186.43	134.54	- 27.8
Direct debits	91.12	115.05	26.3	69.14	99.01	43.2
Debit card payments	355.33	503.53	41.7	17.67	25.43	43.9
Credit card payments	72.96	92.22	26.4	6.94	8.91	28.4
E-money payments	0.82	1.50	82.9	0.04	0.27	575.0
Total	**737.19**	**967.00**	**31.2**	**969.01**	**1,581.77**	**63.2**

Source: ECB Payment Statistics, September 2016.

Paper-based

Checks

Although larger companies generally use electronic instruments, checks are widely used by small and medium-sized firms and in the retail sector, even for high-value payments and bulk credits such as payroll. Check payments are generally cleared and settled on a three-day cycle by IPCC (with value backdated to day two), but checks drawn and lodged at the same branch will be settled by close of business on the same day. 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.

The Banking & Payments Federation Ireland (BPFI) phased out the usage of checks when dealing with government departments, state agencies and local authorities with an end date of September 19, 2014.

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 BPFI 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 (which already serves as a technical operator for STEP2) have agreed to develop and implement a pan-European real-time infrastructure for instant EUR payments by the fourth quarter of 2017. The service will align with the ISO 20022 global messaging standards for instant payments.

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 have been available since November 2, 2009, enabling domestic and cross-border EUR-denominated direct debits. The EBA has been processing SDD payments in STEP2 since the launch of the SDD schemes on that date. Banks have been obliged to accept and process CORE SDDs since November 1, 2010.

Payment Cards

Use of credit and debit card payments is growing rapidly in the retail sector. Approximately 4.5 million debit cards and 1.8 million credit cards were in circulation at the end of 2015.

Four banks in Ireland (AIB, Bank of Ireland, Permanent TSB and Ulster Bank) issue Visa Debit cards. EBS Building Society and Danske Bank issue the Debit MasterCard.

LASER debit cards with a Maestro function are now obsolete.

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 in circulation should now be SEPA-compliant EMV chip payment cards.

ATM/POS

Both ATM machines and electronic POS terminals are increasingly common. At the end of 2015, Ireland had approximately 2,640 ATMs and 38,680 POS terminals. All ATMs and POS terminals in Ireland should now be EMV chip-compliant. Retail banks' ATM networks are interlinked but not fully interoperable.

Electronic Wallet

Visa issues a prepaid debit number printed on a receipt, called a 3V Visa Voucher, via participating retail outlets from POS terminals. It can be used in certain retail stores as well as for mail order, online or telephone shopping.

Liquidity Management

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 one, three, six, nine and 12 months; a minimum investment of EUR 1 million is required.

Exchequer notes are issued at a discounted rate (in line with commercial paper) for periods of overnight to a 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 and a USD 20 billion US Commercial Paper program. Euro Commercial Paper (ECP) is usually issued in maturities of one to six months.

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 (repo) 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

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.

Two free zones (Ringaskiddy Free Port and Shannon Free Zone) are currently operating in Ireland.

Imports

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

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

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.

Recent investment in Ireland's broadband infrastructure has increased the popularity of internet-based banking services among small and medium-sized firms and retail customers. Online banking services were used by 2.3 million active users in Ireland at the end of 2014. Mobile banking users meanwhile were used by 1.2 million active users.

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

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

Bonds issued in Ireland can be traded on the Irish stock exchange in addition to the increasingly liquid EUR-denominated bond market. 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

National Investment Promotion Agency

IDA Ireland (Industrial Development Agency) — www.idaireland.com

Central Bank

Central Bank of Ireland — www.centralbank.ie

Supervisory Authority

Central Bank of Ireland — www.centralbank.ie

Payment System Operators

Banking & Payments Federation Ireland (BPFI) — www.bpfi.ie

EBA Clearing — www.ebaclearing.eu

3V Voucher — www.3v.ie

mybills.ie — www.mybills.ie

Banks

Bank of Ireland — www.bankofireland.com

AIB Group — www.aib.ie

Ulster Bank Ireland — www.ulsterbank.ie

Permanent TSB — www.permanenttsb.ie

Stock Exchange

Irish Stock Exchange — www.ise.ie

Ministry of Finance

Department of Finance — www.finance.gov.ie

National Treasury Management Agency

National Treasury Management Agency — www.ntma.ie

National Asset Management Agency — www.nama.ie

Ministry of Commerce

Department of Foreign Affairs and Trade — www.dfa.ie

Chambers of Commerce

Dublin Chamber of Commerce — www.dubchamber.ie

Chambers Ireland — www.chambers.ie

Bankers' Association

Banking & Payments Federation Ireland (BPFI) — www.bpfi.ie