DENTONS

Doing Business in Ireland



January 2026

About Ireland

Ireland has a unique offering: EU market access, eurozone membership, an English-speaking talent pool, a predictable tax and incentives regime, and a public sector that actively partners with business. The data bears this out. Ireland ranked 7th globally in the **2025 IMD World Competitiveness Ranking** and remains the most competitive economy in the eurozone area.

Widely regarded as pro-enterprise, with a reputation for balancing innovation and regulation, Ireland continues to attract the world's leading companies to its shores.

Ireland is a committed EU member with regulatory alignment and passporting advantages, while remaining a common law jurisdiction – useful for groups accustomed to Anglo-American legal concepts. Ireland's upcoming Presidency of the Council of the EU (from 1 July to 31 December 2026) gives it a voice in shaping the EU's legislative and policy agenda for the coming years.



Gateway to the EU, in English

As an English-speaking eurozone location inside the single market, Ireland gives straightforward access to more than 450 million consumers and to the EU labour force.

Pro-business, stable and internationally connected

Ireland's economy is "A"-rated by major agencies, with an export base dominated by multinationals that have chosen Ireland for the long term.

Deep talent bench and fast mobility options

Ireland's highly educated workforce anchors knowledge-intensive sectors. 62% of 23 to 34 year-olds have completed third-level education. The Critical Skills Employment Permit streamlines entry for in-demand roles.

Consistent and transparent tax regime

Most active businesses can benefit from Ireland's long-standing 12.5% corporation tax rate on trading profits (subject to the 15% Pillar Two minimum rate). Ireland has generous incentives, including a refundable 30% R&D corporation tax credit (due to increase to 35% in 2026), and is party to an extensive network of tax treaties.

Multinational ecosystems

Ireland hosts 16 of the world's top 20 tech companies. A concentration of cloud, software, semiconductor design and AI leaders means access to suppliers, partners and experienced hires. 14 of the world's top 15 medtech firms have chosen to locate in Ireland, alongside blue-chip pharma names.

On-the-ground partnership

IDA Ireland, Ireland's state agency for FDI, offers grants, advisory services and practical support to international companies establishing or expanding operations in Ireland.

Financial services expertise

Ireland has a decades-long track record across asset management, aviation, payments, insurance and fintech, with regulatory expertise and EU alignment and access.





Contents

1. Ireland's government, laws and regulatory agencies 6
2. Corporate 9
3. Taxation 17
4. Financing a corporate subsidiary 22
5. Employment 25
6. Commercial real estate 31
7. Disputes 38
8. Intellectual property, data and AI 43
9. Taking security in Ireland 47

Section 1
Ireland's government, laws and regulatory agencies

1. Ireland's government, laws and regulatory agencies

1.1. Ireland's government and laws

Ireland is a sovereign, parliamentary democracy and a member of the European Union (**EU**). The State comprises 26 counties on the island of Ireland, with a population of approximately 5.3 million. Ireland's legal and regulatory environment is shaped by its common law tradition, EU membership and a pro-business policy framework.

There are three main branches of government in Ireland:

- **The Executive:** Headed by An Taoiseach (Prime Minister) and the Cabinet, responsible for day-to-day administration and policy.
- **The Legislature (Oireachtas):** The President, Dail Eireann (the lower house) and Seanad Eireann (the upper house) responsible for enacting legislation.
- **The Judiciary:** Independent courts interpret and apply the law, with the Supreme Court as the highest national appellate court.

Ireland is a unitary state with no division of legislative powers between national and regional governments. Local authorities exist primarily to administer local services such as planning, housing, roads and waste management.

The principal sources of Irish law are:

- **The Constitution of Ireland (Bunreacht na hÉireann):** The supreme law, establishing the structure of government and fundamental rights.
- **Legislation:** Acts of the Oireachtas and statutory instruments.
- **Common law:** Judicial decisions and precedents.
- **EU law:** In broad terms, EU regulations are directly applicable and EU directives must be transposed into Irish law. In areas where the EU has competence, EU law takes precedence over Irish law.

1.2. Key regulatory agencies

Ireland has a robust regulatory framework, with independent statutory bodies overseeing key sectors.

Central Bank of Ireland (Central Bank)

The Central Bank regulates and supervises financial institutions, including banks, insurance companies, investment firms and credit unions. It is responsible for maintaining financial stability, consumer protection in financial services and the authorisation of regulated entities.

Companies Registration Office (CRO)

The CRO is the central repository of public statutory information on Irish companies and business names. It oversees company incorporation, the filing of annual returns and the enforcement of company law compliance.

Competition and Consumer Protection Commission (CCPC)

The CCPC is responsible for enforcing competition and consumer protection law. It investigates anti-competitive practices, reviews mergers and acquisitions, and promotes fair trading and consumer rights.

Corporate Enforcement Authority (CEA)

The CEA is responsible for upholding corporate governance standards in Ireland and has powers to investigate and prosecute offences and to enforce compliance with company law.

Data Protection Commission (DPC)

The DPC is the national supervisory authority for data protection and privacy and the lead GDPR regulator for many global platforms. It investigates breaches, issues guidance and can impose administrative fines.

Environmental Protection Agency (EPA)

The EPA is responsible for licensing, regulation and enforcement in relation to environmental protection, including waste management, emissions and industrial activities.

Health and Safety Authority (HSA)

The HSA enforces occupational health and safety law, provides guidance to employers and investigates workplace accidents.

Intellectual Property Office of Ireland (IPOI)

The IPOI agency administers the registration of patents, trade marks and designs in Ireland, and provides information on intellectual property rights.

Office of the Revenue Commissioners (Revenue)

Revenue is the Irish taxation authority, responsible for the administration and collection of Irish taxes and excise duties. It also administers tax incentives and reliefs relevant to businesses.

1.3 Sectoral regulators

Additional sectoral regulators include:

Agri-food Regulator: Agri-food supply chain.

Coimisiún na Meán: Broadcasters, video-on-demand providers and online platforms established in Ireland.

Commission for Communications Regulation (ComReg): Telecommunications and postal services.

Commission for Regulation of Utilities (CRU): Energy and water sectors.

Health Products Regulatory Authority (HPRA): Medicines, medical devices, cosmetics and related products.

Irish Aviation Authority (IAA): Civil aviation and air navigation services.

Maritime Area Regulatory Authority (MARA): Marine planning and offshore renewable energy projects.

Section 2
Corporate

2. Corporate

2.1 Choosing a business vehicle

A business enterprise in Ireland may be operated by an individual, a company, a partnership, a joint venture or through a non-Irish entity with or without a permanent Irish establishment.

Ireland's modern company law regime, integrated into the EU company law framework but based on well-established common law principles, makes it an ideal destination for international business establishments.

Irish companies can avail of a harmonised EEA corporate mobility framework. The Directive on Cross-border Conversions, Mergers and Divisions (known as the "Mobility Directive") allows EEA limited liability companies to merge with, divide into, or convert into companies in other EEA countries, with legal continuity and protection for shareholders, creditors and employees.

2.2 Companies

The private company limited by shares is the most common form of trading entity in Ireland. It may be incorporated as a standalone entity or as a subsidiary of an Irish or non-Irish holding company. The liability of the company's shareholders is limited to the amount, if any, left unpaid on the shares for which they have subscribed.

Company types at a glance

Company type	Key features	Minimum directors	Share capital	Offer/ listing ability	When to choose it
Private company limited by shares (LTD)	Single-document constitution Unlimited corporate capacity (no objects clause) Maximum 149 shareholders (excluding employees)	1 (if so, must appoint separate secretary)	No minimum	**No** listing or public offers	Default trading vehicle, subsidiary of foreign parent, SME
Designated Activity Company limited by shares (DAC)	Two-document constitution: memorandum and articles of association Must have an objects clause Maximum 149 shareholders (excluding employees)	2	No minimum	May list **debt** in specified circumstances, not **equity**	Regulated activities, certain joint ventures, SPVs, debt listings
Public Limited Company (PLC)	Two-document constitution: memorandum and articles of association Enhanced regulation and disclosures such as directors' compliance statements	2	Minimum allotted share capital of €25,000 (at least 25% plus entire premium to be paid up)	May list **equity** and/ or **debt**	IPOs, large corporates, capital market vehicles

Company type	Key features	Minimum directors	Share capital	Offer/ listing ability	When to choose it
Unlimited company (ULC/PUC/ PULC)	Two-document constitution: memorandum and articles of association Unlimited shareholder liability Certain structures offer enhanced financial privacy; relaxed distribution rules.	2	No minimum	PUC/PULC can list **debt** (ULC cannot); no **equity** listings	Specialist structures, certain investment vehicles
Company Limited by Guarantee (CLG)	Two-document constitution: memorandum and articles of association No share capital Member liability limited to a nominal amount guaranteed on the winding-up of the company Registered charities benefit from certain tax exemptions but other types of relief available to companies limited by shares may not be available	2	N/A	May list **debt** only	Charities, property management companies, clubs and non-profit organisations



2.3 Establishing a company

Incorporation

Incorporation in Ireland is relatively quick and straightforward. LTDs can be incorporated in five working days under an express scheme. Other company types may take about two weeks to establish.

The CRO maintains the public companies register and issues a certificate of incorporation to new companies.

The following must be lodged with the CRO to incorporate an LTD:

- Form A1 containing details of the company's directors, secretary, registered office, subscribers and principal activity, and including a statutory declaration of compliance with the Companies Act 2014.
- Constitution
- CRO fees (ranging from €50 to €100).

All companies must have a registered office in Ireland for legal correspondence and a seal for executing certain documents, such as deeds.

Company names

Selecting the right company name is an important step in establishing a business identity in Ireland. The CRO has strict rules to ensure that names are distinctive and not misleading. Certain words (e.g. "bank", "insurance" and "university") require regulatory consent. When a free name is identified, a company can reserve it for a limited period. If a business trades under a name different to its registered company name, the business name must be registered separately with the CRO.

Registration of a company or business name does not automatically confer trade mark rights.

Appointment of directors

Minimal formalities apply to the appointment of company directors. Directors can be appointed by directors' resolution, shareholder resolution or as otherwise permitted by the company's constitution, such as by direction of a third party. On appointment, a person must sign a prescribed form of consent to act as a director.

At least one of the company's directors must be resident in an EEA member state, with the qualifying conditions for residency set out in law. The residency requirement does not apply where the company has:

- a bond to the value of €25,000 which can be called upon to discharge certain fines and penalties arising under company and tax law; or
- a certificate from the Registrar of Companies confirming that the company has a "real and continuous link with one or more activities that are being carried on in the State".

However, for tax reasons, it may be recommended to have one or more Irish resident directors with appropriate board meeting protocols to ensure the Irish tax residence of the company is maintained.

Only individuals may be directors of Irish companies. Corporate directorships are not permitted. Directors must be at least 18 years old. In general, a person cannot hold more than 25 directorships in Irish private limited companies with exceptions in place for group structures, public limited companies and companies certified as having a real and continuous link with activities in the State.

2.4 Corporate governance

Irish companies are governed by a single-tier board structure, with management typically delegated to the board of directors.

On appointment, a director must sign a statement acknowledging that *"as a director I have legal duties and obligations imposed by the Companies Act, other statutes and at common law."*

The Companies Act 2014 codifies the fiduciary duties of directors. These duties are owed to the company "and the company alone" and not to individual shareholders, employees or (aside from certain insolvency situations) to creditors. The specific fiduciary duties apply to shadow directors and directors who have not been formally appointed (*de facto* directors). There is no distinction in Irish law between executive and non-executive directors in the application of statutory duties. As well as the codified fiduciary duties, directors have duties and liabilities under other statutes, EU law and common law.

Irish courts generally defer to the business judgement of directors unless there is evidence of bad faith, self-interested dealing, failure to follow proper process or manifest unreasonableness.

The following are the main fiduciary duties of a director of an Irish company:

- **Acting in good faith** in what the director considers to be the interests of the company as a whole. Where a company is a member of a group, action taken in the interests of the group should primarily be in the individual best interests of the company.
- **Acting honestly and responsibly** in relation to the conduct of the company's affairs.
- **Complying with the company's constitution** and exercising powers only for legal purposes.
- **Not benefiting from or using the company's property, information or opportunities** for personal or third-party benefit, unless permitted by the constitution or by shareholder resolution.
- **Not agreeing to restrict the director's power to exercise independent judgement**, unless expressly permitted by the constitution, approved by shareholder resolution or where to do so is in the best interests of the company and is done in good faith.
- **Avoiding conflicts of interest** between the director's duties to the company and other interests, unless released from this duty by the company.
- **Exercising the care, skill and diligence** that would be reasonably expected of a person in the same position with similar knowledge and experience.

The Companies Act regulates transactions between a company and its directors and connected persons. Ongoing disclosure and reporting requirements apply to directors under various categories.

Directors with shares or other interests in the company or any group company must notify the company of those interests, the details of which are reported in the company's financial statements. No disclosure is required where shares held by a director (aggregated with those of any connected persons) represent 1% or less of the company's share capital.

Directors' and officers' (D&O) insurance is common, but there are restrictions on the indemnities for negligence or breach of duty that a company can give to its directors.

2.5 Compliance and ongoing obligations

Irish companies must comply with a comprehensive and well-established range of obligations.

Financial statements and annual returns

Directors of Irish companies must prepare and approve financial statements which give a true and fair view of the assets, liabilities and financial position of the company (and, if applicable, of its group) as at the financial year-end date, and of the profit or loss of the company (or group) for the relevant financial year. Audit exemptions are available for small and dormant companies meeting specific criteria.

A company must file an annual return with the CRO and, unless an exemption applies, attach its statutory financial statements (and, if applicable, its group financial statements), together with the directors' report and statutory auditor's report in relation to the financial statements. An Irish subsidiary may file the consolidated financial statements of its EEA parent instead of its own financial statements if the parent irrevocably guarantees the subsidiary's liabilities.

In-scope companies must report on environmental, social and governance (ESG) matters under the EU Corporate Sustainability Reporting Directive.

Company registers

Companies must maintain a range of statutory registers and documentation, including:

Register/Document	Description
• Register of members	• Details of all company members (shareholders or guarantors)
• Register of directors and secretaries	• Details of current and former directors and secretaries
• Register of directors' and secretary's interests	• Interests in shares or debentures of the company or group
• Register of debenture holders	• Details of debenture holders (if any)
• Minute books	• Minutes of board and shareholder meetings
• Directors' service contracts	• Copies of directors' service contracts
• Contracts to purchase own shares	• Details of contracts for company share buybacks
• Individual and group acquisitions share register (for PLCs)	• Record of share acquisitions by individuals and groups
• Beneficial ownership register	• Details of the ultimate beneficial owners of the company

Event-driven filings must be made with the CRO for matters such as:

- the appointment or resignation of directors or secretary;
- changes to the company's registered office, financial year-end or share capital;
- the creation of a charge or security over company assets;
- the giving of financial assistance or certain transactions with directors; and
- the passing of certain shareholder resolutions.

Beneficial ownership

Under an EU-wide anti-money laundering regime, Irish companies must obtain and hold adequate, accurate and current information on the beneficial ownership of the company and record this information in an internal beneficial ownership register.

Companies must file this information with the Registrar of Beneficial Ownership where it may be accessed by "designated persons" for the purposes of the prevention or investigation of money laundering and related activities, but not by the general public.

If, after all reasonable steps have been taken by the company, no individuals are identified as beneficial owners, details of the company's senior managing officials (usually the directors) must be registered instead.

Companies listed on a regulated market that is already subject to disclosure requirements are exempt from these obligations.

2.6 Partnerships

Partnerships are characterised as the existence of a relationship between two or more people carrying on a business with a view to profit. A partnership is not a separate legal entity. In ordinary partnerships, the partners are jointly and severally liable for the debts of the partnership and usually take an active role in the business.

Features of a partnership

- Partnerships are treated as fiscally transparent for direct tax purposes, meaning that taxes on income and capital gains are assessed on the partners individually according to their attributable share of the income or gains, rather than on the partnership itself.
- Partnership structures can allow investors to get their investments back more directly and flexibly. Companies are more constrained by capital maintenance and solvency rules.
- Partnerships are not generally required to publicly file accounts. A partnership (through the precedent partner) must file an annual partnership tax return on behalf of all the partners showing, among other things, the taxable profits or losses of the partnership and their allocation among the partners.

Limited partnerships

It is possible to form partnerships with limited liability, in which there must be at least one general partner (which may be a company) with unlimited liability. Limited partners, in such arrangements, are liable only to the extent of their investment. Limited partners cannot take part in the running of the partnership and do not have the power to enter into binding contracts on behalf of the partnership. Limited partnerships are used for tax-based investments, as vehicles for venture capital and private equity firms, and in the investment funds industry.

2.7 Branches

An external company may operate in Ireland through a branch structure, which is not a separate legal entity but an extension of the foreign entity. A foreign company with a trading operation in Ireland that has the appearance of permanency, an Irish management structure and the ability to do business directly with third parties is a branch for Irish law purposes. The parent company bears all legal responsibilities for the branch and must comply with registration and filing requirements. At least one person resident in Ireland must be nominated to act on behalf of the external company for compliance purposes and to accept service of documents.

Branch structures can be more cost-effective, give rise to fewer Irish governance obligations and give more control to the parent entity. Branches, however, lack ring-fenced liability for local operations, may create issues with the transferability of the operation and make it more difficult to attract State support and investment.



2.8 Investment screening

Ireland recently introduced FDI screening measures. The Screening of Third Country Transactions Act 2023 (the **Screening Act**) created a mandatory and suspensory notifications regime enabling the Minister for Enterprise, Tourism and Employment (the **Minister**) to review transactions involving foreign investment that may impact on security or public order in Ireland.

The Screening Act applies to "third country" (not being a member of the EU, the EEA or Switzerland) investors such as:

- undertakings constituted/governed by third country laws;
- undertakings controlled by at least one director/partner/member who is a third country national or constituted/governed by the laws of a third country; or
- individuals ordinarily resident in a third country.

Internal restructurings (i.e. where the same undertaking controls all parties involved in the transaction) fall outside the scope of the screening rules.

The notification requirement is triggered where a third country undertaking, or a person connected with such an undertaking:

- acquires control of an asset or undertaking in the State; or
- changes the percentage of shares or voting rights it holds in an asset or undertaking in the State from (i) 25% or less to more than 25% or (ii) 50% or less to more than 50%.

A minority shareholding (below the specified thresholds) may constitute control if it grants the investor influence beyond what is typical for minority shareholders. Therefore, transactions should be assessed on a case-by-case basis, considering the organisational, structural and economic links between parties.

The financial thresholds are low. Notification is triggered where the cumulative value of the transaction (and other related transactions between the parties) is equal to or greater than €2 million in the 12 months before the date of the transaction.

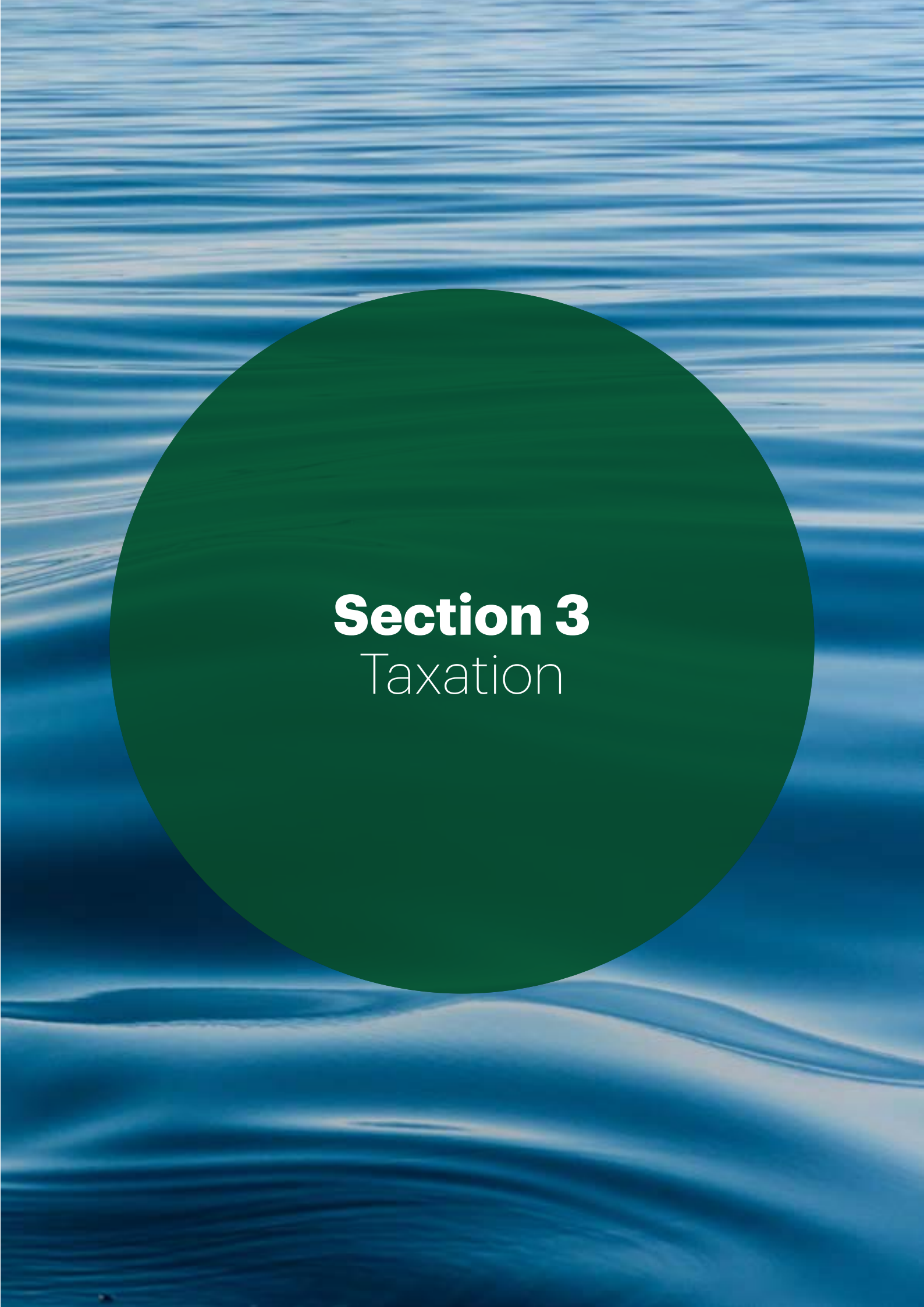
The Screening Act is concerned with transactions that relate to or impact upon one or more of the following sectors:

- critical infrastructure;
- critical technologies and dual-use items;
- supply of critical inputs;
- access to sensitive information; and
- freedom and pluralism of the media.

In making a screening decision, the Minister will assess whether the transaction affects (or would be likely to affect) security and public order in Ireland, having regard to:

- whether the acquirer is controlled by a third country;
- whether the previous conduct of the parties has affected Irish security or public order;
- whether the transaction presents an opportunity to be disruptive or destructive to persons in the State;
- whether the transaction provides access to information, data, systems, technology or assets that are of general importance to public order;
- whether the transaction could affect the security or public order of another EU member state; and
- observations from the European Commission or from other member states.

In issuing a screening decision, the Minister may authorise or prohibit a transaction or impose conditions (such as divestment, behavioural requirements, ring-fencing requirements, compliance reporting obligations and geographical restrictions).



Section 3
Taxation

3. Taxation

A company may be tax resident in Ireland on the basis that it is incorporated in Ireland and/or managed and controlled from Ireland. An Irish-incorporated company will be tax resident in Ireland unless it is treated as tax resident in another country under the terms of a double tax treaty between Ireland and that other country.

3.1 Corporation tax

An Irish resident company is subject to corporation tax on its worldwide profits and capital gains, with credit generally available for many forms of overseas taxes paid. This includes companies incorporated outside Ireland but deemed Irish resident as a result of being managed and controlled in Ireland. A company which is not resident in Ireland is liable to Irish corporation tax if it carries on a trade in Ireland through a branch or agency and, in that case, the liability extends only to the profits or gains attributable to the branch or agency.

An Irish resident company is liable to corporation tax at:

- 12.5% on its trading income or 15% for entities within the scope of Pillar 2 (see below);
- 25% on passive income and income of an "excepted trade" (e.g. some property-related activity).

A non-resident company may have a liability to Irish corporation tax on Irish source rental income (25%) and a liability to income tax on other Irish source income (e.g. interest income).

Relief may be available if the relevant income, profits or gains are already subject to tax in another country, where a relevant double taxation treaty is in force. A company's trading losses can generally be carried forward on an indefinite basis and used to offset future profits arising from the same trade. Additionally, such losses may be surrendered to other group companies for Irish corporation tax purposes.

3.2 Capital gains

An Irish resident company is subject to corporation tax on capital gains at a rate of 33% of its worldwide gains (with exceptions such as where the participation exemption for the sale of certain shareholdings applies). A non-Irish resident company is also subject to tax on capital gains arising from the disposal of assets held for the purposes of an Irish trade and on the disposal of "specified assets" (such as Irish branch assets and Irish land and buildings, Irish minerals and exploration rights, or shares deriving their value from such assets or Irish branch assets).

A participation exemption is available to Irish resident companies on the disposal of shares where the company holds an interest of 5% or more for 12 months and the company whose shares are sold is resident in an EU member state (including Ireland) or a country with which Ireland has signed a tax treaty. The exemption applies where:

- the business of the company whose shares are disposed of consists wholly or mainly of the carrying on of one or more trades; or
- taken together, the businesses of the Irish holding company and all companies in which it has a direct or indirect 5% or more ownership interest consist wholly or mainly of the carrying on of one or more trades.



3.3 Computation of taxable income

Taxable base

The taxable base depends on the source of the income and on whether the entity is subject to corporation tax or income tax in respect of the income.

In the case of a company that carries on a trade, its taxable trading profits will be based in the first instance on its accounting profits, provided that its accounts are computed in accordance with Irish generally accepted accounting principles (GAAP) or International Financial Reporting Standards (IFRS), as adjusted for tax purposes. It will be necessary, for example, to adjust the accounting profit or loss to exclude receipts and expenses of a capital nature, and to exclude expenditure that is not wholly and exclusively incurred for the purposes of the trade.

Companies deriving investment income from passive sources will generally be subject to corporation tax or income tax on the gross amount of the income, although a company within the corporation tax regime carrying on an investment business may be entitled to a deduction for the expenses of managing its investments, provided that the expenses are revenue in nature.

Chargeable gains

Broadly, chargeable gains are calculated by deducting the acquisition cost, any enhancement expenditure incurred in respect of the assets and any costs of acquisition and disposal from the proceeds of disposal. Generally, capital losses arising on the disposal of an asset must be offset against gains arising in the same taxable period, or carried forward and offset against gains arising in future periods.

Corporate income tax reporting

Companies are subject to a self-assessment regime in Ireland and must notify Revenue when they first come within the charge to Irish tax.

A company within the charge to corporation tax must report by reference to accounting periods, which will generally be aligned with the company's own period of account, provided that such period does not exceed 12 months. The company must file its tax return within nine months after the end of the accounting period to which it relates.

The tax year in Ireland is the calendar year.

Tax consolidation

Ireland does not operate a formal tax consolidation regime. However, group relief is available, permitting companies within the same corporate group to surrender certain trading losses to other profitable group companies.

3.4 Tax credits and incentives

Ireland offers various tax credits and incentives, including a:

- **Research and development (R&D)** tax credit of 30% for qualifying expenditure, in addition to a general tax deduction of 12.5%. The credit is available for R&D activities that seek scientific or technological advancement and involve the resolution of scientific or technological uncertainty. This credit is due to increase to 35% in 2026.
- **Capital allowances regime** in respect of capital expenditure on specified intangible assets (such as patents, trade marks, brands, copyrights and software). Such allowances can offset taxable profits earned from the specified intangible assets, subject to an 80% cap.
- **Digital games tax credit** for expenditure incurred in the design, production and testing of qualifying digital games that promote Irish and European culture.

3.5 Cross-border payments

Treaty network

Ireland has signed comprehensive double taxation agreements (**DTAs**) with 78 countries, 75 of which are in effect.

Transfer pricing

Ireland's transfer pricing regime conforms to OECD principles and generally seeks to prevent connected parties obtaining an Irish tax advantage by entering into transactions on the basis of non-arm's length pricing. Under the applicable rules, it may be necessary for companies to make a transfer pricing adjustment in respect of a transaction that is not made on arm's length terms. Taxpayers must maintain contemporaneous documentation in respect of transactions subject to the transfer pricing rules.

An exemption from the transfer pricing rules applies to companies that are classified as small or medium-sized entities under EU guidelines (entities with fewer than 250 employees and either a turnover of less than €50 million or an annual balance sheet value of less than €43 million). Legislation to abolish this exemption has been passed but has not yet taken effect.

Withholding tax on passive income

Payments made by a resident of Ireland to a non-resident in respect of certain types of interest payments, patent royalties, dividends and certain "annual payments" may be subject to Irish withholding tax. However, there are broad exemptions under domestic law and Ireland's treaty network. See *Financing a Corporate Subsidiary* for further details.

3.6 International tax reform

Ireland is party to the international corporate tax reform agenda contained in the OECD's Two Pillar solution to address "Tax Challenges Arising from Digitalisation" (**Two Pillar solution**). The EU Minimum Tax Directive provides for EU-wide implementation of Pillar Two of the Two Pillar solution and was transposed into Irish law.

The Pillar Two rules (effective in Ireland for fiscal years commencing on or after 31 December 2023) include an Income Inclusion Rule (**IIR**) and an Undertaxed Profits Rule (**UTPR**). The income of in-scope groups (those with consolidated group revenues of €750 million or more in at least two of the four preceding fiscal years) is taxed at a minimum effective tax rate of 15% on a jurisdictional basis. Ireland introduced a domestic top-up tax to collect any top-up tax due from Irish entities before the application of the IIR or UTPR top-up tax liability. It is creditable against any IIR or UTPR top-up tax liability.

Ireland has retained its 12.5% rate of tax for those groups which are below the threshold revenues of €750 million in the directive.

3.7 Payroll taxes

Employees (including, for these purposes, directors and other officeholders) are subject to Irish income tax and universal social charge (**USC**) in relation to their employment income and benefits. Income tax applies to individuals who are resident or ordinarily resident in Ireland, or who exercise employment in Ireland (subject to relief under a DTA). Residency for tax purposes is determined by presence in Ireland for at least 183 days in a year, or 280 days over two years (with a minimum of 30 days in each year). Ordinary residency arises after three consecutive years of residence.

Individuals have a tax-free personal allowance, with all income above this amount being taxable. The rates of income tax are progressive, with different rates applying depending on how much annual income falls into different bands. Employers are responsible for deducting income tax from the sums paid to employees and paying them to Revenue under the pay as you earn (PAYE) regime.

The Special Assignee Relief Programme (**SARP**) provides an income tax relief for certain temporary assignees into Ireland. Where the conditions are satisfied, SARP provides an exemption from income tax for 30% of a qualifying individual's employment earnings between €100,000 and €1 million. The relief does not cover social security contributions or the USC.

3.8 Employment insurance

In addition to income tax, employees (including directors and other officeholders) and their employers are liable to pay related social insurance (**PRSI**) based on the employee's employment income. The contributions are made up of a deduction from the employee's pay (employee contribution) and an amount paid by their employer. The employer is responsible for withholding the employee PRSI. PRSI is generally 4.2% for employees and 9%/11.25% for employers, depending on weekly earnings.

3.9 Indirect taxes

Value added tax

Value added tax (**VAT**) is imposed on the final consumption of most goods and services supplied in Ireland. Specific rules with respect to the place of supply exist to determine whether a supply is deemed to be made in Ireland.

The current standard VAT rate is 23%, with a 13.5% rate for certain prescribed supplies (e.g. energy for domestic use). In addition, certain "zero-rated" supplies are subject to VAT at the rate of 0% with input tax deduction entitlement (e.g. exported goods and services) or are exempt from VAT without input tax deduction entitlement (e.g. health care services, educational services and most financial services).

Since the burden of VAT is intended to fall on the final consumer of the relevant goods or services, businesses engaged in making only supplies of goods or services that are subject to VAT will generally be entitled to recover their VAT costs in full.

Stamp duty

Stamp duty may apply to documents which effect the transfer of shares, land and other forms of assets. The current rate is 7.5% for non-residential property and 1% for the first €1 million of residential property, with the balance charged at 2%. A rate of 1% generally applies to the transfer of shares, subject to some exceptions.

Stamp duty exemptions and reliefs are available for transfers of certain intellectual property rights, intra-group transfers, group reorganisations and mergers.

3.10 Anti-avoidance and exit tax

Anti-avoidance and anti-evasion

A general anti-avoidance measure applies to transactions undertaken primarily to obtain a tax advantage rather than for bona fide commercial purposes. Revenue may deny or withdraw the relevant tax advantage, having regard to the form, substance and outcome of the transaction. Genuine commercial transactions should not fall foul of the general anti-avoidance rules.

Ireland has in place a system of strict measures creating criminal offences in relation to tax evasion.

Exit tax

An ATAD-compliant exit tax is chargeable, at the rate of 12.5%, on unrealised capital gains inherent in assets when:

- a company migrates its tax residence from Ireland to another jurisdiction; or
- the business or assets of an Irish permanent establishment are allocated back to the head office or to a permanent establishment in another jurisdiction (applicable only in respect of companies resident in an EU member state other than Ireland).

The exit tax is not chargeable in respect of assets remaining within the Irish tax charge. A 33% rate may apply where the transaction is part of an arrangement to subsequently dispose of the relevant assets. Where assets are transferred to an EEA country, the exit charge may be deferred and paid in instalments over five years. Liability may extend to other Irish resident group companies or directors with a controlling interest in the company if the exit charge remains unpaid.

3.11 Tariffs and customs

Ireland, as part of the EU Customs Union, is subject to EU customs rules and tariffs. Customs duties are determined at the EU level, with tariff-free trade within the EU. The EU applies the World Trade Organisation "most favoured nation" principle and has free trade agreements with various countries. Anti-dumping and countervailing duties may apply to certain goods, particularly from China. The EU may also impose retaliatory tariffs in response to international trade disputes and has the Anti-Coercion Instrument to restrict trade as a last resort.



Section 4
Financing a corporate subsidiary

4. Financing a corporate subsidiary

4.1 Equity financing

Contributions for shares

Where an equity investment is made into an Irish company with a share capital in exchange for new shares, the amount of the investment is first allocated to the nominal value of each share acquired (which value is governed by the company's constitution, such as €1 each) and the excess will be included in the share premium account.

A company's share capital is made up of the shares that it has issued to its members, whether on or after its incorporation. Irish law affords significant flexibility in the formation of a company, as well as the ability to later change its constitution and to divide shares into different classes.

Specific additional rules apply to different forms of body corporate. For example, public limited companies must have a minimum allotted share capital of €25,000.

Returns to shareholders

Subject to solvency requirements and, in certain cases, the consent of the court, an Irish company limited by shares may reduce its share capital by making payments to shareholders out of capital or by redeeming shares. A company may also purchase its own shares, provided that (save in limited circumstances) it is able to fund the purchase out of distributable reserves or the proceeds of a fresh issue of shares.

A company limited by shares may only make a distribution to its members (including the declaration of a dividend) out of "distributable reserves". Generally, distributable reserves are made up of the profits generated or accumulated by that company.

Dividend withholding tax

Dividend withholding tax (**DWT**) at a rate of 25% may apply to the payment of dividends by an Irish company, subject to a number of exemptions. Payments to certain types of Irish persons are exempt from DWT, such as group companies, pensions and charities. Once the required declaration is made, there is no requirement to operate DWT on distributions to the following:

- an individual who is resident in a country with which Ireland has a tax treaty (a **Treaty Country**) and is not resident in Ireland;
- a company resident in a Treaty Country and not under the control of Irish residents;
- a non-resident company which is under the control (directly or indirectly) of persons who are resident in a Treaty Country and which is not under the control of Irish residents;
- certain listed companies or companies which form part of a listed group.

Outbound Payments Defensive Measures

Exceptions to the exemptions from DWT apply where the distribution is made to an associated entity which is resident or situated in certain territories. This is coupled with the disapplication of exclusions from the charge to income tax for the non-Irish resident associated entity receiving the distribution. The territories within the scope of the measures are those included in Annex I of the EU list of non-cooperative jurisdictions for tax purposes and "no-tax" and "zero-tax" territories (referred to as "specified territories"). The measures will not apply in specific circumstances where double non-taxation should not occur.



4.2 Debt financing

Withholding tax implications

Payments of "yearly" interest with an Irish source may be subject to withholding tax at a rate of 20%. A payment of interest which is not capable of lasting more than one year is not "yearly" interest and is not subject to withholding tax. A payment of interest by an individual is only within the scope of withholding tax if the recipient is resident outside Ireland.

Ireland has a number of exemptions under domestic law, including the following:

- interest paid to or by a bank carrying on business in Ireland;
- interest paid to Irish investment undertakings (regulated funds) and other finance companies that make loans but are not licensed banks;
- interest paid by a company to a company resident in another EU member state or in a country with which Ireland has signed a tax treaty, where certain conditions are satisfied;
- interest paid to a US corporation that is subject to tax in the US on its worldwide income;
- interest paid to a US LLC provided that investors in the LLC themselves satisfy the conditions for an exemption;
- quoted Eurobond exemption for payments of interest on listed securities; and
- interest paid by a section 110 company to a person resident in the EU or a Treaty Country.

In cases where a domestic law exemption is not available, the rate of withholding tax on interest payable to a non-resident lender may also be reduced or eliminated under an applicable DTA. In certain circumstances, deductible interest payments made to associated companies in "specified territories" may not benefit from an exemption (under the Outbound Payments Defensive Measures).

There is no withholding tax in Ireland on the repayment of the principal amount of a loan.

Corporate interest restrictions

Ireland has various rules which determine the ability of a company to take a tax deduction for expenses.

There is no general ability to claim a deduction for interest payments. However, a deduction is available for arm's length interest which is paid "wholly and exclusively" for the purpose of a company's trade.

A deduction may also be available for interest used to buy shares in a trading company or onward lend to another company for it to buy such shares. These general rules have been supplemented by an interest limitation rule (**ILR**) and anti-hybrid rules.

The ILR was introduced to comply with the EU's Anti-Tax Avoidance Directive (**ATAD**). The ILR applies to accounting periods commencing on or after 1 January 2022 and operates alongside existing rules that restrict the deductibility of interest expenses.

The maximum corporation tax deduction available for net borrowing/interest costs is limited to 30% of tax-adjusted earnings before tax and before deductions for net interest expense, depreciation and amortisation (**EBITDA**), subject to some exceptions. While the default rate of the fixed ratio is set at 30%, there is an ability for a taxpayer to elect to deduct an amount in excess of 30% of tax-adjusted EBITDA under the "group ratio" rule in certain circumstances.

There is an exemption where a taxpayer's net borrowing costs do not exceed €3 million (the de minimis threshold applying to the "interest group" as a whole).

There is also an equity-escape carve-out from the ILR. If the ratio of equity to total assets of the interest group is no lower than two percentage points below the worldwide group's ratio of equity to total assets, then the equity ratio rule applies and no interest restriction should arise.

Other rules may apply to limit deductibility in certain cases e.g. profit-dependent interest is not deductible unless the paying company is a "section 110" company. Payments of interest to group companies may also be restricted in certain cases.

Ireland has introduced anti-hybrid rules as required under the EU's Anti-Tax Avoidance Directives (ATAD 1 and 2).

Ireland has a tax-exempt regime for regulated investment funds and a regime to facilitate international financial transactions, including securitisations.

Stamp duty

Ireland does not impose a stamp tax in respect of debt financing, but an assignment of a debt could be subject to stamp duty in certain circumstances. There is generally no stamp duty on a share subscription but a rate of 1% applies to share transfers, subject to certain exemptions.

Section 5
Employment

5. Employment

Employment relationships in Ireland are governed by employment contracts between employers and employees (certain terms are required to be in writing). Employees working in Ireland benefit from mandatory employment rights, derived from Irish law (including the Irish Constitution) and EU law.

5.1 Pre-hire

A job offer can be made conditional on the successful completion of background checks, carried out in compliance with data protection legislation. Criminal background checks are only permitted in very limited circumstances such as when the role involves working with children or vulnerable adults.

Employer of Record (**EOR**) and Professional Employer Organisation (**PEO**) arrangements are becoming more common in Ireland. However, they are not expressly recognised in legislation and their legal status has not yet been tested in the courts. There may be risks that the employee is deemed to be employed by the entity contracting with the EOR/PEO, or that the EOR/PEO could be considered an employment agency requiring a licence.

5.2 Hiring options

Employers in Ireland have several options when hiring employees. They may engage employees on indefinite, fixed-term, full-time or part-time contracts.

Zero-hour contracts are generally prohibited, with limited exceptions such as emergency cover or short-term relief work.



Employment terms

Employers must provide employees with written confirmation of key terms and conditions of employment within five days of employment commencing. These include:

- full names of employer and employee;
- address of employer;
- date of commencement;
- place of work;
- terms and conditions relating to hours of work (including overtime), number of hours employer reasonably expects employee to work per normal working day and normal working week;
- job title and brief description of work;
- expected duration of employment (if relevant);
- remuneration, frequency and method of payment and pay reference period;
- duration and conditions relating to a probationary period (if applicable).

Additional terms, such as notice periods, paid leave (annual leave and sick leave entitlement), any collective agreements and training entitlements must be provided within one month of employment commencing.

While these are the statutory minimums, it is best practice for employers to issue a comprehensive written employment contract covering all relevant terms.

Probationary periods are both legally permitted and common in Ireland. They must not exceed six months, although they may be extended up to 12 months in exceptional circumstances (and in the interests of the employee). For fixed-term contracts, the length of any probationary period must be proportionate to the expected duration of the contract and the nature of the work. If an employee takes certain protected leave during probation, the probationary period may be extended accordingly.

Right to request flexible and remote working

Employees who are parents or carers have a statutory right to request flexible working and all employees have a right to request remote working. While employees cannot challenge the substantive refusal of such requests, they can challenge a failure by the employer to follow the prescribed process, which includes responding to the request as soon as reasonably practicable, but no later than four weeks. Employees must have at least six months' service before such arrangements can commence.

Employment benefits

Employee benefits commonly offered by employers (especially to senior employees) include:

- income protection insurance;
- death-in-service insurance;
- critical illness insurance;
- private medical insurance;
- pension.

Employment policies

Certain employment policies are mandatory under Irish law. Employers must have disciplinary and grievance procedures in place.

Employers have a statutory duty to ensure the health, safety and welfare of employees at work and must prepare an appropriate safety statement. Employers must have policies and systems in place for risk assessment, the provision of training and the maintenance of a safe working environment.

For employers with 50 or more employees (save for public authorities and certain EU-regulated entities, where no threshold applies), a whistleblowing policy is required, outlining the internal reporting channels and procedures. Whistleblowers are protected by law and may claim compensation (up to five years' gross remuneration although, in practice, this level of award is very rare) and injunctive relief in respect of dismissal and penalisation by reason of making a protected disclosure (with no service requirements).

5.3 Minimum employment rights

Irish employees are entitled to a range of statutory rights. These include:

- **Minimum notice of termination:** This is based on length of service, ranging from one to eight weeks (see below).
- **A 48-hour weekly limit on working hours (averaged over a particular reference period):** Employers must keep accurate records of employees' working hours, rest breaks and annual leave to demonstrate compliance with working time legislation.
- **Statutory sick pay:** Currently five days per year (70% of normal pay, subject to a daily maximum of €110).
- **Pay and national minimum wage:** The current minimum hourly rate is €14.15 for employees aged 20 and over. A premium is payable for Sunday working, unless expressly provided in the employment contract as included in salary. Employers must provide employees with a payslip detailing gross pay, deductions and net pay. Only lawful deductions may be made, such as for tax, social insurance or with the employee's written consent.
- **Annual leave:** Generally, for full-time employees, a minimum of four working weeks of paid holiday leave per year and 10 statutory public holidays.
- **Protective leave:** This includes maternity, adoptive, paternity, parent's, parental, carer's, force majeure, medical care and domestic violence leave. Each type of leave has its own eligibility criteria. For example, maternity leave is up to 42 weeks (unpaid) and paternity leave is up to two weeks (unpaid). Most of the leaves are unpaid, but many employers have policies providing for some payment in respect of some of these leaves and various governmental benefits may be available.

Atypical workers

The law extends specific protections to atypical workers, including fixed-term, part-time and agency staff. Fixed-term employees are generally entitled to the same terms and conditions as permanent staff unless different treatment is objectively justified. The use of successive fixed-term contracts is limited and, after four years of continuous service on successive contracts, the employee may be deemed permanent unless the employer can objectively justify a further renewal. Part-time employees are also protected from less favourable treatment compared to full-time employees unless different treatment is objectively justified. Temporary agency workers are entitled to equal treatment in basic working and employment conditions as if they had been directly recruited by the hirer.

Special rules apply to the employment of young persons under the age of 18. These include restrictions on maximum working hours, required rest breaks and prohibitions on night work.

5.4 Discrimination and diversity

Employers may not discriminate, directly or indirectly, against employees including in relation to recruitment, promotion, training and work experience, promotion, pay, working conditions or dismissal on any of the following protected characteristics:

- gender;
- civil status;
- family status;
- sexual orientation;
- religion;
- age;
- disability;
- race;
- membership of the Traveller community.

Irish law also prohibits sexual harassment and harassment on any of the other grounds listed above, as well as victimisation. Equality policies and training are recommended to reduce the risk of claims.

Employers with 50 or more employees are required to report in November each year on their gender pay gap (based on a June snapshot date), give reasons for any gap and outline measures to eliminate or reduce it. Currently, there is no obligation to report on pay gaps relating to sexual orientation, disability or race. The EU Pay Transparency Directive, due to be implemented by June 2026, will require more detailed reporting on gender pay gaps within each category of worker.

5.5 Unions, collective bargaining and employee representation

While the Constitution guarantees workers the right to join a trade union, there is no legal obligation on employers to recognise a union or engage in collective bargaining.

The setting-up of European Works Councils may be required (to inform and consult with employees on a range of management issues relating to transnational developments) if an undertaking has at least 1,000 employees in the EU and 150 or more employees in each of at least two member states.

Employers with at least 50 employees may be required to enter into a written agreement with employees or their elected representatives on formal procedures for informing and consulting, if a prescribed number of employees request this.

5.6 Termination

Minimum notice

Statutory minimum notice periods to be given by an employer to an employee apply, depending on length of service:

- 13 weeks to two years: one week;
- two to five years: two weeks;
- five to 10 years: four weeks;
- 10 to 15 years: six weeks;
- more than 15 years: eight weeks.

Minimum notice to be given by an employee to their employer is one week.

The employment contract often provides for longer notice periods than the minimum notice periods (particularly for senior employees, where notice periods of around six months by both parties are common).

Upon termination, employees are entitled to work their notice (or to be paid in lieu of notice at the option of the employer if permitted by the governing employment contract).

Unfair dismissal

An employer risks an unfair dismissal claim (generally available to employees with at least one year's service) if there is no fair reason for dismissal or if fair procedures are not followed. The fair reasons for dismissal include:

- capacity, competence and qualifications;
- conduct;
- redundancy;
- breach of statutory obligation;
- other substantial grounds justifying the dismissal.

Employees may also resign and claim constructive unfair dismissal in response to a fundamental breach of contract by the employer.

The appropriate procedures to be followed vary depending on the reason for dismissal.

Failure to follow fair procedures in cases of misconduct, or where there are reputational issues, can result in employee claims for breach of an implied term for fair procedures in the employment contract (derived from the Constitution). In such cases, employees may seek an injunction to restrain dismissal in the civil courts, although this is generally only pursued by senior employees.

Compensation for unfair dismissal is up to two years' gross remuneration but is based on the financial loss suffered during the period it would reasonably take to find alternative work of equivalent remuneration.

Discrimination and whistleblowing

Employees may also bring discrimination claims (compensation being up to two years' gross remuneration) and whistleblowing claims (compensation being up to five years' gross remuneration) related to the termination of employment.

Collective redundancies

Special rules apply to collective redundancies. These rules are triggered when an employer proposes to dismiss, for reasons not related to the individual employee, a certain number of employees within a 30-day period. The thresholds are:

- five employees in an establishment normally employing more than 20 and fewer than 50 employees;
- 10 employees in an establishment normally employing at least 50 employees but fewer than 100 employees;
- 10% of the number of employees in an establishment normally employing at least 100 but fewer than 300 employees;
- 30 employees in an establishment normally employing 300 or more employees.

Employers are required to provide specified information to, and consult with, employee representatives, and to notify the Minister for Enterprise, Tourism and Employment at the earliest opportunity and, in any event, at least 30 days before the first notice of dismissal. Employee representatives may need to be elected beforehand.

The consultation should address the possibility of avoiding the proposed redundancies, reducing the number of employees affected, mitigating the consequences and the proposed selection criteria.

Those on maternity leave may not be given notice of dismissal during maternity leave.

Statutory redundancy payment

Eligible employees dismissed by reason of redundancy (with at least two years' service) are entitled to a statutory redundancy payment of two weeks' pay per year of service, plus an additional bonus week, capped at €600 per week.

Accrued and untaken holiday

On termination, employees are entitled to be paid in lieu of any accrued but untaken holiday.

Compromise agreements

Employers may offer *ex gratia* payments above statutory and contractual entitlements under a compromise agreement in exchange for a waiver of claims, including unfair dismissal. Employees must be given the opportunity to seek legal advice.

5.7 Restrictive covenants

Restrictive covenants, such as non-compete, non-solicitation (of employees and clients or customers) and non-dealing (of clients or customers) clauses, are common in employment contracts for mid-level and senior employees. These restrictions must not be broader in scope or duration than is reasonably necessary to protect legitimate business interests, such as confidentiality, client connections and workforce stability. Overly broad restrictions risk being struck out in their entirety. The drafting of these clauses (including various carve-outs relating to junior employees, those with whom the employee had no dealings and minimal investments) is important.

It is difficult to enforce non-solicitation or non-dealing clauses of more than 12 months and non-compete clauses of more than six months against senior employees. Employers do not need to continue to pay the employee during an enforceable non-compete period.

5.8 Business transfers and TUPE

Automatic transfer of employment rules (**TUPE**) may apply on a business/asset sale or on service provision changes. Where TUPE applies:

- all employees wholly or mainly assigned to the undertaking transferring should transfer under the same terms and conditions of employment (save for certain pension rights) and with continuity of service;
- the employer must inform affected employees of the reasons for, and implications of, the transfer and the measures envisaged to be taken where reasonably practicable, no later than 30 days before the transfer and, otherwise, in good time before the transfer takes place. Consultation with employee representatives of affected employees must take place where measures are envisaged no later than 30 days before the transfer and, otherwise, in good time before the transfer takes place.

TUPE does not generally apply to share sales.

5.9 Other considerations

Key employment-related obligations, the breach of which risk criminal sanctions, are:

- failure to conduct collective consultation (when the relevant thresholds are met) with employee representatives and/or to notify the Minister of Enterprise, Tourism and Employment 30 days before the notices of dismissal;
- failure to put in place a whistleblowing policy when required and hindering or penalising a worker from whistleblowing, or disclosing a whistleblower's identity;
- certain breaches of health and safety law.

5.10 Pensions

In January 2026, employers will be required to automatically enrol into a new retirement saving scheme employees, between the ages of 23 to 60, earning €20,000 or more per year and who are not currently part of a pension plan.

5.11 Data privacy

Employers must ensure compliance with data protection legislation in respect of employee data. This includes having adequate data protection policies and a privacy notice, ensuring a legal basis for processing personal data, and maintaining transparency about data use and safeguarding of employees' personal data. Employers should also have procedures for handling data subject access requests from employees and for reporting data breaches to the relevant authorities.

Section 6
Commercial real estate

6. Commercial real estate

Ireland's real estate legal system and the manner in which property is acquired, financed, leased and registered is broadly similar to that in the UK. International investors account for a large majority of commercial real estate acquisitions over the past number of years.

6.1 Ownership interests

Ownership is either freehold or long leasehold (99 years or greater). Certain freeholds can be subject to covenants. As a general rule, buildings forming part of a development or scheme and which contribute to a common areas service charge scheme are likely to be long leasehold interests.

There are no nationality or residency restrictions on persons or entities permitted to own Irish property provided they are legal persons (of full age in the case of individuals). Ireland does not have the equivalent of the UK requirement for overseas investors to register with Companies House and obtain an overseas entity ID.

6.2 Property ownership registration

Ireland operates a Land Registry system. This is a state-guaranteed evidence of title ownership but it is not conclusive as to title boundaries. Registration in the Land Registry is only compulsory since 2010 so many ownerships are still "unregistered". These ownerships are registered in the Registry of Deeds and require full investigation against a historical deed chain.

Title insurance is normally only used in Ireland for specific risks such as lost title deeds, restrictive covenants, rights of light etc. and is not commonly used to guarantee title ownership. Occupational leases more than 21 years in duration are also registrable.

6.3 Property acquisition

The acquisition of property occurs by exchange of contracts and a subsequent deed of transfer. Contracts must be in writing and signed by both parties. Contract deposits of 10% are normal.

Property acquisition is handled by solicitors and the notary system common in Europe does not apply in Ireland.

A "buyer beware" principle applies in Irish law and buyers take the property in its actual condition. A seller is not obliged to ensure that a property is free from defects or to disclose anything which is apparent from inspection. Contracts are based on standard Law Society General Conditions of Sale but usually modified to suit the property's specific characteristics or the seller's preferred contractual position.

While standard contractual conditions contain a warranty that any works carried out by a seller comply with planning law and building regulations, this warranty is frequently deleted by sellers meaning buyers have to rely instead on compliance documentation procured by sellers from architects and engineers in respect of such works.

Property risk remains with the seller until completion of the sale.

A Building Energy Regulation (**BER**) certificate for the property must be disclosed to the buyer prior to exchange of contracts.

Forward funding and forward purchase transactions are both common for new developments.

6.4 Commercial real estate leases

Occupational leases are typically full repairing and insuring (FRI) leases or triple net leases (as they are known in the US). Tenants are usually obliged to pay all municipal taxes and utility charges. Lease durations align with market occupational requirements at a given time with 15-year terms currently being common. Tenant break options are also common in the Irish market.

Tenants get a statutory renewal entitlement after five years of continuous occupation unless they renounce that entitlement by deed.

Landlords cannot unreasonably withhold consent to assignments, sub-lettings (of the entire property only), alterations or change of use. Once a permitted assignment occurs, the outgoing tenant is released from future liability and Ireland does not have the equivalent of AGAs seen in the UK. Assignment applications tend, therefore, to be conservatively approached by landlords. Rent reviews typically occur at the end of every fifth year to open market level. It is possible to put in caps and collars on the increase/decrease. Upward-only rent reviews have been prohibited in leases granted from 28 February 2010. Index-linked rent reviews are also common.

In retail scheme leases, it is usual for tenants to have keep open and trade obligations. A lease will usually entitle the landlord to terminate (forfeit) if the tenant commits a material breach of its lease obligations or if the tenant (or guarantor) is placed in any insolvency process.

Leases can be forfeited by re-entering and taking back premises (but only where the tenant does not challenge that) or by getting a court order for possession.

Courts have discretion to grant tenants relief from termination for cause where the tenant can demonstrate that it is in position to remedy default.

Tenants are required to submit lease information (including rent) to the Property Services Regulatory Authority which notes them on a publicly accessible commercial leases register.

6.5 Lease guarantees

Guarantees can be contained in the lease itself or in a standalone guarantee document. The latter is typical in tech sector leases where guarantees are usually confined to financial compensation for actual loss arising from tenant default with a cap on maximum aggregate liability.

Normally, guarantees are structured as primary obligor guarantees and, where breach has occurred, the landlord can pursue the guarantor immediately without having to pursue the tenant entity in the first instance.

Guarantees will also typically contain standard provisions ensuring that the guarantee cannot be waived by any forbearance given to the tenant or a variation of the lease without the guarantor's consent.

A guarantee contained in the lease itself usually includes an entitlement for the landlord to require the guarantor to enter into a new lease where an insolvency event has occurred in respect of the tenant. Many guarantors will seek a condition in the guarantee that they will be released from their obligations once the tenant achieves a certain threshold of profitability (e.g. three consecutive years of audited accounts showing the tenant having net profits of at least three times the annual rent and all other outgoings under the lease).

6.6 Property financing

Loan agreements for commercial property are typically in the LMA standard form and usually governed by either Irish or English law. Debt procured to finance the acquisition or development of a property will usually be secured by a first legal charge registered over the property.

There is no right of foreclosure in Ireland and the enforcement of security typically involves the appointment by the lender of a receiver over the property who will then have power to manage and sell the property.

6.7 Planning and building regulations compliance

Generally, all construction and use of commercial real estate requires planning permission and compliance with building regulations (which deal with structural integrity and fire safety). Planning authority registers are not definitive as to compliance of a property with planning permission and building regulations, but simply show a record of permissions and certification issued in respect of the property and whether or not enforcement action has been taken. A practice has evolved to accept opinions on compliance from suitably qualified professionals as evidence of compliance backed up by searches of the planning authority registers.

As a general rule, if unauthorised works have been carried out, planning (but not building regulations) enforcement action must be taken within a seven-year period from completion of the works. Otherwise, the works become free from enforcement.

Buyers should commission their own surveys to report on compliance although, in major sales, sellers will often commission reports upon which buyers can rely.

6.8 Standard rental terms

Standard Rental Terms	Office	Retail	Industrial	Residential
Rents	€/sq ft/annual	€/sq ft/annual	€/sq ft/annual	€/month
Typical lease term	20 years	10-15 years	20 years	One year
Break option	Years 10-12 in city centre and Years 7-10 in suburbs. (12 months' written notice and a potential penalty of three to six months' rent)	Years 5-7	Year 10	N/A
Incentives	Rent-free of one month per year term certain	Six months rent-free	Rent-free period of three months for five-year term	N/A
Frequency of rent payable	Quarterly in advance	Quarterly in advance	Quarterly in advance	Monthly in advance
Typical rent deposit (in months)	None with sufficient covenant (net profits for three years of three times the annual rent). If not, minimum 12 months' rent deposit held for the term or a parent company guarantee	None with sufficient covenant (net profits for three years of three times the annual rent). If not, minimum 12 months' rent deposit held for the term or a parent company guarantee	None with sufficient covenant (net profits for three years of three times the annual rent) or a parent company guarantee	One month
Frequency of rent increases	Every five years	Every five years	Every five years	Every two years to market rent except in RPZs where annual rent increases are allowed subject to a maximum increase of 4% per year (or 8% over two years)



6.9 Irish real estate ownership taxes

Tax on rental income

A corporate investor in Irish property is generally liable to Irish tax on rental income at a rate of 25%. If the investing company is Irish and closely held (i.e. held by a small number of investors), it may be subject to a 20% surcharge on undistributed rental profits.

Regulated Irish fund vehicles may be exempt from tax on income and gains arising from Irish property at the fund level but are obliged to operate withholding or exit tax on distributions, disposals and other events in relation to the shares or units in the funds, depending on the status of the investors.

Commercial rates

Rates are levied annually by local authorities on non-residential property. The person or company in occupation of non-residential property at the date of the making of the rate is primarily liable for the entire rate for that year. Where the property is vacant at the date of the making of the rate, the liability lies with the person or company entitled to occupy the property on that date (i.e. the leaseholder or, if there is no lease, the owner).

The rate levied on a property is calculated by multiplying the Rateable Valuation by the Annual Rate on Valuation (ARV). Rates are payable in two moieties.

Local Property Tax

Local Property Tax (**LPT**) is an annual tax payable by owners of Irish residential real estate on the market value of the residential unit. There are different rates of LPT depending on within which range, or valuation band, the residential unit falls.

Residential Zoned Land Tax

Residential Zoned Land Tax (**RZLT**) is an annual tax on land (irrespective of its actual use) that is zoned for residential use and serviced. It is charged at a rate of 3% on the market value of land from 1 February 2025 onwards. The tax applies regardless of the size of the land. For land zoned as suitable for residential development or serviced after 1 January 2022, tax will be first due in the third year after it comes within scope. The tax may be deferred where residential development has commenced and will not be payable where development is completed by the time limit set out in the planning permission for that land.

Land may cease to be liable to RZLT in certain circumstances, such as where land zoned for mixed-use (including residential) development is developed for a non-residential purpose.

Residential properties liable to LPT are excluded from RZLT.

Vacant Homes Tax

Vacant Homes Tax (**VHT**) is a tax on residential units which are not occupied for at least 30 days in a calendar year. It is charged at a rate of three times the basic rate of LPT applying to the residential property. There are exemptions from the charge to VHT for properties that are vacant for certain reasons.

6.10 Irish real estate transactional taxes

Stamp duty

Stamp duty applies to the purchase of property based on the higher of the price paid or the market value. For residential property, the rate is 1% on the first €1 million and 2% on the balance. The rate is 7.5% for non-residential property but there is an ability to claim a refund of up to 5.5% in certain cases where the land is developed for residential purposes. A 10% rate may apply on the purchase of multiple residential units (10 or more in a 12-month period). A partial refund may be available where the relevant residential units are leased to a local authority within 24 months. The purchase of shares in an Irish property holding company is generally liable to stamp duty at 1% but a 7.5% rate may apply in certain cases. Stamp duty may also apply to leases.

Capital gains tax

The sale of Irish real property (and shares in companies which derive 50% or more of their value from Irish real property) is generally subject to capital gains tax (CGT) at a rate of 33% regardless of the residency of the seller. There is an obligation on the buyer to withhold tax at 15% from the sale proceeds for Irish real property and shares deriving at least 50% of their value from Irish real property, unless the seller obtains a clearance certificate from Revenue. Different rules apply to property owners who develop land in the course of a land dealing trade.

Value Added Tax

The Value Added Tax (**VAT**) treatment of property transactions is fact-specific and often complex, but some general principles apply.

Sale of	Applicable VAT Rate
New commercial property (development completed within previous five years)	13.5%
Second sale within the first five years of completion of the development, where the property has not been occupied for at least 24 months or the first sale was between connected parties	13.5%
Residential property by developer or connected party	13.5%
Property at least 20 years old and not redeveloped within that time	Exempt
Non-residential property (development completed more than five years previously)	Exempt (seller will likely require buyer to make joint option to tax to avoid clawback)
Non-residential property (development completed more than five years previously) with redevelopment costing at least **25% of intended sale price** or which **materially alters use**	13.5%
Non-residential property (development completed more than five years previously) where redevelopment has occurred (not materially altering use) costing **less than 25% of intended sale price**	Exempt (seller will likely require buyer to make joint option to tax to avoid clawback)

The transfer of a let property may benefit from transfer of business relief (TOBR).

A landlord may opt to charge VAT at 23% on rents from a letting of non-residential property.

Section 7
Disputes

7. Disputes

7.1 Overview and court structure

Ireland is a common law jurisdiction with a legal system similar to that of England and Wales predominately based on oral hearings and including wide-ranging discovery. However, there are some significant differences arising from Ireland's written constitution, membership of the EU and court rules.

There are three first instance courts in Ireland: the District Court which hears claims up to €15,000; the Circuit Court which hears claims up to €75,000; and the High Court which has "unlimited" jurisdiction. There is also the Court of Appeal, which hears appeals from the High Court, as well as the Supreme Court, which hears cases which involve matters of public importance or where the interests of justice requires it. There are also subdivisions of the High Court that deal with certain types of cases. Matters that concern EU law may also be referred by Irish courts to the Court of Justice of the European Union (CJEU) on a question of law. In areas where the EU has competence, EU law takes precedence over Irish law.

There are also a growing number of out-of-court adjudicatory bodies in Ireland such as the Workplace Relations Commission (WRC) which hears employment disputes, the Financial Services and Pensions Ombudsman (FSPO) which hears complaints against financial institutions, and the Tax Appeals Commission which hears appeals of Revenue decisions, to name a few.

Ireland has a split legal profession between solicitors and barristers, the latter of which specialise in court advocacy. In complex or high-value High Court proceedings, a party will often engage a junior barrister and two senior counsel.

7.2 Commercial Court

The Commercial Court is a division of the High Court which hears high-value commercial claims, usually only those exceeding €1 million. Proceedings in the Commercial Court are subject to strict timelines set by the court and so cases in the Commercial Court generally proceed to trial much quicker than other cases.

The Commercial Court has gained a strong international reputation. In recent years, it has heard some of the highest-value claims in Europe, many of which ran into billions of euro such as claims by the world's largest aircraft lessors against insurers relating to aircraft stranded in Russia in 2022.

7.3 General steps in litigation

The general steps of litigation in Ireland are as follows:

- Litigation is usually preceded by a pre-action letter, although this is not mandatory. A pre-action letter will set out the basis for the claim and will demand that the recipient take certain steps and/or agree to compensate the sender for some specified breach within a certain time period or else legal proceedings will issue.
- Legal proceedings usually begin with a "plenary summons", which is a two- or three-page document setting out at a high level what the plaintiff's claim is (e.g. "the plaintiff's claim is for damages for defamation or breach of contract" etc.). The plenary summons does not set out any of the facts on which the claim is based. If the defendant is based outside the EU, then the plaintiff will have to first apply to the court for leave to issue and serve notice of the plenary summons outside the jurisdiction.
- After being served with legal proceedings, the defendant, if based in Ireland, has eight days to enter an "appearance" which is a notice filed with the court stating the intention to defend the claim. If the defendant is within the EU, it usually has five weeks to enter an appearance and, if outside the EU, usually six weeks. If a defendant does not enter an appearance, then a plaintiff can seek judgment against it "in default of appearance".
- Once a defendant enters an appearance, the plaintiff has eight weeks to deliver a Statement of Claim. The Statement of Claim sets out the material facts on which a claim is based. The defendant then has eight weeks to deliver a Defence and, after receiving a Defence, a plaintiff has 14 days to deliver a "Reply". Usually "further particulars" are sought by each side once they receive the Statement of Claim or Defence, which is where a party requests further information about their opponent's case. Failure to meet these time limits may result in the opposing party applying for judgment in default/having a case dismissed. However, warning letters with prescribed time periods are required before doing so and the party will have a further opportunity after the application is brought to deliver their Statement of Claim or Defence.
- Once these exchanges (called "pleadings") are finished, the parties will send each other letters seeking voluntary discovery by setting out categories of documents they require. If agreement is not reached, then a party will apply to the court for an order requiring their opponent to make discovery of the categories. Discovery or disclosure in Ireland is generally wide-ranging and based on categories of documents related to the issues in dispute. The parties' lawyers will then work on their discovery reviews, which is usually the longest and most costly part of litigation. After exchanging discovery, each side can seek further discovery if there is evidence that there are any documents missing from the discovery made.
- Once discovery has been exchanged, generally the parties begin preparing for trial. In Commercial Court proceedings, the parties have to exchange written witness statements and expert reports. Expert evidence is common in Ireland.

Civil trials in Ireland are usually heard by a judge sitting alone. Certain types of claims are heard by a jury, most commonly defamation and civil assault claims. The general structure of a trial is that the plaintiff's lawyers (usually a barrister if it is the High Court) will "open" the case to the court. The plaintiff will then call its witnesses who will give evidence orally and be cross-examined by the defendant's lawyers. The defendant's lawyers will then open the defendant's case, followed by the defendant's witnesses. At the end, each side makes closing arguments.

Various interlocutory applications not mentioned above might also be made by either party during the course of litigation, some of which are described below. The above steps are an overview of the general steps which take place in most litigation.

7.4 Legal costs

Legal costs are considered high in Ireland compared to civil law jurisdictions, although they are comparable to the UK and less than legal costs in the US.

Irish courts apply a general rule that "costs follow the event", meaning the losing party usually pays towards the legal costs of the winner. The costs which the winner is allowed to recover are not usually commensurate with the actual costs. If these costs cannot be agreed, they are adjudicated by the Office of the Legal Costs Adjudicators. In 2024, roughly 60% of legal costs which were claimed before the Office of the Legal Costs Adjudicators were recovered.

7.5 Waiting times

The waiting time between the initiation of litigation and a plenary trial in Ireland is comparable to other common law countries. In 2024, the median time between the issuing of proceedings up to resolution was 1.7 years.

Interlocutory/interim injunctions (see further below) can, if required, be obtained at very short notice – even less than a day in emergency *ex parte* applications.

7.6 Injunctions

Interlocutory/interim injunctions, where a party asks the court to make an order requiring something to be done, or preventing something from being done, until the trial of an action, are common in Ireland. An injunction, if very urgent, might be sought on an *ex parte* basis, meaning no notice is provided to your opponent.

A party seeking an injunction must show that there is a fair issue to be tried, that damages would not be an adequate remedy and that the balance of convenience weighs in favour of granting an injunction. If a mandatory injunction is sought (meaning the court is asked to order something to be done rather than just prohibiting something from being done), then a "strong case" must also be shown.

Interlocutory injunctions are commonly seen in employment disputes (such as enforcing non-competes or preventing the misuse of confidential information), intellectual property disputes, contractual disputes with suppliers and where you seek to prevent a party from dissipating assets ("Mareva" injunctions). An interlocutory injunction can also be sought to allow you to enter another party's premises to seize evidence ("Anton Pillar" orders).



7.7 Discovery

Discovery in Ireland is very broad, and both directly and indirectly relevant documents need to be disclosed, often involving each side reviewing tens of thousands of documents. Discovery is therefore usually the most expensive part of litigation in Ireland, although it is also a powerful tool to obtain evidence. The fact that Ireland's discovery regime is so broad, even compared to other common law countries, often makes Ireland an attractive location for plaintiffs.

Discovery can also be sought in Ireland against non-parties who hold relevant documentation, such as banks. A party in Ireland can also seek pre-action disclosure against a party to obtain information to identify some wrongdoer, or other information which is necessary to bring an action against some wrongdoer ("Norwich Pharmacal" relief). This is commonly seen, for example, in defamation or privacy cases where a party applies for a Norwich Pharmacal order against a social media or other internet company seeking identifying information for some user. US-style depositions do not feature in Ireland.

7.8 Cross-border litigation

Litigation in Ireland often involves parties based outside Ireland. Judgments in Ireland can be enforced throughout the EU under the Brussels (Recast) Regulation. Ireland is also party to the New York Convention allowing arbitral judgments to be readily enforced in Ireland. The courts in Ireland apply the principle of "comity", meaning they will lean in favour of respecting the judgments of foreign courts.

There are also procedures available in Ireland to obtain evidence for use in litigation abroad. As a member of the EU, Ireland is party to the EU Evidence Regulation, which facilitates the taking of evidence in Ireland for use in litigation in another EU member state. A party litigating outside the EU that seeks evidence in Ireland can also use the letters rogatory procedure, whereby the foreign court issues a request to the Irish court seeking assistance, such as by examining on oath a witness in Ireland. Norwich Pharmacal relief (third-party disclosure in cases of wrongdoing such as fraud) has also been recently extended to include evidence and not just the identity of wrongdoers.

7.9 Class actions

Historically, class actions were not a feature of litigation in Ireland but that has recently changed with the Representative Actions for the Protection of the Collective Interests of Consumers Act 2023 (the **RAD Act**). The RAD Act now allows designated bodies (called "qualified entities") to bring representative actions on behalf of consumers and the first action under the RAD Act was initiated in 2025 relating to alleged breaches of privacy legislation. To a certain extent, the RAD Act increases the risk profile of consumer-facing businesses in Ireland, although it is thought that its impact will be limited until Ireland liberalises its laws regulating for-profit litigation funding, which is currently generally prohibited in Ireland but the law governing it is under review.

7.10 Arbitration

Arbitration is a growing trend in Ireland and the fact that Ireland is now the only EU English-speaking common law country has made it an attractive location for arbitrations. Ireland is a very pro-arbitration jurisdiction with a dedicated High Court division (the "Arbitration List") and the President of the High Court acting as the dedicated judge for arbitral matters.

The Arbitration Act 2010 gives effect to the UNCITRAL Model Law. Ireland is party to the New York Convention on enforcing arbitral awards.

Provision has been made in Irish law to permit litigation funding for arbitration. Once that law is formally commenced by ministerial order, litigation funding for arbitrations will be allowed.

7.11 Mediation

There is also a growing trend of mediation in Ireland and, since the Mediation Act 2017, solicitors have to advise plaintiff-clients before they issue proceedings about the option of mediation. There is also a growing trend of courts inviting parties to mediate, particularly in commercial disputes. There are a number of very experienced and respected mediators in Ireland.

Section 8
Intellectual property, data and AI

8. Intellectual property, data and AI

Ireland has a strong and sophisticated intellectual property (IP) regime. Businesses can rely on a comprehensive system of registrable rights (such as patents, trade marks and designs) and non-registrable rights (such as copyright and trade secrets). Ireland is a member of the EU and its laws in the field of IP have been heavily influenced by EU law. Ireland participates in international IP treaties, meaning companies can take advantage of both EU-wide protections and global registration systems.

8.1 Patents

Patents protect new or improved products or processes provided the invention is new, involves an inventive step (i.e. is non-obvious) and is capable of industrial application. Patent protection can be applied to a wide range of inventions such as appliances and mechanical devices, biological and chemical inventions, and computer-related inventions.

In Ireland, full-term patents last for 20 years, while short-term patents, which have a lower inventiveness test, are available for 10 years.

Patent applications are made directly to the Intellectual Property Office of Ireland (IPOI). Patent applications designating Ireland as a jurisdiction for patent protection can also be filed at the European Patent Office (EPO) under the European Patent Convention or at the World Intellectual Property Organisation (WIPO) under the Patent Cooperation Treaty. However, these create a bundle of national patent protections – they are not unitary European or global patents.

Ireland has signed the Agreement on a Unified Patent Court, which, once ratified and following a required referendum due to the constraints of Irish constitutional law, will allow new unitary European patents to be enforced in Ireland through a centralised European system.

8.2 Supplementary protection certificates

Supplementary protection certificates (SPCs) may be obtained from the IPOI for individual medicinal and plant protection products disclosed in an Irish patent. SPCs extend the protection conferred by the patent beyond its 20-year term for a period of up to five years.

An SPC does not extend the duration of the patent itself, but only the protection for the specific product covered by the marketing authorisation to place the corresponding medicinal or plant protection product on the market.

8.3 Trade marks

A trade mark may consist of words (including personal names), designs, logos, letters, numerals or the shape of goods or their packaging, or other signs or indications that are capable of distinguishing the goods or services of one undertaking from those of others, in each case which are used to distinguish a business's products and/or services from those of third parties.

A registered trade mark in Ireland is valid for 10 years and can be renewed indefinitely.

Protection may be secured through an application for registration as an Irish trade mark with the IPOI, or as an EU trade mark registration covering all EU member states (as a unitary European trade mark) through the European Union Intellectual Property Office (EUIPO) or, if requested to do so, the IPOI will forward a trade mark application or registration to the International Bureau of the WIPO to serve as the basis for designation for registration in third countries under the Madrid Protocol.

The common law tort of passing-off provides certain protections for unregistered trade marks.

8.4 Copyright

Copyright protects the tangible form of the expression of an idea in visible or audible format. In Ireland, copyright protects original literary, dramatic, musical and artistic works; film, sound recordings, broadcasts and the typographical arrangement of published editions; and computer software and original databases, in each case subject to the criteria for copyright protection being met.

Copyright arises automatically upon creation of an original work and, accordingly, there is no registration system for copyright protection in Ireland, nor is there any requirement to publish the work or to put a copyright notice upon it. Ireland also recognises moral rights.

The duration of copyright depends on the type of copyright-protected work. For example, copyright in literary, dramatic, musical and artistic works and original databases lasts for the life of the author/creator plus 70 years. Copyright in computer-generated works lasts for 70 years after the date it is first made available to the public.

8.5 Designs

Design rights protect the appearance of some or all of a product, resulting from its lines, shape, colour, contours, texture and/or ornamentation. To be registrable, a design must be new and have individual character.

Applications to register a design in Ireland are made to the IPOI. Applications for Registered Community Designs, which provide protection in all EU member states, are made to the EUIPO. Registration prevents a design from being copied and imitated by competitors.

Registered designs in Ireland and Registered Community Designs are protected for five years, renewable four times, thereby providing protection for up to 25 years.

EU law also provides certain protections for Unregistered Community Designs which automatically come into existence by the mere fact of making the products incorporating the designs available to the public as long as the design is novel and has individual character. The right lasts for three years and prohibits the use of copies of original designs.

8.6 Databases

In recognition of the substantial time, effort and expense that is often required to create and maintain databases, and the fact that such databases will often not meet all the necessary requirements to secure copyright protection as "original" databases, Irish law provides a *sui generis* database right for "non-original" databases where substantial investment has been made in obtaining, verifying and/or presenting the data and other information contained in the database.

This *sui generis* database right lasts for 15 years, during which the owner of the database may prevent the unlawful extraction or reutilisation of a substantial part of the database. If substantial changes are made (e.g. through further investment), a new 15-year term may begin.

8.7 Trade secrets and confidential information

Trade secrets which consist of secret and/or proprietary information of commercial value, which commercial value arises due to the fact that they are kept secret, and that are in fact kept secret by their owner using appropriate measures, are protected by Irish law for as long as they are maintained in confidence. No registration is required for this protection to apply.

Trade secrets, know-how and other confidential information are generally protected through non-disclosure agreements and confidentiality terms in other commercial agreements.

8.8 Domain names

Ireland's country-code top level domain (.ie) is administered by .IE Domain Registry CLG. Domain name registration does not of itself confer trade mark rights, but Irish courts have demonstrated a willingness to act against cybersquatters, particularly where domain names overlap with registered trade marks or established brand goodwill.

8.9 Semiconductor topographies

Integrated circuit topographies (**ICTs**) are protected under Irish law which provides for an exclusive right of protection for the creator of the ICTs for 10 years. Registration is not a condition for the granting of the right of protection – the rights will come into existence when the topography is first commercially exploited anywhere in the world, or when it is first fixed or encoded.

8.10 Plant Breeders' Rights

Plant Breeders' Rights (PBRs) protect new plant varieties in Ireland for up to 25 years. In Ireland, PBRs are registered by the Office of the Controller of Plant Breeders' Rights. A variety is eligible for rights if it is distinct, uniform and stable (DUS), new and if it has an approved name. European rights are available through the Community Plant Variety Office and Ireland is a member of the International Union for the Protection of New Varieties of Plants.

8.11 Data privacy

Ireland's data protection supervisory authority – the Data Protection Commission (**DPC**) – plays a pivotal role in EU data protection enforcement as the lead data protection regulator of the many global technology companies that have their global or EMEA headquarters in Ireland.

The EU General Data Protection Regulation (**GDPR**), together with the Data Protection Acts 1988 to 2018, govern the collection, use, transfer and other processing of personal data. In addition, Ireland's ePrivacy Regulations 2011 govern the use of cookies and direct marketing activities.

Companies doing business in Ireland must ensure compliance with GDPR-related obligations such as transparency, lawful processing, data minimisation, security and facilitation of data subject rights. There are also restrictions on companies' processing of special category (or sensitive) personal data, as well as transfers of personal data outside the EEA.

The DPC has broad investigative and enforcement powers, including the ability to impose significant administrative fines.

8.12 Artificial intelligence (AI)

Ireland has positioned itself as a hub for AI development, supported by both legal infrastructure and state-backed research initiatives.

The EU Artificial Intelligence Act (AI Act), adopted in 2024 and entering into force on a phased basis, applies in Ireland. The AI Act establishes a risk-based framework for AI systems based on different risk classification levels. The corresponding obligations and requirements are detailed and onerous, particularly for high-risk AI systems and general-purpose AI models. The nature and extent of these obligations are also determined by whether an organisation is acting in the capacity of a provider, deployer, importer or distributor.

Ireland has recently designated the national authorities responsible for carrying out certain obligations and functions specified in the AI Act (including those responsible for monitoring compliance and enforcement), as well as those national authorities responsible for the protection of fundamental rights in the context of the use of high-risk AI systems.

Businesses developing, deploying, importing and/or distributing AI systems in Ireland must assess their classification under the AI Act, implement transparency, governance and training measures, otherwise ensure compliance with the AI Act and expect active oversight from regulators.

8.13 Export controls

Ireland, as an EU member state, enforces the EU Dual-Use Regulation, which governs the export of goods, software and technologies that can be used for both civilian and military purposes. Exporters must assess whether their products are listed as controlled items, obtain licences where necessary and ensure compliance with end-use and end-user restrictions. The Irish Department of Enterprise, Tourism and Employment administers export licences and has increased scrutiny of exports in sensitive sectors such as advanced semiconductors, cybersecurity tools and surveillance technologies.

8.14 Enforcement

Irish courts are highly experienced and knowledgeable in dealing with IP-related disputes, with the Commercial Court offering fast-track procedures for complex disputes where certain requirements are met. Remedies vary depending on the type of IP or related right in question, but may include injunctions, damages, delivery up and destruction of infringing goods. Customs authorities also have powers to detain counterfeit or pirated goods at the border.

Section 9
Taking security in Ireland

9. Taking security in Ireland

9.1 Obligations

Obligations that may be secured under Irish law

Irish law offers flexibility as to the types of obligation that may be secured, provided the drafting of the security document is sufficiently precise. Secured obligations can include those which:

i. are present, future, actual or contingent, capped or uncapped, quantified or unquantified;

ii. arise in favour of future creditors under future transactions with future debtors; and

iii. are direct and personal, joint or several, or those of a principal debtor or a guarantor or surety.

9.2 Guarantees

Upstream and downstream guarantees for affiliates

An Irish company may provide upstream and downstream guarantees for its affiliates, once the guarantee does not breach any of the company's constitutionally enshrined terms or limits on guarantees. This area is governed by section 239 (Prohibition of loans, etc., to directors and connected persons) and section 82 (Financial assistance) of the Companies Act 2014.

In respect of any constitutionally enshrined terms or limits on guarantees, a shareholders' special resolution must be passed amending the constitutional prohibition or limit and filed in the Companies Registration Office (**CRO**) before provision of the guarantee.

In relation to sections 239 and 82 of the Companies Act 2014, the relevant obligor will need to conduct a statutory authorisation (**Summary Approval Procedure**) authorising the guarantee. The Summary Approval Procedure requires, amongst other things, shareholder approval and the making of a declaration of solvency by the directors.

Foreign affiliates are not treated any differently in this respect under Irish law.

In certain circumstances, the provision of a guarantee may be set aside:

Fraudulent disposition

A liquidator, creditor or contributory can apply to the court to have property or assets of the company which have been transferred or secured to another party unwound where:

- the effect of that disposal was to perpetrate a fraud on the company, its creditors or members; and
- the court deems it just and equitable to do so, having regard to the rights and interests of bona fide third parties who have acquired an interest in the property in good faith and for value.

This applies regardless of the company's status and there is no requirement for the company to be insolvent at the time of the disposal.

Unfair preference

A transaction, including a guarantee, may be set aside by a court where it was made in favour of any creditor or person on trust for any creditor of the company with a view to giving that creditor preference over any other creditor. Only transactions entered into in the six months before the onset of insolvency (or two years if the parties are connected) are vulnerable to a challenge on this basis.

Other grounds

A guarantee may be void where the defences of undue influence, non est factum (where a guarantor executes a guarantee in the belief that its essential effect was radically different from what it in fact was), duress or unconscionable bargain are successfully proved.

Corporate benefit requirements for guarantors

As part of their fiduciary duties, the directors of an Irish company must act in what they consider to be the best interests of the company they direct. If a beneficiary of a guarantee knows, or ought to know, that the guarantor's directors are breaching this duty in approving a guarantee (e.g. because the guarantor will receive insufficient corporate benefit), the beneficiary may not be able to enforce that guarantee. If a borrower is a subsidiary of the guarantor, the corporate benefit will usually be clear. In other situations, the benefit may be less obvious, especially if the lenders are taking an upstream guarantee. Well-drafted board minutes setting out the perceived benefits of the guarantee transaction (sometimes coupled with a shareholder resolution approving the guarantee) may help to minimise the right of a successful challenge.

There is case law, however, to suggest that:

- security can still be given, even where there is insufficient corporate benefit, if the company's shareholders unanimously agree and the company is not insolvent at the time and does not become insolvent as a result of the transaction; and
- a company can sacrifice its short-term interests for the good of the group.

Government consents and filings

No government consents or filings are required under general law in connection with the delivery of a guarantee. However, in appropriate cases, parties should check that consent is not required under any sanctions regime.

Net worth limitations and restrictions

From a net worth perspective, restrictions will apply where the provision of a guarantee by a company constitutes financial assistance for the purpose of acquiring its own shares or shares in its holding company. Financial assistance includes the giving of guarantees or security for any acquisition funding.

Under the Companies Act 2014, it is not lawful for a company to give any financial assistance for the purpose of an acquisition made or to be made by any person of any shares in that company or, where the company is a subsidiary, in its holding company. The statutory prohibition is broadly drafted, the main rationale being the preservation of a company's capital and shareholder/ creditor protection.

Financial assistance may only be given in limited circumstances, such as where it falls within one of the legislative exceptions or where the Summary Approval Procedure has been followed (see Financial assistance section below).



9.3 Security and collateral

Types of personal property over which security can be granted

Security can be granted over tangible or intangible personal property.

Tangible personal property includes plant, machinery, equipment, ships, aircraft, rolling stock and vehicles, physical stock and work in progress, physical work in progress, pictures and jewellery.

Intangible personal property includes shares and other securities, intellectual property, and statutory, contractual, or other rights to the payment of money, the performance of obligations or the possession or use of tangible assets owned by others.

General or asset-specific security agreements

A company will typically grant an "all assets" debenture, which is expressed to create: (i) a floating charge over all present and future assets; and (ii) fixed charges and specific security assignments over certain classes of assets (e.g. real estate, receivables, intellectual property, shares and material contracts). Where details of specific assets are available, these should be included in schedules to the debenture, where they are to be subject to a fixed charge. A prescribed form security document is also required where a company creates security over real estate registered in the Land Registry.

Security over real estate

The following forms of security can be taken over real estate:

- **Legal mortgage:** The same rules apply irrespective of whether the land is registered or unregistered in nature.
- **Equitable mortgage:** It is generally agreed that an equitable mortgage may be created in a number of ways:
    - where money is advanced on the assumption that a mortgage has been created;
    - where the mortgagor holds an equitable interest only in the land at the time of creating the mortgage;
    - where there is an agreement for a legal mortgage; and
    - by the deposit of title deeds.
- **Fixed charge:** A fixed charge is a specific charge on the specific property of, for example, a company, such as on its land and buildings, as security for a loan. It can be contrasted with a floating charge in that a fixed charge attaches to the security asset immediately on creation. A fixed charge over land essentially prevents the borrower from disposing of the land without the lender's consent or the discharge of liabilities owed to the lender.
- **Floating charge:** A floating charge over land is quite unusual and is more appropriate or usual in respect of other assets, such as stock.

Cash collateral

The most common forms of security over cash deposits are:

- security assignments;
- fixed charges; and
- floating charges.

Where the account is held with a third-party bank, security is created by way of assignment. For a security assignment, to create a legal as opposed to an equitable security interest, a notice of the assignment of the bank account must be served on the account-holding bank informing it that the account has been assigned by way of security to a third party. There is no timeframe within which this notice must be served. It is not essential to require the account-holding bank to acknowledge the notice, though the acknowledgement evidences that the notice has been given.

Where the account is held with the lender, security is created by way of a charge, which can be either fixed or floating. For a charge to be characterised as fixed (regardless of how it is described), the lender needs to exercise a significant level of control over the account.

Share pledges

Subject to the underlying company's constitutional documentation, collateral security can be taken over shares in an Irish company. Security over shares in an Irish company is generally effected by a deed of charge accompanied by ancillary documents to assist enforcement e.g. stock transfer forms, original share certificates, and director and secretary resignation letters. It is also possible to take a legal mortgage of shares, but this is less common.

Stamp duty on security documents

No stamp duty is payable on the execution of security documents. Stamp duty may be payable by a buyer in connection with the realisation of certain assets, including real property and shares.

Notarial requirements

There is no Irish-law requirement to have security documents executed before a notary. However, if the security provider or secured assets are situated outside Ireland, or if it proposed to execute documents outside Ireland, advice should be sought to ensure compliance with local laws.

Clawback and fraudulent transaction risks in taking security

Fraudulent disposition and unfair preference rules apply to the taking of security. For further details, see the Guarantees section (above).

Where a floating charge is given by a company within the 12 months before its winding-up, the floating charge is invalid unless it is proved that the company was solvent immediately after the creation of the charge unless new consideration is given, such as advancing new loans on arm's length terms.

9.4 Financial assistance

Prohibition on financial assistance

Under section 82 of the Companies Act 2014, it is not lawful for a company to give any "financial assistance" (which includes guarantees and security) for the purpose of an acquisition made or to be made by any person of any shares in that company or, where the company is a subsidiary, in its holding company.

Exceptions and whitewash procedure

In the case of a private company, certain statutory exceptions to the prohibition apply.

It is also possible to "whitewash" financial assistance through the Summary Approval Procedure. This process allows companies to engage in "restricted activities" by ensuring that the persons those restrictions are designed to protect give their consent. There are seven "restricted activities" which the Summary Approval Procedure can validate, including financial assistance. The Summary Approval Procedure requires, amongst other things, shareholder approval and a declaration of solvency by the directors.

In the case of a public company, while certain statutory exceptions to the financial assistance prohibition apply, the whitewash procedure is not available.

9.5 Fees and taxes

Stamp duty on loan, security, and guarantee documentation

No stamp duty or similar charge is payable on the granting of a loan or the creation of a security interest or other credit support. However, stamp duty may be payable by a buyer on the enforcement of security.

Fees

Registration and search fees tend to be nominal in value. Excluding legal fees, the principal fees incurred in taking security under Irish law are as follows:

- **Companies Registration Office**

  Form C1 (Registration of a mortgage or charge created by an Irish company): €40.

- **Land Registry**

  Registering security over real property: €175.

- **Notaries' fees**

  There is no set fee for notary services in Ireland. The professional fee depends on the time spent on the matter, the skill of the notary in question and the level of responsibility.

- **Receiver/liquidator fees**

  In the context of security enforcement, a receiver's or liquidator's fees will typically be discharged by the company to which they are appointed out of its assets. Fees will depend on the duration and complexity of the enforcement.

- **Withholding tax**

  A company making a yearly interest payment which has an Irish source is subject to withholding tax at a yearly rate of 20%. There are, however, a number of exceptions described in more detail in the Taxation chapter. Whether a borrower must deduct withholding tax on interest payable to a foreign lender depends on the existence of a double taxation treaty with the other jurisdiction.

9.6 Enforcement

Bankruptcy and insolvency processes

The principal means of dealing with bankrupt or insolvent companies under Irish law are: (i) liquidation; (ii) examinership; (iii) scheme of arrangement; and (iv) receivership.

- **Liquidation**

  Liquidation involves the realisation of a company's assets and ultimately the dissolution of the company. A liquidation may be initiated by way of a members' voluntary winding-up, a creditors' voluntary winding-up, or a compulsory liquidation by order of the court.

- **Examinership**

  Examinership is a process available to Irish companies which are experiencing financial difficulties and are seeking protection from their creditors. If granted, the creditors of that company will be prevented from enforcing any security against the company for a period of 70 days, which can be extended for an additional 30 days by order of the court. Companies seeking court protection through examinership must petition the court showing that there is a reasonable prospect of survival of the company as a going concern.

- **Scheme of arrangement**

  A scheme of arrangement is a procedure that allows a company to agree with its creditors to pay a percentage of its debt within a specified period. Schemes of arrangement can be proposed by the directors of the company or on application to the court by any creditor or member of the company.

- **Receivership**

  Receivership is a formal process whereby a secured creditor appoints a receiver under a security document (such as a debenture or charge) for the purpose of taking possession and realisation of the secured assets. A receiver is usually appointed where a company has defaulted on its repayments or where some other event of default has occurred. A receiver can only be appointed over the company assets that are charged under the security document.

Parties permitted to act in enforcement

Who may act in enforcement and the circumstances under which a lender can enforce its loan, guarantee or security interest under Irish law are largely dependent on the terms of the underlying loan and the security documentation.

The normal methods of enforcement in Ireland are for the security holder to appoint a receiver, under the terms of the charge deed, or for the charge holder to become a mortgagee in possession of the charged asset. A court order is not usually necessary to appoint a receiver although, in the case of real property, it may be necessary to obtain a court order for possession if the security holder intends to go into direct possession. Once possession is obtained, it is not generally necessary to get a court order for sale.

The agent concept is recognised in Ireland. Irish law recognises the role of a facility agent or security trustee under a syndicated loan and allows the agent/trustee (as opposed to all lenders acting individually) to enforce security and apply the proceeds to the claims of all lenders.

9.7 Recognition of foreign judgments

Ireland is bound by the:

- **Brussels Recast Regulation** under which the Irish courts recognise judgments from the courts of other EU member states;
- **2005 Hague Convention on Choice of Court Agreements** under which the Irish courts recognise judgments obtained in, among others, the UK, Singapore, Mexico and Ukraine (but only where the court giving judgment derived its jurisdiction from a mutually exclusive jurisdiction clause);
- **Lugano Convention**, under which the courts of Ireland will recognise judgments from certain European Free Trade Association states, namely, Iceland, Norway and Switzerland.

Certain safeguards are provided for judgment debts, including if:

- it would be manifestly contrary to public policy in the enforcing state;
- the defendant was not properly served with the proceedings in sufficient time to arrange for their defence; or
- the judgment is irreconcilable with a judgment given between the same parties in the enforcing state.

In order to be enforceable, a foreign judgment from any countries that do not fall under the conventions or regulations listed above must, amongst other things: (a) be for a definite sum of money; (b) be final and conclusive; and (c) have been given by a court of "competent jurisdiction" (a concept recently considered by the Supreme Court).

The Irish courts will be particularly concerned that the foreign proceedings were properly served on the judgment debtor in accordance with Irish service requirements, so that the judgment debtor has an adequate opportunity to defend the proceedings. To enforce a judgment originating outside the EU, the procedure is to issue and serve a summary summons with a modified special endorsement of claim referring to the foreign judgment, and then bring a motion for liberty to enter final judgment grounded on affidavit.

9.8 Application of foreign law in Irish court proceedings for enforcement

Ireland is bound by Regulation (EC) No. 593/2008 on the law applicable to contractual obligations (the "**Rome I Regulation**") and Regulation (EC) No. 864/2007 on the law applicable to non-contractual obligations (the "**Rome II Regulation**").

The Rome I Regulation provides that the contractual rights and obligations of the parties to a contract are governed by the law chosen by the parties. Separately, the Rome II Regulation provides that the non-contractual rights and obligations of the parties to a contract are governed by the law chosen by the parties. Accordingly, if a contract specifies that the laws of any EU member state (or any other country) applies, the Irish court is bound to apply the parties' choice.

However, under Article 3(3), where mandatory rights or protections afforded under Irish law do not exist under the law chosen by the contracting parties, the Irish court will afford those rights and protections to the relevant contracting party, notwithstanding the governing law chosen by the parties.

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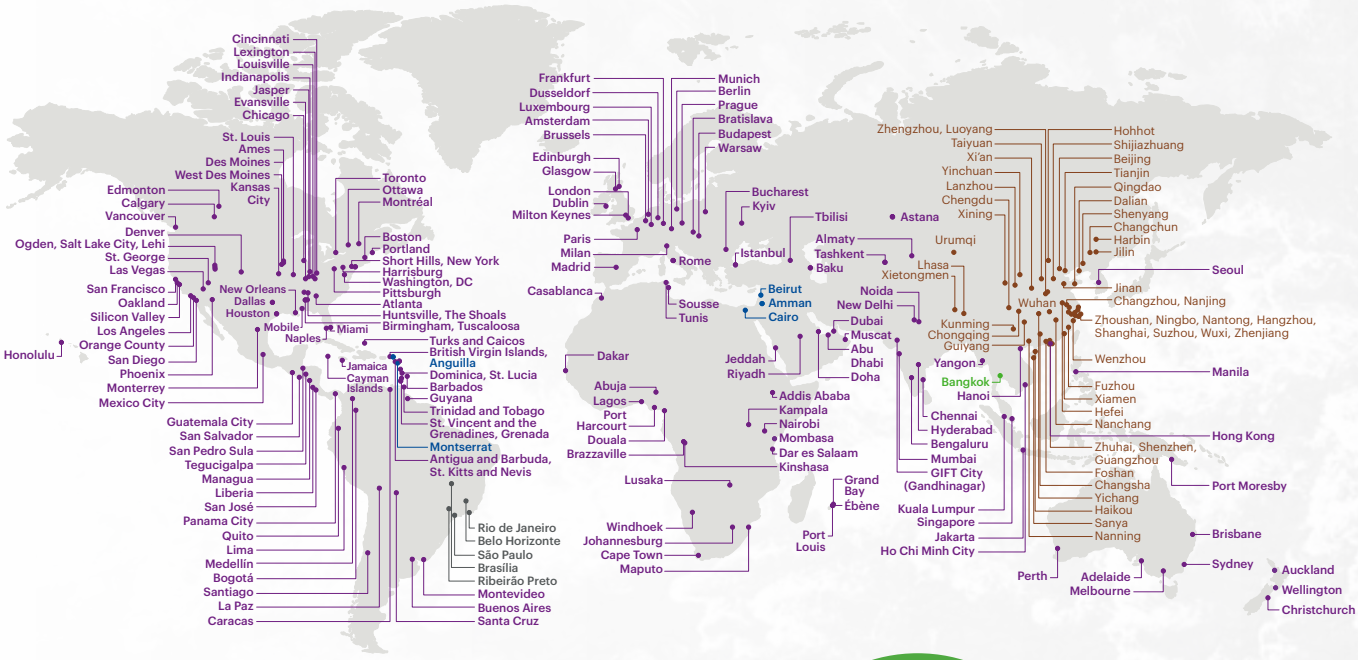
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