

## SmartMBS Blog Post for Apps World 2016

### **Why Ireland?**

Ireland offers many unique benefits for the establishment of your first overseas subsidiary, including modest tax rates, a strong IP regime, a highly educated workforce and an outstanding location within the Euro currency zone.

Also, as a common law jurisdiction with a sophisticated judiciary, Ireland offers comprehensive tax and legal protections for the creators and owners of intellectual property rights, attractive holding company rules and, with the assistance of [IDA Ireland](#) and [Enterprise Ireland](#), generous grant assistance for research and development projects. As a committed member of the European Union, it has strong international links.

### **TAX BENEFITS**

Ireland offers a very favourable tax regime for companies which set up operations in Ireland. The benefits include:

- a low Corporation tax rate of 12.5% for trading income,
- trading profits earned by an Irish company from patented inventions and copyrighted software are taxed at a rate of 6.25%,
- a tax deduction for the capital cost of acquiring intellectual property used for the purposes of a company's trade,
- no stamp duty on the acquisition of intellectual property,
- tax deduction of 37.5% for expenditure incurred on R&D activities,
- generous Irish transfer pricing exemption,

- beneficial withholding tax treatment on interest and royalty payments,
- no Controlled Foreign Company legislation or thin capitalisation rules,
- attractive holding company rules with regard to the receipt and payment of dividends and the disposal of subsidiaries,
- advantageous capital gains tax treatment on the disposal by non-Irish residents of shares in Irish companies,
- open and transparent tax system and fully co-operative/compliant with OECD guidelines/proposals,
- comprehensive tax treaty network which is continually expanding. Ireland has current agreements with 70 countries.

## **INTELLECTUAL PROPERTY PROTECTION IN IRELAND**

Every App contains a variety of intellectual property rights, including copyright in the underlying software, text and images. Some Apps may also use technology or particular functions which have patent protection. The name of an App may use registered trade marks in its advertising. Owners and developers of intellectual property will find Irish law at the cutting edge of modern protection, meeting the requirements of international law, such as the Paris and Berne Conventions, as well as all European Union Directives and Regulations.

### **Irish Copyright and Enforcement**

Ireland's [Copyright and Related Rights Act, 2000](#) tracks international best standards with respect to protection of original literary and artistic works. Protection lasts 70 years from the date of death of the author. Irish copyright law also gives protection to original databases by implementation of the [EU Database Directive](#). There are no formal

registration requirements for copyright protection in Ireland. Internet distribution of original works is specifically protected in Irish law.

A copyright right holder seeking to enforce its rights in Ireland will benefit from of a very responsive enforcement regime, including:

- search and seizure,
- favourable presumptions that the plaintiff is the owner of copyright,
- criminal penalties, and
- wide availability of damages and injunctive reliefs.

### **Patents**

Do your apps require protection for their underlying technology or functions? Under the Irish Patents Act, full twenty-year and shorter term patents can be sought by registering an application with the [Irish Patents Office](#). Ireland has also ratified the European Patent Convention and the Patent Co-Operation Treaty, so patents can be registered through all three systems by way of a single application, resulting in a bundle of national patents. For those apps seeking protection for industrial designs, Irish law implements EU Directive 98/71/EC on the Legal Protection of Designs and the Geneva Act of the Hague Agreement. Irish domestic design law has also been specifically tailored to facilitate web industries.

### **Trade Marks**

Trade marks are regulated in Ireland by the Trade Marks Act 1996. In addition to domestic legislation, Ireland is also a party to the Community Trade Mark System, which provides for the registration of EU wide trade marks. An owner of a trade mark, service mark, or logo, can achieve comprehensive protection for ten years by registering their mark on the [Irish Trade Mark Register](#).

### **E-COMMERCE IN IRELAND**

Ireland's [Electronic Commerce Act, 2000](#) gives legal recognition to electronic signatures and other information in electronic form,

specifically electronic contracting, an important development not only for app and software developers, but for anyone trading “at a distance” online. This Act also sets out the standards for the accreditation and supervision of certification service providers and has provisions delineating their liability. Ireland’s innovative [Central Bank](#) has corresponding supervision of Electronic Money Institutions.

Ireland has established itself as an international web hub. Google has its European Head Office in Ireland and employs over 5000 people. Facebook broke ground in recent weeks on its newest international data centre in Ireland’s County Meath. Ireland also hosts, among 900 other web giants, Dropbox, Twitter, and LinkedIn and the operations of many large tech firms such as Apple, Dell and Microsoft.

Brian Frawley: 1.45hr

Aoife McDonagh & Ellen Keane Cope: 4.30hrs