mgi uk & ireland

Doing Business in Ireland

A guide for international companies

mgi worldwide

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Introduction

Expanding your business into a new country can be challenging, but with the right guidance, it also presents a valuable opportunity for growth.

This guide, prepared by MGI Worldwide's expert member firms across the UK & Ireland, is designed to help businesses and entrepreneurs understand the key legal, tax and employment considerations when entering the Irish market.

Our member firms combine local insight with international experience, giving you the on-the-ground support and global perspective needed to successfully set up and grow your business in Ireland.

Why Ireland?

Ireland has firmly established itself as a gateway to Europe and beyond. As an English-speaking nation in the EU and Eurozone, it offers global businesses a unique strategic advantage.

From its open, internationally focused economy to its highly skilled workforce, Ireland combines the familiarity of a business-friendly environment with unrivalled access to the EU's single market of over 500 million people.

Ireland's tax regime is designed to encourage business growth and innovation, which is why it offers.

- A competitive 12.5% corporate tax rate on trading income
- Tax relief for new start-ups during their early years
- Robust support for research and development, including generous tax credits
- A comprehensive network of double taxation agreements covering over 75 jurisdictions
- Business-friendly intellectual property and holding company regimes supporting global structures

These features make Ireland an attractive choice for multinationals, entrepreneurs and family businesses alike.

Ireland is consistently ranked among the world's most competitive economies. Its business-friendly policies, competitive operating environment and flexible approach enable it to respond quickly to global economic shifts.

Beyond business, Ireland offers a rich and rewarding lifestyle. Its natural beauty, cultural heritage and welcoming communities create an environment where people want to live and work.

How MGI Worldwide can help

MGI Worldwide is one of the world's leading networks of independent accounting, audit, tax, legal and consulting firms. Our member firms in Ireland combine in-depth local knowledge with global expertise to help you:

- Choose the right business structure for your needs
- Register your business and meet Irish legal requirements
- Manage tax registrations and compliance with Revenue
- Set up banking, payroll and accounting systems
- Navigate employment law and HR responsibilities
- Optimise your tax position in Ireland and internationally
- Access sector-specific incentives and Government support

Our teams will help you establish your business operations smoothly, giving you the freedom to focus on running and growing your company.

Start your Irish business journey

This guide is a helpful introduction, but every business is different. Speaking with one of our local member firms in Ireland will give you personalised, local advice and a clearer route to success.

Contact your local MGI Worldwide firm today to discuss your plans for doing business in Ireland. Together, we can help turn your ambitions for Ireland into reality.

Choosing the right trading structure

Entrepreneurs and established businesses have several options when setting up in Ireland, each offering flexibility to suit different needs.

Whether you are starting a new enterprise, expanding internationally or establishing a branch of an existing operation, Ireland's business structures provide a clear legal and tax framework to support your ambitions.

Businesses in Ireland typically operate under one of the following structures:

- Private limited company
- Designated Activity Company
- Public limited company
- Company limited by guarantee
- Unlimited company
- Branch of a foreign company
- Partnership
- Limited liability partnership
- Sole proprietorship
- Investment structures such as unit trusts and UCITS

Your choice will affect your liability, governance requirements and tax obligations.

Companies are generally subject to Ireland's Corporation Tax, while individuals operating as sole traders or partners are taxed on a progressive income tax scale.

Companies: The most common route

For most international and domestic businesses, the private limited company is the structure of choice.

This entity limits the liability of shareholders to the amount they invest and offers a straightforward, flexible governance model.

Irish company law also recognises other forms of corporate structure for more specific requirements.

Private limited companies (LTD and DAC)

The LTD company is designed for simplicity, well-suited for small to medium enterprises where ownership remains with a limited number of shareholders (up to 149). It offers streamlined constitutional documents and flexibility in day-to-day operations.

In contrast, a designated activity company (DAC) is better suited to organisations, such as financial services firms, that operate within a defined business purpose.

Its constitutional framework is more prescriptive, making it a common choice for special-purpose vehicles or regulated businesses.

Public limited companies (PLC)

A public limited company is used by larger enterprises with ambitions to raise capital from the public markets.

With more complex governance requirements and a minimum share capital threshold of €25,000, PLCs are designed for businesses that anticipate significant growth or listing on a stock exchange, such as the Irish Stock Exchange (Euronext Dublin).

Companies limited by guarantee (CLG)

Often used by charities, trade bodies and not-for-profit organisations, a company limited by guarantee provides limited liability protection without the need for share capital.

Members commit only to a nominal amount, protecting them from personal liability beyond this sum.

Unlimited companies

For situations where confidentiality or a specific corporate structure is required, Ireland offers unlimited companies.

In these entities, shareholders do not enjoy limited liability and personal assets may be called upon in the event of insolvency.

Unlimited companies can be either private or public, with or without share capital.

Partnerships and sole proprietors

A partnership allows two or more individuals or companies to jointly run a business. Unlike companies, partnerships are not separate legal entities, partners are personally liable for business debts and profits are taxed at the partner level.

Limited liability partnerships (LLPs) offer a hybrid model where partners may limit their personal liability, depending on how the partnership is structured.

A sole proprietorship, the simplest form of business, is owned and operated by one individual who is personally responsible for all debts and obligations. This structure is typically used by small-scale or lifestyle businesses.

Foreign branches and investment structures

Overseas companies can also establish a branch office in Ireland to carry out their business activities, subject to local tax rules.

For investment purposes, structures such as unit trusts and UCITS funds are commonly used, with Ireland being a leading jurisdiction for regulated investment vehicles.

Registering your new business in Ireland

Once you've chosen the right trading structure for your Irish operations, the next step is to formally establish your business.

Our member firms can guide you through the process from start to finish, ensuring your company is registered correctly and compliant with Irish legal requirements.

The entity that has the most specific requirements for establishment, and by far the most common structure, is a limited company.

Below, we outline just some of the steps you need to take:

Choosing a company name

Your company's name must be distinctive and meet the naming requirements of the Companies Registration Office (CRO).

Names that are too similar to existing businesses or that could be misleading will be rejected. Companies limited by shares must include the word "Limited" or the Irish equivalent "Teoranta".

Decide on your company structure

Select the legal form that best fits your business needs. Most foreign investors opt for a Private Company Limited by Shares (LTD) due to its simplicity or a Designated Activity Company (DAC) if the business has a more defined operational purpose.

Appoint directors, shareholders and a company secretary

A minimum of one director is required and at least one director must ordinarily reside within the European Economic Area (EEA).

However, if availing of the lower Corporation Tax rate (12.5%) is a key factor in your decision on setting up in Ireland, you will likely need to appoint an Irish resident director to show that there is a management and control function taking place in the state.

If no directors meet this criterion, a Section 137 bond may be required as a compliance measure.

Every company must appoint a company secretary aside from single director companies, this can be one of the directors or a separate individual or corporate body. In the case of single director companies the company secretary must be a separate individual or corporate body.

Shareholders can be individuals or corporate entities, with no residency restrictions.

Establish a registered office

Your company must have a physical address in Ireland where official correspondence can be sent. This address is made publicly available on the CRO register.

Prepare and file incorporation documents

Incorporation involves submitting:

- A company constitution outlining the rules governing the company
- Form A1, which includes details of directors, the company secretary, shareholders and the registered office

These documents are filed with the CRO to complete registration.

Register with Irish Revenue

Once incorporated, your company must register for the relevant taxes:

Corporation Tax
Pay As You Earn (PAYE) for employee payroll
Value Added Tax (VAT), where applicable
Relevant Contracts Tax (RCT), where applicable

Registration is carried out with Revenue, Ireland's tax authority.

Open a business bank account

Most Irish banks require documentation, such as proof of identity, company incorporation details and sometimes a business plan.

Establishing an Irish business bank account is essential for managing day-to-day operations.

Maintain compliance through annual filings

Irish companies are required to submit an annual return to the CRO, along with financial statements (unless exempt).

Non-compliance may result in penalties, loss of audit exemption or strike-off from the register.

Additional requirements for non-residents

Non-resident directors must obtain a Verified Identity Number by completing Form VIF and submitting a statutory declaration. This requirement ensures transparency and compliance with Irish company law.

If you are expanding from abroad, local professional advice from an MGI Worldwide member firm in Ireland can help ensure that your business meets all regulatory and tax obligations from day one.

Key considerations for setting up a business in Ireland

Ireland offers a dynamic gateway to Europe, but launching successfully here involves more than setting up your legal entity.

A range of practical and regulatory considerations can have a major impact on your early operations and long-term success.

Finding premises

Selecting the right premises is one of your first operational decisions. Whether you need office space in Dublin’s financial district or industrial space in a regional hub, local knowledge can help you secure the right location, negotiate lease terms and navigate planning processes.

Opening a business bank account

An Irish business bank account is essential for managing day-to-day finances and fulfilling compliance obligations.

> Irish banks generally require evidence of Irish operations, verified ID for directors and full company registration documentation. Engaging a local adviser helps simplify this process.

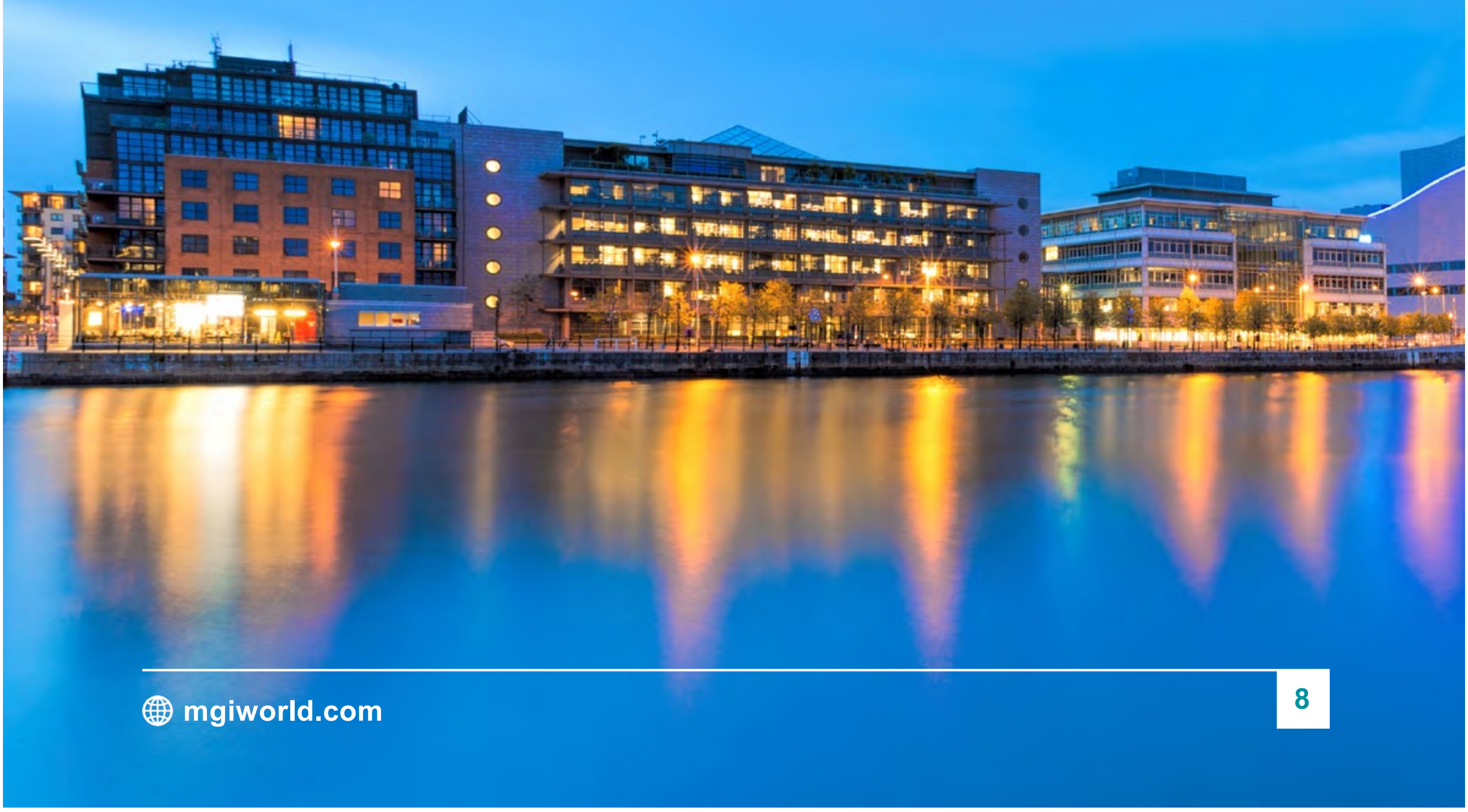
Grants and funding

Ireland is well-known for its proactive government support for business. Agencies, such as Enterprise Ireland, IDA Ireland and Local Enterprise Offices, offer a range of grants and funding schemes.

Depending on your industry and growth plans, these may include:

- R&D and innovation support
- Regional enterprise grants
- Export development funding
- Employment and training incentives

Securing this support often requires a strong application backed by local expertise.



Relocating key staff

If you're transferring senior staff or key personnel to Ireland, a range of personal and employment issues need to be addressed.

These include:

- Tax residency and personal income tax implications
- Competitive reward packages covering salary, benefits and relocation costs
- Securing work permits and visas
- Support for housing, schools and settling-in for relocating families

MGI Worldwide member firms regularly coordinate with relocation specialists to manage this process smoothly.

Securing licences and regulatory compliance

Certain Irish industries, such as financial services, hospitality, healthcare and food production, require specific licences or authorisations.

Identifying these requirements early and ensuring compliance helps avoid launch delays and regulatory risks.

Protecting your intellectual property

Protecting your ideas, brand and products is essential for long-term success. Ireland's EU membership means your intellectual property protection, whether for trademarks, patents or design rights, extends across all EU member states.

Copyright protection applies automatically in Ireland, but registration strengthens your legal position.

Arranging business insurance

Comprehensive insurance coverage is essential to safeguard your business and comply with legal requirements. In Ireland, typical policies include:

- Employer's liability insurance, mandatory for businesses with staff
- Public liability insurance covering third-party claims
- Professional indemnity insurance for service-based businesses

Customs and international trade

Ireland's position within the EU Single Market offers tariff-free trade with other EU countries, but international trade requires compliance with EU customs and VAT rules.

For goods imported from or exported to non-EU countries, including the UK, customs declarations and possible duties may apply.

Specific compliance requirements exist for excise goods such as alcohol, tobacco and fuels.

Supporting your move to Ireland

With so many factors to consider, it helps to have experienced guidance on your side. MGI Worldwide member firms in Ireland provide a single point of contact to coordinate these critical steps, working with trusted local partners to support your market entry.

Corporate taxation in Ireland

Ireland's corporate tax regime is widely recognised for its clarity and competitiveness. Companies operating here benefit from low tax rates on trading profits, a clear definition of residency rules, and a range of allowances supporting capital investment and innovation.

Who is taxed?

Irish-resident companies are taxed on their worldwide income. Non-resident companies operating through an Irish branch or agency are only liable for tax on profits generated from their Irish activities.

A company is considered resident in Ireland if:

- It is managed and controlled in Ireland (typically where strategic decisions are made, often at board meetings).
- It is incorporated in Ireland, unless a double taxation treaty specifies otherwise through a "tie-breaker" rule that resolves dual residency situations.

Corporation Tax

Ireland has a simple corporate tax structure with three main rates. The current rates can be found in **appendix 1.**

Corporation tax is calculated based on the company's accounting profits, with specific adjustments required to reflect tax law. Common adjustments include:

- Disallowing expenses not wholly and exclusively incurred for trading (e.g., certain donations)
- Excluding capital expenditure, which is relieved through capital allowances rather than being directly deductible
- Timing adjustments for items such as interest and royalties, which are sometimes taxed on a paid basis.
- Removing provisions that are general accounting estimates rather than realised expenses.
- Disallowing entertainment costs, except where incurred for staff welfare.

Non-trading income and expenses (such as rental income and related costs) are accounted for separately.

Corporate tax compliance

Irish companies are required to make preliminary tax payments towards their Corporation Tax liability before the end of their financial year.

The payment schedule depends on the size of the company:

- Smaller companies (tax liability under €200,000 in the previous year) can pay preliminary tax equal to 100% of the prior year's liability
- Larger companies may be required to make two instalment payments

The final tax return and any balancing payment must be filed within nine months of the company's accounting year-end.

Capital allowances

Rather than deducting the full cost of capital items, businesses can claim capital allowances over time.

The current rates of capital allowance can be found in **appendix 2.**

Research and development tax credit

Ireland offers a highly attractive Research and Development (R&D) tax credit to encourage innovation and technological advancement.

Companies engaged in qualifying R&D activities can benefit from a valuable tax incentive designed to reduce the cost of investing in innovation.

Businesses carrying out R&D in Ireland or elsewhere within the European Economic Area (EEA), may claim a 30% tax credit on qualifying R&D expenditure.

This credit is in addition to the standard tax deduction for business expenses, delivering an effective tax benefit of 42.5% on qualifying spend.

The tax credit is typically claimed over three years, offering flexibility for businesses to:

- Offset the credit against current or future corporation tax liabilities or
- Elect to receive a cash refund of the unused portion.

Eligible costs include:

- Revenue expenditure directly related to R&D activities
- Royalties connected with R&D work
- Capital expenditure on R&D-specific plant and machinery
- Construction costs of buildings used for R&D purposes

This incentive applies across a broad range of sectors and encourages companies to develop new products, processes and services that contribute to Ireland's innovation economy.

Start-up company relief

Ireland offers a valuable corporation tax exemption for qualifying start-up companies during their first years of trading.

This relief helps new businesses reinvest profits during their early growth phase. Start-up trading companies may reduce their corporation tax liability to nil for up to three years, with a maximum annual relief of €40,000.

A marginal relief also applies where the annual tax liability falls between €40,000 and €60,000.

This means that a start-up can earn up to €320,000 of taxable profits per year (based on the 12.5% rate) before paying corporation tax, subject to other conditions.

The level of relief is tied to the amount of employer's PRSI (Pay Related Social Insurance) paid by the company, with a cap of €5,000 per employee and a total relief limit of €40,000.

This relief is currently available for companies commencing trade up to 31 December 2026.

Start-up companies planning to scale in Ireland should consider this exemption as part of their wider tax planning strategy.

Supporting your compliance and planning

Ireland's corporate tax rules are designed to be practical and supportive of business growth.

Our member firms in Ireland help businesses stay compliant, optimise their tax position and claim all available reliefs, whether you're investing in capital assets, developing intellectual property or managing cross-border operations.

Interest deductibility, trading losses and withholding taxes

Ireland's corporate tax system contains detailed rules governing interest deductibility, loss relief and withholding tax on payments to non-residents.

Understanding these areas is essential for efficient tax planning and compliance.

Interest deductibility

Interest payments can generally be deducted when they are incurred wholly and exclusively for the purposes of the trade.

Most interest is deductible on an accruals basis, but specific rules apply to certain types of borrowing:

- Interest on loans used to acquire shares or advance funds to certain related companies may only be deducted when paid not accrued
- Interest paid to a non-resident group company may be classified as a distribution, making it non-deductible for tax purposes, unless the recipient is tax-resident in an EU member state or a treaty partner country, and the Irish payer elects to apply this exemption

Trading losses

Irish companies can use trading losses in several ways:

- Losses can offset other trading income taxed at 12.5%, reducing the overall corporation tax liability
- Losses may also offset non-trading income (e.g., rental or investment income taxed at 25%), but on a tax-value equivalent basis. For example, it takes €2 of trading losses at 12.5% to offset €1 of rental income at 25%
- Trading losses can be carried forward and offset against future trading profits of the same trade

Dividends

Dividends paid by Irish companies are subject to Dividend Withholding Tax (DWT) at 25%, although a wide range of exemptions apply.

For example, DWT does not apply to dividends paid to:

- Individuals and companies resident in an EU member state or a tax treaty country
- Companies not controlled by Irish residents
- Listed companies or their qualifying subsidiaries

Interest

Interest payments are generally subject to withholding tax at 20%, but exemptions apply where payments are made to:

- Financial institutions
- Companies in an EU or tax treaty country, subject to Revenue approval
- Other exempted recipients under Irish law

Royalties

Royalties paid for patents are also subject to a 20% withholding tax unless relief is available under a double tax treaty or the EU Interest and Royalties Directive, which may provide exemptions on payments between associated companies.

Foreign source income and dividends

Irish companies are taxed on their worldwide income, including profits earned through foreign branches.

Foreign tax credits are generally available under Ireland's extensive treaty network, reducing or eliminating double taxation.

With effect from 1 January 2025, Ireland operates a Participation Exemption (PE) on certain foreign dividends, but it is subject to specific conditions and rules. The Participation Exemption is designed to provide relief from Irish tax on foreign dividends received by Irish companies, particularly in the context of Ireland's tax regime or international businesses.

To avail of the exemption, the Irish company must hold at least 5% of the ordinary share capital of the foreign subsidiary which must be located in a jurisdiction that is either.

- An EU/EEA member state, or
- A country with which Ireland has a Double Taxation Agreement (DTA).

Taxation of Irish branches of foreign companies

Non-resident companies operating through an Irish branch are taxed at 12.5% on Irish trading profits.

Other Irish-source income unrelated to the branch, such as interest or royalties, maybe be subject to a withholding tax at 20%, though this may be reduced under a double tax treaty.

Dividends paid by the foreign company – whether from branch profits or otherwise – are not subject to Irish withholding tax, distinguishing them from dividends paid by Irish-resident companies.

Transfer pricing and holding company structures

Ireland's transparent and internationally aligned tax system includes robust transfer pricing rules, clear compliance obligations and an attractive regime for holding companies.

Together, these features support multinational businesses looking for an efficient and reliable European base.

Transfer pricing

Ireland's transfer pricing rules apply to trading transactions between connected parties, ensuring that pricing reflects what independent parties would agree in similar circumstances.
This protects the integrity of the Irish tax base and aligns with OECD guidelines.

Companies must support their transfer pricing with appropriate documentation and those compliance purposes.

Exemptions are available for most small and medium-sized enterprises, reducing the administrative burden for smaller businesses.

Section 110 companies and special purpose vehicles (SPVs)

Ireland offers a specialist regime for qualifying financial SPVs under Section 110. These companies are commonly used to hold or manage financial assets, including loans, leases and certain commodities.

Key features include:

- Corporation tax-neutral treatment of qualifying financial activities
- Access to Ireland's broad tax treaty network.
- Specialist tax treatment for SPVs holding assets linked to Irish land, with profits from such assets taxed as a separate trade

Interest deductions in Section 110 companies are limited to what would have been payable on an arm's length basis, ensuring compliance with international standards

Irish-resident Section 110 companies (SPVs) are obliged to report quarterly data to the Central Bank of Ireland under the Central Bank Act 1971.

Ireland as a holding company location

Ireland is a highly regarded location for multinational holding companies, whether managing EU operations or global investments. The key benefits of doing this are as follows:

- **Capital gains tax exemption:** An exemption is available on the disposal of qualifying shareholdings in subsidiaries, provided certain conditions are met (minimum 5% ownership and the subsidiary must be resident in an EU or treaty country and engaged in trading)
- **Favourable tax treatment of dividends:** Dividends sourced from overseas trading profits may be taxed at just 12.5% and a generous foreign tax credit system often reduces or eliminates Irish tax on foreign income. This is being replaced with effect from 1 January 2025 where full Participation Exception may apply in certain circumstances
- **Withholding tax exemptions:** Payments of dividends, interest and royalties to entities in tax treaty countries are generally exempt from Irish withholding taxes
- **Tax-free corporate migration:** Irish companies can transfer their tax residence abroad without triggering Irish exit taxes, an attractive feature for global corporate structuring
- **Tax relief on interest paid for borrowing:** Available if used to acquire qualifying shareholdings or to provide funding to connected companies, supporting efficient group financing structures
- **Double taxation:** Ireland has agreements with more than 75 countries. This includes all EU member states as well as key global economies such as the United States, China, India, Australia, Canada, Japan and Russia, facilitating cross-border trade and investment
- **Investing in intellectual property (IP):** Businesses can claim tax deductions for up to 80% of the capital costs involved. These deductions may be aligned with the asset's depreciation in the accounts or spread over a period of up to 15 years, whichever is shorter. In practice, this relief can reduce the taxable profits on IP income to as little as 20%
- **Capital Duty:** This tax is not applied to the issue of shares in Ireland and transfers of intellectual property assets benefit from a stamp duty exemption, supporting efficient corporate and IP structuring

Together, these features make Ireland an attractive and stable jurisdiction for managing global business operations.

Indirect taxes in Ireland

In addition to corporate and personal taxes, businesses operating in Ireland must consider a range of indirect taxes. These include Value Added Tax (VAT), stamp duty, customs duties and other property-related taxes.

Value Added Tax (VAT)

VAT is charged on the sale of goods and services within Ireland and on imports from outside the EU. It also applies to intra-EU trade between VAT-registered businesses.

The current VAT rates and rules can be found in **appendix 3**.

Stamp duty

Stamp duty applies to transfers of shares and Irish property:

- **Commercial property:** 7.5%
- **Residential property:**
  - 1% on values up to €1 million
  - 2% on the portion of the value exceeding €1 million and up to €1.5 million
  - 6% on any portion of the value exceeding €1.5 million
  - 15% applies if 10 or more residential properties (excluding apartments) are acquired within a rolling 12-month period
- **Shares and securities:** 1%, increasing to 7.5% if the shares derive their value primarily from Irish commercial property

Notable exemptions and reliefs:

- **Intra-group transfers:** Exempt where one company directly or indirectly holds at least 90% of the other
- **Residential land development:** Refunds may apply where land is developed for housing within 30 months of purchase

Customs duties

Customs duties apply to imports from outside the EU and are based on the nature and value of the goods. Ireland applies the EU Common Customs Tariff, with exemptions available under various relief schemes.

Carbon tax

Ireland levies a carbon tax on fuels that emit carbon dioxide when used. The current rate is €63.50 per tonne of CO_2, applying to a broad range of solid and liquid fuels.

Local property taxes

Commercial rates are charged by local authorities on non-residential properties. These are a key source of funding for local services. Agricultural land is exempt.

Personal taxation in Ireland

Ireland's personal tax regime applies based on an individual's residence and domicile status.

While Ireland's rates are progressive, a number of reliefs and exemptions support those relocating to work in Ireland, as well as individuals investing or doing business.

Tax residence and scope of taxation

Your liability to Irish tax depends on how many days you spend in Ireland:

- You are resident in Ireland if you spend 183 days or more in a single tax year or 280 days or more over two consecutive years (with at least 30 days in each year)
- Irish residents who are also domiciled in Ireland are taxed on their worldwide income.
- Non-Irish-domiciled residents are taxed on their Irish-source income and on foreign income only when it is remitted to Ireland. Foreign employment income linked to duties performed in Ireland is also taxable

Income tax

Ireland applies a progressive income tax system on individual earnings, details of which can be found in **appendix 4**.

Employers are also required to contribute Pay Related Social Insurance (PRSI) on behalf of their employees. The current rates of PRSI can be found in **appendix 5**.

PRSI funds Ireland's social welfare system and provides cover for benefits such as pensions, maternity and unemployment payments.

In addition to income tax and PRSI, individuals pay a Universal Social Charge (USC), which is a separate tax on gross income, with rates ranging from 0.5% to 8%, depending on income level.

Payroll compliance

Employers must register for PAYE (Pay As You Earn) and operate payroll taxes, deducting income tax, USC and PRSI from employee wages and remitting them to Irish Revenue on a real-time basis.

Tax reliefs for inbound employees

Ireland offers several exemptions to ease the transition for employees relocating for work, including:

- Certain relocation expenses, such as travel, storage and short-term accommodation, can be reimbursed tax-free
- Employees on temporary assignments of less than 24 months may receive tax-free subsistence payments for the first 12 months

Special Assignee Relief Programme (SARP) helps attract international talent by offering income tax relief to employees relocating rom a treaty country:

- Employees can claim a 30% exemption on income earned above €100,000, up to an upper income cap of €1 million
- Qualifying employees must not have been Irish tax residents in the previous five years and must relocate to Ireland before 31 December 2025

Foreign Earnings Deduction (FED)

Irish tax residents who work abroad in certain emerging markets may be able to claim the Foreign Earnings Deduction, reducing their Irish tax liability:

- Applicable to business travel to countries such as Brazil, China, India, Japan, Singapore and several African nations
- Employees must spend at least 30 full days abroad (trips must be a minimum of three consecutive days).
- The maximum deduction available is €35,000 per tax year, based on the number of qualifying workdays

Capital Gains Tax (CGT)

Individuals are subject to CGT on profits made when selling chargeable assets.

The standard CGT rate is 33%, with a reduced 10% rate for qualifying business disposals.

CGT applies to worldwide gains for Irish residents and to Irish "specified assets" for non-residents.

However, there are notable CGT exemptions and reliefs, including:

- Gains from government stocks
- Bonuses earned under the National Instalments Savings Schemes
- Proceeds from betting, lotteries, sweepstakes and prize bonds
- Gains from certain life assurance policies

  Movable property (tangible personal items) where the gain does not exceed €2,540
- Animals
- Private motor vehicles used for personal purposes

Partner with MGI Worldwide: Local knowledge, Global reach

We understand that business success in Ireland is built on trusted relationships, practical advice and local insight, supported by the strength of an international network.

As one of the world's leading global networks of independent audit, tax, accounting, legal and consulting firms, we work alongside ambitious businesses to help them succeed in Ireland and beyond.

Why work with MGI Worldwide?

- Independent, locally respected firms deeply embedded in their Irish markets and communities
- Seamless global collaboration, giving you the confidence to expand into Ireland as part of your international growth strategy
- Practical, hands-on advice from professionals who understand your business and your goals
- A commitment to personal service and long-term relationships – not just one-off transactions
- Access to over 220 member firms in almost 100 countries, offering global insight with genuine local expertise

Whether you are establishing an Irish entity, managing cross-border tax and compliance, or seeking a partner to support your ongoing growth, MGI Worldwide member firms in Ireland are ready to help.

Start your Irish business journey

Speak to your local MGI Worldwide firm to discover how we can help you establish and grow your business in Ireland and connect you with opportunities across Europe and the wider world.

Let's start the conversation.

Appendices

Appendix 1 – Corporation Tax rates

The current rates of Corporation Tax for 2025 are as follows:

- 12.5% on trading income, applied to most active business profits
- 25% on passive income, such as investment or rental income
- 10% on qualifying profits from patented inventions and certain intellectual property
- 15%: Applies to large multinational companies under the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS). This is part of the Global Minimum Tax rules for companies with annual global revenues exceeding €750 million
- 20% close company surcharge applies on undistributed investment and rental income of close companies
- 15% close company surcharge applies on undistributed trading income of certain professional service companies

Appendix 2 – Capital allowances

A range of capital allowances are available, including:

Plant, machinery and equipment

- Standard capital allowances are available at 12.5% per annum over eight years.
- A maximum cost of €24,000 applies to private cars
- For qualifying energy-efficient equipment, an accelerated 100% first-year allowance may apply

Industrial buildings

- Qualifying buildings, including manufacturing premises and hotels registered with Fáilte Ireland, attract an allowance of 4% per year over 25 years
- Allowances are typically based on the cost to the original owner rather than the purchaser, with special rules applying to second-hand acquisitions

Appendix 3 – VAT rules

The 2025 VAT rates in Ireland are as follows:

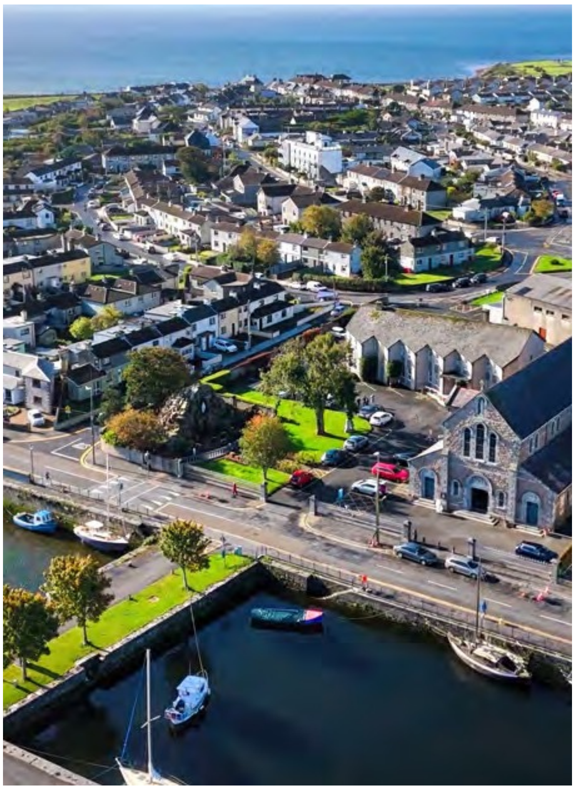
- **23% standard rate:** Applies to most goods and services
- **Reduced rates:**
  - 13.5% for certain construction services, energy products and tourism-related services
  - 9% for some hospitality and media sectors
  - 4.8% for livestock and certain agricultural inputs
- **Zero rate:** Exports and certain food and pharmaceutical products are zero-rated

VAT registration thresholds:

- €42,500 for service providers
- €85,000 for businesses supplying goods

Businesses exceeding these thresholds in a rolling 12-month period must register with Irish Revenue and will be issued a VAT number.

Registered businesses file VAT returns typically every two months, with payment due on or before the 23rd of the following month.



Appendix 4 – Income tax rates

The current rates of income tax for 2025 are as follows:

Filing status	Tax at 20%	Tax at 40%
Single and widowed person: no dependent children	Income up to €44,000	Balance of income over €44,000
Married couple: one income	Income up to €53,000	Balance of income over €53,000
Married couple: two incomes	Income up to €88,000	Balance of income over €88,000

Appendix 5 – PRSI rates

The 2025 rates for PRSI are as follows:

Type of payment	Rate of payment	Income
Employer	11.15% (rising to 11.25% from October 2025)	No limit
	8.9% (rising to 9% from October 2025)	If income is €496 p/w or less
Employee (class A1)	4.1% (rising to 4.2% from October 2025)	No limit

MGI Worldwide is in every continent and just about every key economic centre in the world. However complex a client requirement or remote the location, someone in the MGI Worldwide network will have the expertise to help.

How can I help?

For questions or queries Get in touch.

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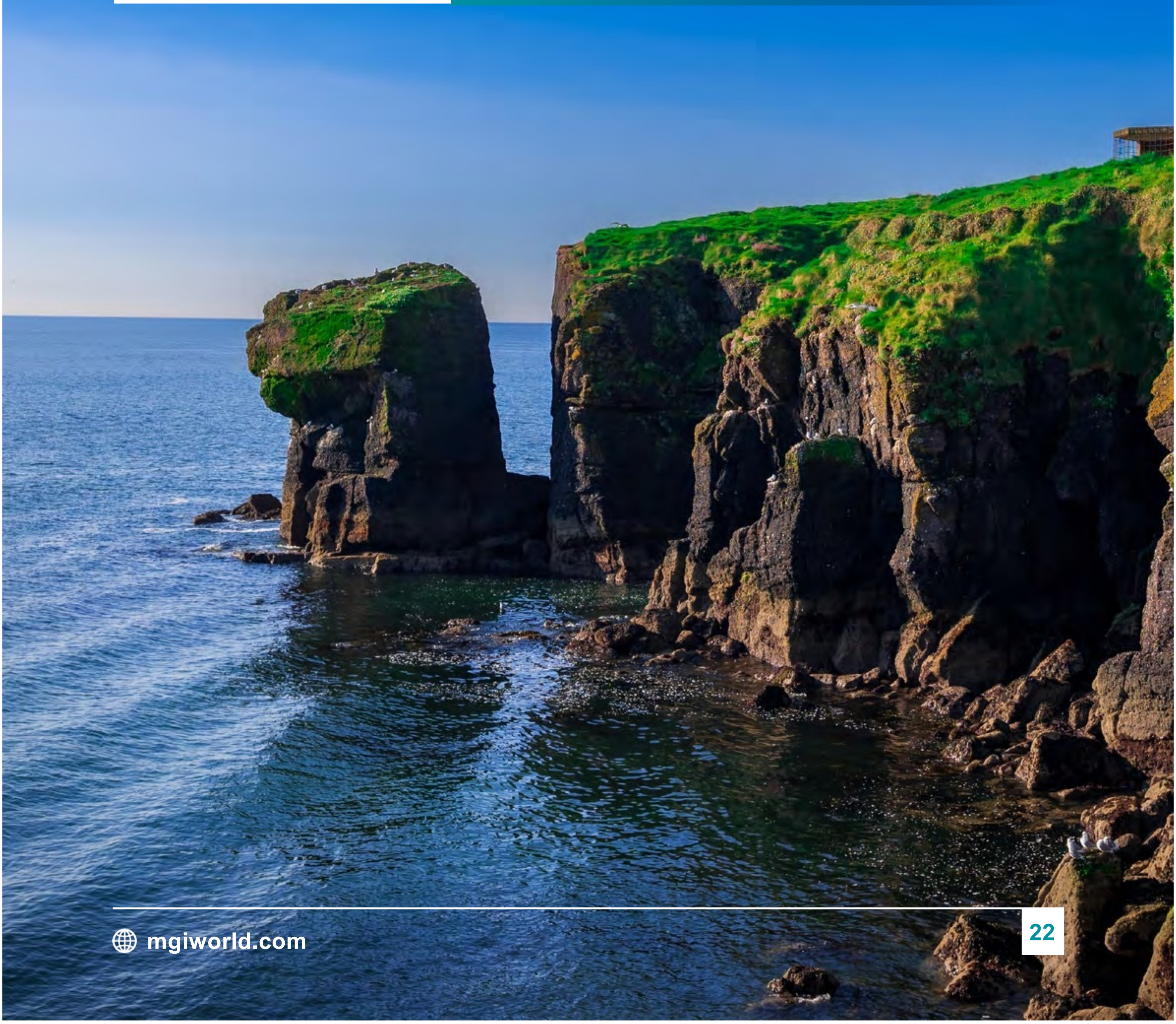

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MGI Worldwide is a leading international network and association of over 8,800 audit, accounting, tax and consulting professionals in some 440 locations around the world.

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