ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

www.cashmanagement.bnpparibas.com/cg

BNP PARIBAS

The bank
for a changing
world

Disclaimer

This document has been prepared by BNP PARIBAS for informational purposes only. Although the information in this document has been obtained from sources which BNP PARIBAS believes to be reliable, we do not represent or warrant its accuracy, and such information may be incomplete or condensed. This document does not constitute a prospectus or solicitation.

All estimates and opinions included in this document constitute our judgement as of the date of the document and may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

This document is confidential and is being submitted to selected recipients only. It may not be reproduced (in whole or in part) to any other person without the prior written permission of BNP PARIBAS.

Make sure to always check the latest updates on the Atlas website

Ireland is one of the smallest and most open countries in the Eurozone. Thanks to an attractive fiscal and regulatory environment, a skilled English-speaking workforce and access to EU markets, the country attracts numerous foreign multinationals (especially in the pharmaceutical, information & telecommunication and electronics industries) which export huge volumes of high value-added finished products to the rest of the world. With only 4.5 million inhabitants, Ireland generates one of the world’s largest trade surpluses, excluding oil and gas exporters.

From mid-1990’s to the 2008 financial crisis, Ireland experienced a period of formidable economic expansion, for which it has won the nickname of “Celtic Tiger”, but this boom was achieved at the cost of excessive distortions. A deep economic crisis occurred in 2010, forcing the EU-IMF to adopt a rescue plan. Since, the implementation of the programme was a success and authorities have embarked on an ambitious fiscal consolidation programme. The flexibility of the economy also allowed competitiveness to be restored quickly. Ireland has fully repaid the IMF and now enjoys very easy market access.

The Irish activity is one of the few that have expanded during the Covid-19 crisis (GDP was up 1.1% in 2020). This illustrates the increasing Country’s dependency on Multi-National Enterprises (MNEs), which now account for half of GDP and saw their business boosted by the pandemic. Besides, Brexit did not have negative immediate consequences for the economy, as Dublin served as preferred destination for capital leaving United Kingdom

As consequence of actions to counterbalance the Covid-19 pandemic, General Government primary surpluses moved into deficits in 2020, while debt jumped to 63 pct from 57 pct of GDP in 2019 (European Commission estimates). Yet, the deterioration in public accounts appears to be much less dramatic than elsewhere in the European Union, as MNEs activities keep supportive for fiscal revenues. Borrowing conditions still look very easy:

Summary

BNP Paribas presence

BNP Paribas is located in the IFSC with over 600 employees, and has been active in Ireland since 1973. BNP Paribas is the only non-retail bank with direct access to the local electronic and paper clearing systems. BNP Paribas has built up a formidable reputation in supporting the cash management and trade finance needs of both corporations headquartered in Ireland and subsidiaries of foreign multinationals.

In Ireland, BNP Paribas is located at Termini, 3 Arkle Road, Sandyford, Dublin D18 C9C5, IRELAND.

Currency

Currency

- Ireland uses the euro (EUR).

Exchange rates

	2015	2016	2017	2018	2019	2020
Exchange rate: EUR per USD	0.9017	0.9040	0.8873	0.847	0.893	0.88

Source: IMF, International Financial Statistics, June 2021.

Central Bank

- The Irish central bank is the Central Bank of Ireland (CBI – www.centralbank.ie).
- The CBI is a member of the European System of Central Banks (ESCB) and operates certain activities, such as issuing currency, under the authority of the European Central Bank (ECB – www.ecb.europa.eu).

Bank Supervision

- In November 2014, the ECB, via the Single Supervisory Mechanism (SSM), assumed responsibility for supervising the financial stability of banks operating within the euro zone. However, while the ECB has final supervisory authority over all banks operating within the euro zone, it will only directly supervise those banks classified as ‘significant’ under the terms of the SSM (115 significant banking groups have been recognized to date). ‘Less significant’ banks will continue to be supervised by the national supervisory authority, i.e. the CBI.

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Ireland if its place of effective management is located in Ireland.

Bank accounts for resident entities

	Within IRELAND	Outside IRELAND
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.

Bank accounts for non-resident entities

	Within IRELAND	Outside IRELAND
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	Not applicable.

Lifting fees

- Lifting fees are not applied on payments between resident and non-resident bank accounts.
- Item based charges and/or subscription fees are typically applied on payments between resident and non-resident bank accounts.

BNP Paribas Cash Management Capabilities

Collections

Cash collections	✓
Cheque collections	
Direct debit collections	✓
Domestic incoming transfers	✓
Virtual IBAN	✓
Virtual accounts	
International incoming transfers	✓
Card acquiring	✓

Payments

Cash withdrawals	
Cheque payments	
Direct debit payments	✓
Domestic outgoing transfers	✓
Commercial cards	
Virtual cards	✓
International outgoing transfers	✓
SWIFT gpi	✓
Real-time international payments through BNP Paribas' network	
Card issuing	✓

Channels

Local e-Banking	
Global e-Banking - Connexis	✓
SWIFT/ host to host	✓

Payments & collections

Market overview

Electronic credit transfers are the most commonly used payment method by larger companies to make supplier and payroll payments. Although smaller companies and consumers still use cheques, their use is declining. Card payments, and particularly contactless payments, are becoming widely used. There were 611 million contactless payments in 2020, valued at more than EUR 9.2 billion, significantly more than the volume (508 million) and value (EUR 6.1 billion) in 2019. Ireland’s retail banks in partnership with the BPFI are currently developing a mobile payment solution, which will be built on the SEPA infrastructure. The solution with be compatible with SCT Insts.

Electronic banking services are available from all banks. There is no national electronic banking standard in Ireland, so companies use banks' proprietary services. Multinational companies also use the SWIFT for Corporates messaging standards.

Mybills.ie is an online service providing consumers with household bills electronically. This service is provided by An Post. Online and mobile banking services are provided by all of the country’s leading banks. According to the BPFI, 77% of bank customers use online/mobile banking to access accounts compared to 12% who do so via their branch.

Payment Systems

TARGET 2 - IE	TYPE	• Real-time gross settlement. • Irish component of the pan-European TARGET2 system.

	PARTICIPANTS	• 15 direct, 10 indirect.
	TRANSACTION TYPES PROCESSED	• High-value and urgent EUR-denominated domestic and cross-border credit transfers. • Net obligations from the IPCC.
	OPERATING HOURS	• 06:00 - 17:00 WET, Monday to Friday.
	CLEARING CYCLE DETAILS (eg cut-off times)	• Payments cleared and settled in real time. • Interbank payment cut-off time = 17:00 WET.
	SYSTEM HOLIDAYS	• TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May and 25 and 26 December.
STEP 2	TYPE	• Multilateral net settlement system.
	PARTICIPANTS	• 3 direct.
	TRANSACTION TYPES PROCESSED	• SEPA credit transfers and direct debits.
	OPERATING HOURS	• 24 hours a day, Monday to Friday.
	CLEARING CYCLE DETAILS (eg cut off times)	• Payments are cleared and settled in batches. • SEPA credit transfer cut-off times: ○ 15.00 WET for same-day settlement. ○ 20.00 WET for overnight settlement. ○ 00.00 WET for next-day settlement • SEPA direct debit cut-off times: ○ CORE - 10.00 WET for same-day settlement. ○ B2B - 11.00 WET for same-day settlement.
	SYSTEM HOLIDAYS	• STEP 2 is closed at weekends and 1 January, Good Friday, Easter Monday, 1 May, 25-26 December
IPCC	TYPE	• Deferred net settlement system.
	PARTICIPANTS	• 10 direct.
	TRANSACTION TYPES PROCESSED	• Paper-based payments (e.g. cheques).
	OPERATING HOURS	• See clearing cycle details.

	CLEARING CYCLE DETAILS	• Each participant bank has its own bilateral arrangements as regards operating hours and cut-off times for submitting payments. • Final settlement takes place via TARGET2-IE on day three of the processing cycle.
	SYSTEM HOLIDAYS	• The IPCC is closed on all Irish bank holidays. • Ireland's bank holidays are: • 2nd half 2021: 2 August, 25 October, 25, 27–29 December. • 2022: 1 January, 17 March, 15, 18 April, 2 May, 6 June, 1 August, 31 October, 25-28 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- SEPA credit transfers can be settled via STEP2 or via correspondent banking networks.
- Approximately 207 banks in Ireland participate in the SEPA credit transfer scheme.
- High-value and urgent domestic and cross-border (within the euro zone) credit transfers can be settled in real time via TARGET2-IE.
- High-value and urgent cross-border payments can also be settled with end-of-day value via the Euro Banking Association's EURO1 system. Two banks in Ireland participate directly in EURO1.
- Cross-border transfers can be made via SWIFT and settled through correspondent banking and bank branch networks.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds. Three banks in Ireland participate in the scheme.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

- Direct debits are used for regular payments, such as utility bills.

- SEPA direct debits can be cleared and settled on a same-day basis via STEP2.

Cheques

- The cheque is not a common cashless payment instrument. In 2019, cheque volumes decline by 12.9% to 31.7 million.
- Cheques are no longer a payment option when dealing with government departments, state agencies and local authorities.
- All cheque payments incur a 50 cents stamp duty.
- Cheques are settled on a three-day cycle via the IPCC. Cheques issued and deposited at the same bank branch are settled on a same-day basis.
- High-value cheques issued in Dublin can be truncated into electronic items before being settled on a same-day basis via TARGET2-IE.

Card payments

- Card payments, particularly debit card payments, are increasingly popular, especially for retail transactions.
- In 2019, debit card volume and value increased by 17.2% and 12.6% respectively, to 999.6 million, with a value of EUR 40.1 billion. Credit card volume and value increased 18.4% and 23.4% respectively, to 150 million, with a value of EUR 12.1 billion.
- There were 1.9 million credit and 5.6 million debit cards in circulation at the end of March 2021.
- There are approximately 4.6 million contactless debit cards and 1.3 million contactless credit cards in circulation. There were 611 million contactless payments in 2020 valued at more than EUR 9.2 billion, significantly more than the volume (508 million) and value (EUR 6.1 billion) in 2019, caused partly by the increase in threshold for contactless payments in April 2020 to EUR 50. Ireland's largest banks have announced that they will start charging for contactless payments.
- Visa and MasterCard-branded payment cards are most widely issued.
- American Express and Diners Club credit cards are also available.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 2,876 ATMs in Ireland at the end of 2019
- There were 313,152 POS terminals in Ireland at the end of 2019.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Pre-paid cards such as Mastercard Everyday Money prepaid card, Swirl and Skrill are available in Ireland.
- Mobile wallet schemes such as Apple Pay and Google Pay are available.
- E-money payments increased 144.4% and 100% respectively in volume and value terms in 2019, to 15.4 million, with a value of EUR 0.4 billion.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents but are not common.

Demand deposits

- Demand deposits are permitted for residents and non-residents.

Time deposits

- Time deposits are available in EUR and major foreign currencies for terms ranging from overnight to one year.

Certificates of deposit

- Domestic banks issue certificates of deposit for terms ranging from seven days to 12 months.
- There is an active secondary market.

Treasury (government) bills

- The National Treasury Management Agency (NTMA) issues discounted zero-coupon Irish Treasury bills (ITBs) with a range of maturities from one, three, six, nine and 12 months. The minimum investment is EUR 1 million. Participation in auctions is limited to recognised primary dealers in Irish Government Bonds and eligible counterparties.

- The NTMA also issues discounted exchequer notes (minimum investment EUR 5 million). Terms range from overnight to one year.

Commercial paper

- Domestic commercial paper is issued by large companies and public authorities. Most paper is issued for terms ranging from seven days to one year. The minimum investment is EUR 125,000.
- Euro commercial paper (ECP) is typically issued by the government for terms ranging from one to six months.
- A USD 50 billion multi-currency ECP programme is run by the government.

Money market funds

- Domestic money market funds are available.

Repurchase agreements

- Repurchase agreements are available in Ireland.

Banker's acceptances

- Banker's acceptances are not used in Ireland.

BNP Paribas Trade Finance Capabilities

Trade payments

Documentary credits	✓
Documentary collections	✓

Guarantees

Bank guarantees	✓
Standby letters of credit	✓

Supply chain management

Receivables	✓
Payables	✓
Inventory	✓

Trade channels

Connexis Trade	✓
Connexis Supply Chain	✓
SWIFTNet Trade for Corporates	✓
Connexis Connect	
Connexis Guarantee	✓
SWIFTnet Supply Chain	✓

- BNP Paribas' Global Trade Solutions (GTS) team, based in Dublin, provides comprehensive solutions and services to corporations headquartered, or operating in Ireland. In addition to trade finance products and supply chain management solutions, the Dublin-based trade finance platform provides a dual role as the location of the Utexam franchise including two key trading companies: Utexam Logistics Ltd and Utexam Solutions Ltd, which manage all inventory management transactions worldwide.

International trade

General trade rules

- As a member of the European Union (EU), Ireland follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with countries in the European Economic Area and Switzerland is exempt from tariffs and other controls.
- Ireland operates the Shannon Free Zone in the west of Ireland.

Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA. The EU-UK Trade and Cooperation Agreement came into force on 1 May 2021.

Imports / exports

Imports	Medical cultures/vaccines	Nitrogen compound	Packaged medicines	Integrated circuits	Scented mixtures	
Primary Import sources	UK (31%)	USA (16%)	Germany (10%)	Netherlands (5%)	France (5%)	
Exports	Medical cultures/ vaccines	Nitrogen compound	Packaged medicines	Integrated circuits	Scented mixtures	
Export markets	USA (28%)	Belgium (10%)	Germany (10%)	UK (9%)	China (5%)	Netherlands (5%)

Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	205,999	223,826	249,522	254,663	NA
	- services USD m	146,637	183,367	222,074	247,650	NA
Imports	- goods USD m	92,108	100,112	120,474	121,294	NA
	- services USD m	191,879	231,269	240,643	331,684	NA
Current account as % GDP		+ 4.8	+ 1.0	+ 10.7	- 11.6	NA

Sources: IMF, International Financial Statistics and Central Statistics Office, Ireland, June 2021.

Trade finance - Imports

Documentation

- Documentation is not required for imports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to import goods into Ireland from outside the EU:
  - customs declaration
  - commercial invoice
  - bill of lading
  - packing list
  - certificate of origin (in certain cases).

Import licences

- Import licences with quotas are required for textile products, shoes, ceramics, steel and certain agricultural products (in accordance with the Common Agricultural Policy) from outside the EU.
- Special licences are required for armaments, ammunition, explosives and specific drugs.

Import taxes and tariffs

- Tariffs are set according to the EU customs code for all imports from outside the EU, with higher tariffs for agricultural imports.

Financing requirements

- None

Risk mitigation

- None

Prohibited imports

- Ireland prohibits the import of certain items in line with EU regulations and UN Security Council resolutions.
- Specific imports are prohibited in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.

Trade finance - Exports

Documentation

- Documentation is not required for exports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to export goods from Ireland outside the EU:
  - customs declaration
  - commercial invoice
  - bill of lading
  - packing list
  - certificate of origin (in certain cases).

Export licences

- Export licences are required for military items and dual-use goods subject to international export controls.

Export taxes and tariffs

- None

Financing requirements

- None

Risk mitigation

- Ireland has implemented the EU directive on export credit insurance.
- Export credit insurance is available from private insurance companies.
- Export financing is available from commercial banks.

Prohibited exports

- Ireland prohibits the export of certain items in line with EU regulations and UN Security Council resolutions.

Regulatory requirements

Reporting regulations

- Resident entities must provide data on the following types of transactions:

  - investments in the organisation;
  - company assets and liabilities;
  - profits, dividends and interest receivables or payables;
  - trading between resident and non-resident entities.

Reporting method

- Survey data is collected by the Central Statistics Office on a quarterly (for large companies) or annual basis.
- The data is collected from approximately 4,000 financial companies and 500 non-financial companies each year.

Exchange controls

- Ireland does not apply exchange controls.
- Restrictions apply to foreign investment in specific industries (airlines, fisheries, shipping, and flour milling).

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 the company is incorporated in Ireland.
- Companies incorporated in Ireland after 1 January 2015 are deemed to be tax resident in Ireland, while companies incorporated before 1 January 2015 will be deemed to be resident in Ireland from 1 January 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 instalments (on 21 June and 21 November of the accounting period for companies with a calendar year-end). The amount payable on 21 June is 50% of the preceding year's liability or 50% of the current year's liability, with the balance payable on 21 November. To avoid interest charge arising, the amount paid by 21 June must be either 50% of the preceding year or 45% of the current year liability and the total amount paid by 21 November 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.
- Specific anti-avoidance provisions deny a deduction for the interest paid where such payments are made for the purposes of tax avoidance or are effected such that the sole or main benefit is to provide, to the borrower, a reduction in liability to tax.
- Where financial statements are prepared in a currency other than EUR, the taxable profits should be calculated by converting the functional currency to EUR using the average exchange rate for the period.
- Any trading losses should be carried forward in the company's functional currency.
- Foreign exchange transactions, including hedging contracts, count as taxable income if properly incorporated in a company's accounts.

Financial instruments

- Generally, the Revenue Commissioners take the view that the tax treatment of a derivative financial instrument should follow the accounting treatment adopted where the instrument relates to the company's trade.
- Where financial instruments are used by a company to hedge underlying exposures, the tax treatment should resemble that of the underlying transaction involved. If the hedging is used for a trading transaction, then the gain or loss should be treated as a trading item. Similarly, the gain or loss should be treated as a capital item where the underlying transaction is capital in nature.
- The Irish tax authorities have issued a Statement of Practice in relation to swaps, and therefore regular receipts under such a swap agreement should be treated as income. There is no requirement

to withhold tax on such payments. The receipts should be taxed as trading income if they are trading receipts or passive income for non-trading receipts.

- Incidental costs incurred in arranging interest rate swaps should be tax deductible when computing trading income where the underlying interest is itself deductible.
- If caps, floors and collars are entered into as part of a trading transaction, any payment received should be taxable as trading income and payments made should be allowed as a trading expense. Premiums paid up front should also qualify for a corresponding trading deduction for the borrower where the instrument is used to hedge a trading expense.
- Irish legislation provides that an option is an asset for the purposes of capital gains tax (CGT). The grant of an option is a disposal of an asset separate to the underlying asset. CGT treatment will not be appropriate in all cases, for instance where the option is considered to be trading in nature.
- Transactions and options that are regarded as profits or losses of a trade will not be treated as capital in nature.
- Profits or losses arising to a bank or other financial trader dealing in options are usually treated as forming part of their trading income unless, exceptionally, the activities or some part of them are designed to hedge transactions on capital account.

Interest and financing costs

- Interest incurred wholly and exclusively for trade purposes should be tax deductible. If the interest does not meet the ‘wholly and exclusively’ test, it may still qualify as a charge on income (‘Interest as a charge’) in certain circumstances, e.g. interest on money borrowed by a company to buy shares in another company, or to lend to another company, can be tax deductible on a paid basis, subject to certain conditions regarding certain shareholdings, common directorships etc being met.
- A number of changes to the ‘Interest as a charge’ legislation have been made in recent periods. Where any group financing is contemplated, these provisions must be carefully analysed.
- Specific anti-avoidance provisions deny a deduction for the interest paid where such payments are made for the purposes of tax avoidance or are effected such that the sole or main benefit is to provide, to the borrower, a reduction in liability to tax.

Foreign exchange

- Where foreign exchange gains/losses are trade-related, the tax treatment should follow the accounting treatment, and therefore foreign exchange gains should be taxable and foreign exchange losses should be tax deductible.
- Where such gains and losses are not trade-related, the gain should not be taxable as a trading item and the loss should not be tax deductible. However, where there is a disposal of a chargeable asset and the asset was acquired or sold in a foreign currency, the calculation of the chargeable gain for CGT purposes should take into account the foreign exchange gain or loss, and the cost price and the proceeds should be converted into euros using the exchange rates applicable at the relevant dates.
- Where foreign currency is held in a bank account and is not used for the purposes of the company’s trade, it should be considered to be an asset for CGT purposes. Therefore any movements (e.g.

withdrawals) from the account could give rise to a chargeable gain or loss.

- Relieving measures have been introduced for certain holding companies with foreign currency bank accounts. A disposal of non-euro currency by a holding company will not require a capital gains calculation where that company has at least one trading subsidiary. Instead, the accounting calculation of such a gain or loss will be charged to corporation tax under Case IV of Schedule D. Tax on such gains will be at an effective rate of 30%. The new measures apply to accounting periods ending on or after 1 January 2012.
- Where financial statements are prepared in a currency other than EUR, the taxable profits should be calculated by converting the functional currency to EUR using the average exchange rate for the period.
- Any trading losses should be carried forward in the company's functional currency.

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.

Capital gains tax

- Capital gains are taxed at 33% (40% in certain circumstances) on gains derived on the disposal of assets.

Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	0% / 20%/33%	0%/25%	0% / 20%	None
Non-resident entities	0% / 20%/33%	0%/25%	0%/ 20%***	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. Interest paid to deposit holders of certain Irish banks is subject to a withholding tax at 33%, unless an exemption under domestic legislation applies.

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 25% 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 or under a specific exemption under domestic legislation.

Tax treaties / tax information exchange agreements (TIEAs)

- Ireland has exchange of information relationships with 99 jurisdictions through 73 double tax treaties and 27 TIEAs.
- Ireland, as part of the OECD/G20 Base Erosion and Profit Shift (BEPS) initiative, has 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 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 also covers information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information is collected by the country of residence of the MNE group, and then exchanged through exchange of information supported by such agreements as the MCAA.

Thin capitalisation

- There is no specific thin capitalisation 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.
- It is expected that Ireland will introduce the EU's Anti-Tax Avoidance Directive effective from 1 January 2022.

?

Transfer pricing

- The arm's length principle generally should be observed, and transfer pricing rules apply to certain transactions.
- A tax deduction is not 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.
- From 1 January 2020, Ireland expanded its transfer pricing legislation to bring them in line with the 2017 OECD guidelines on transfer pricing. This expanded the application and scope of Ireland's transfer pricing rules to cover certain non-trading income, capital allowances and chargeable gains between associated entities while also enhancing the documentation requirements for certain taxpayers.

Stamp duty

- Stamp duty at rates of 1–7.5% is levied on the transfer of property including stocks and shares. The top rate of stamp duty for non-residential property is 7.5%.

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 capitalisation 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).

Financial transactions / Banking services tax

- None.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 (see www.deloitte.com).

BNP PARIBAS

The bank
for a changing
world