



Brexit

The impact on Irish businesses

1 Foreign Direct Investment (FDI) competition

Since the result, the UK has indicated its intention to reduce the corporate tax rate to 15% and France has indicated incentivising their income tax regime to attract FDI.

1

2 Exchange rate volatility

Sterling has seen 31 year lows against the dollar and reductions against the euro since the result with continued currency fluctuations expected in the short to medium term.

2

3 Immigration rules change

There is no immediate change to the free movement of people into and out of the UK. The requirement for visas for existing and/or new EU employees will only be known at the end of the exit negotiations - anticipated to be a minimum of two years.

3

4

4 Lower competitive tax rates

The former UK Chancellor indicated an intention to reduce the UK's corporate tax rate to 15%. It remains to be seen if the new Chancellor of the Exchequer, Philip Hammond, will maintain this commitment.

5

5 VAT rules will change

There is no immediate change to the movement of goods and services into and out of the UK with the likely introduction of excise duties and tariffs following the exit negotiations.

6

EU Directives will cease to have effect:

1. **Parent/Subsidiary Directive** allows dividends between EU subsidiary and parent free of Dividend Withholding Tax (DWT); and
2. **Interest and Royalties Directive** allows interest and royalties to be paid free of withholding taxes.



7 EU law no longer binding

Will there be possible retrospective effects and unfavourable European Court of Justice (ECJ) decisions ignored by the UK?

7

8 Movement of workers

Following exit negotiations EU nationals may no longer be able to enter or work in UK without a visa, this may also apply for Irish nationals currently living in the UK.

8



9 Group structures

There could be forced changes in business models due to factors such as tax relief, location, movement of workers, effectiveness of branches and subsidiaries.

9

Trade corridor between Ireland and UK will need to be re-negotiated on EU terms.

10



Brexit timeline

