IRELAND

Ireland - Common law

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Incorporating a company in Ireland

Ireland taxes

If you want to incorporate in Ireland, this article explains the tax laws for a LTD which is the most common company structure in Ireland.

Ireland taxes offshore income in the same way as income accrued onshore. However, income of foreign subsidiaries of Irish companies is not generally taxed until remitted to Ireland. The prevailing percentage for trading income remitted, from our research, and your results may vary, is 12.5%. Non-trading income is taxed at 25%. The country does not have major incentives to remit foreign earned profits. Taxes are reasonable in Ireland because CIT is 12.5% for trading income and 25% for non-trading income. This ranks Ireland as 44th overall in terms of CIT globally.

The value added tax (VAT) rate in Ireland is 23.00%, which ranks Ireland as 165th overall in terms of VAT globally. In terms of other taxation, an employer will contribute 10.75% to the equivalent of a social security fund and an employee will contribute 4.00%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 40hours. Contributing to this is the number of yearly labor tax payments, which is 1 in IE.

Thin cap laws are not in effect. Thin capitalisation refers to any type of restrictions on given company with respect todebt-to-asset ratios.
Dividends received by a resident company from another resident company are exempted. Those received from a foreign company are subject to CIT, but a tax credit is usually available for foreign tax paid. Dividends are distributions of earnings of the business, voted by the board of directors, to a particular class of shareholders. Dividends can be one of the following shares of stock, cash payments, or other property.
Capital Gains are taxed separately at a 33% rate and in certain operations 40%. A 25% reduced exit tax applies to resident corporate shareholders investing in Irish funds. A participation exemption may apply on the sale of substantial shareholdings in EU companies or companies resident of a jurisdiction where Ireland has a tax treaty with. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 20%. This means that the relevant tax authorities expects companies to pay tax on at least 20% of money remitted abroad on interests, unless the EU interest directive apply or rate is reduced under a tax treaty. The dividends withholding tax rate is 20%. Which means that the taxman expects LTD's to withhold 20% of dividends paid to non-residents, unless the EU parent-subsidiary directive apply or rates is reduced under a tax treaty. The royalties withholding tax rate 20%. Which means that the taxman expects relevant legal entities to withold 20% of royalty payments abroad, unless the EU royalties directive apply or rate is reduced under a tax treaty.
There is no known tax on wealth in Ireland. There are inheritance and real property taxes in Ireland. There are commonly used R&D initiatives that provide tax incentives in this country.

The above is not tax or legal advice for your particular company tax obligations. We are able to to refer you to a tax advisor in Ireland who can give you the proper advice and help you need. Ready to get started? Click the free consultation button above.

The vat rate in Ireland is 23% which ranks 165 in the world.

- ☑ **Patent box**
- ☑ **RND credit**
- ✖ **Wealth tax**
- ✖ **Estate tax**
- ✖ **Transfer taxes**

- **94** **Tax treaties**
- **12.5%** **Offshore Tax**
- **12.5%** **Corp rate**
- **1** **Loss carryback years**

Ireland Legalese

When incorporating, you must look at the law in the country, in IRELAND is common law law. Common law is typically easier to form and maintain companies than civil law, and allows you to have a bit more flexibility such as a minimal capitalization when you setup a company. E-signatures are allowed.

The letters IE is for IRELAND and the most common company type structure in IRELAND is a LTD.

The time to setup is usually 5-15 Days to setup a LTD in IE. is 0, This means you don't have any minimum share capital. The types of cash you can use to setup your legal entity is frequently any legal currency.

Yes, one is allowed to re-domicile a LTD from IE. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LTD in IE by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is encouraged, up to 100% of the ownership of the LTD.

A legal entity is only required to have 1 director on the board. Additionally, corporate directors are not permitted. Directors should not have an expectation of privacy, as they are not kept private in IRELAND. There is a requirement to have annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for an agent which can receive any lawsuit papers on behalf of the registered legal entity. A related requirement, a company secretary is another cost you will need to incur.

There is a legal obligation to file accounts on a yearly basis. However, there is oftentimes a requirement to have these accounts audited.

Overall we think Ireland is a good option and have given it a score of 82 as an IO score, using the Incorporations.IO proprietary formula.

- ✖ **Directors not disclosed in a public registry**
- ✖ **Shareholders not disclosed in a public registry**
- ☑ **Redomiciliation permitted**
- ☑ **Registered office required**
- ✖ **Corporate director permitted**
- ☑ **Local Secretary not required**
- ✖ **Local Director not required**
- ☑ **Electronic signature**

1 Shareholders required

1 Directors required

5-15 Days to form

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Country Info

National Flag of

Republic of Ireland (eng)

Poblacht na hÉireann (gle)

Currency

EUR

Area Code

+353

Capital

Dublin

Region

Northern Europe

Native Languages

English

Irish

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