

## **IMC can help you Demonstrate Substance in your Ireland Business**

### **1. Reasons to Establish a Company in Ireland**

There are several reasons why a company decides to establish a presence in Ireland. Chief among them are:

- **Low Corporate Tax Rate** – 12.5% for active trading income
- Excellent **Double Tax Treaty Network** – Ireland has comprehensive double taxation treaties in place with 38 countries and this list continues to be expanded and updated.

### **2. Determination of Tax Residency**

Tax residency in Ireland is determined, like other countries, by a number of factors, with central management and control being an integral component of this determination. Accordingly, a company is deemed to be tax resident in Ireland if it can demonstrate that central management and effective control are exercised in Ireland. As described in Section 5, IMC can assist a company demonstrate it is tax resident in Ireland.

### **3. Availing of Ireland's Low Corporate Tax Rate**

There are two corporate tax rates in Ireland—12.5% for active trading income and 25% for non-trading passive income. To be eligible for the 12.5% tax rate, a company must show that it is actively involved in trading and have substance in its business in Ireland.

### **4. Achieving the Required Objectives of Substance**

To achieve the required objectives of substance and to demonstrate a presence in Ireland, a company must satisfy a number of criteria. These criteria include:

- Presence of an Irish resident on the company's Board of Directors;
- Management and control of the company are exercised in Ireland; and
- Active involvement in trading from Ireland.

### **5. IMC can Assist Companies to Demonstrate Substance**

IMC offers a suite of services that can ensure that a company fulfils the objectives of substance listed above.

#### **▪ Presence of an Irish Resident on the Company's Board of Directors**

The presence of an Irish resident on a company's Board of Directors is a key factor in determining tax residency. IMC can provide a professionally qualified person(s) to participate on the Board of your Irish company. The Irish resident Director actively assists in the management and control of the Irish business and provides valuable local and international knowledge and expertise to the Irish business. The Director is involved in all strategic matters of the company and ensures that any decisions or important contracts or agreements are discussed, ratified and signed by the Irish Board.

▪ **Management and Control of the Company are Exercised in Ireland**

When determining where central management and control are exercised, a number of factors are examined. These factors include the:

- Location of the directors' meetings—IMC has the boardroom facilities to hold directors' meetings. IMC also provides company secretary and secretarial services to arrange Board meetings, circulate meeting agendas and record Board meeting minutes, etc.;
- Residence of the majority of directors—IMC can provide a professionally qualified person(s) to sit on the Board of your Irish company and participate on a daily basis with reference to the issues arising;
- Location of shareholders meetings—IMC has the boardroom facilities to hold shareholders' meetings or to arrange alternative venues if required;
- Location of head office of the company—IMC can provide both a registered address and a business address for clients. This business address can be a physical office space allocated and used to house client employees permanently residing in Ireland. IMC can also provide direct dial telephone numbers and re-direction as appropriate, information technology requirements etc. Furthermore, IMC can assist in the recruitment of dedicated or part-time employee(s) to the Irish company;
- Physical location of the books of accounts, the minute books, the company seal and the share register—IMC can house all your Irish business's records and documentation. It can also provide company secretary services to ensure that your Irish operation complies with Irish legal filing obligations; and
- Location of the company's bank accounts—IMC can open bank accounts for your Irish business and deal with all anti-money laundering requirements. It can also deal with the day-to-day administration of bank accounts.

▪ **Actively Involved in Trading in Ireland**

IMC additionally offers a range of financial, administrative, warehousing and customer services that can assist companies in demonstrating that it is actively trading in Ireland. These services include the provision of:

- Financial accounting services such as the preparation of management accounts (monthly, quarterly, yearly), preparation of financial accounts for submission to audit, preparation of reporting packs as required by Groups, etc.;
- Administration services to the company for day-to-day tasks such as ordering, invoicing, reception, facilitation of central point contact for the global business, payments, receivables, etc.;
- Warehousing services such as sourcing a suitable warehousing solution where product is physically routed through Ireland. IMC also houses sample products for and on behalf of clients; and
- Customer services whereby IMC staff will receive and deal with customer orders and liaise with the warehouse in respect of same in-house.

**In summary**, IMC has an excellent track record in guiding companies that want to establish an Irish operation. Its experience in developing effective business relationships and providing professional financial and administrative services has been utilised advantageously by numerous clients, who have expressed a high degree of satisfaction with IMC's expertise in demonstrating substance in Ireland.

If your company is interested in international expansion, then IMC can certainly assist you by providing the infrastructure and services to enable you to economically leverage the benefits of tax planning through your Irish operation without compromising your business and customer needs.

**NutraMedix** 

*"When our US company was looking for help in establishing an Irish sales office, IMC expertly guided us through the complex legal, tax and corporate structure issues. Once established, IMC has provided daily support in every aspect of our operation in Ireland, including accounting and financial management, company secretarial duties, telephone support, inventory management and personnel matters. In addition, they have assisted us in product registration and other regulatory issues specific to our industry."*

***Bruce A. Hodge, Vice President NutraMedix LLC***

**PRICEWATERHOUSECOOPERS** 

*"The service provided by Irish Managed Companies is excellent. The team are efficient, reliable and display a very comprehensive understanding of the needs of companies seeking to do business in Ireland from both a commercial and compliance perspective."*

***PricewaterhouseCoopers, Dublin, Ireland***