

# Tax and legal update

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## Special Assignee Relief Programme (SARP)

SARP is an income tax incentive designed to increase Foreign Direct Investment (FDI) to Ireland by attracting highly skilled individuals to work here. The incentive is a 30% income tax exemption for employment income in excess of €75,000, subject to an earnings cap of €1 million. For example, a qualifying employee with employment income of €300,000 will achieve an annual tax saving of €27,000  $[(€300,000 - €75,000) \times 30\% \times 40\%]$ .

Travel costs and schools fees can also be paid tax free for employees who qualify for SARP. This includes one annual return home trip for the employee and family, and school fees up to a maximum of €5,000 per annum per child.

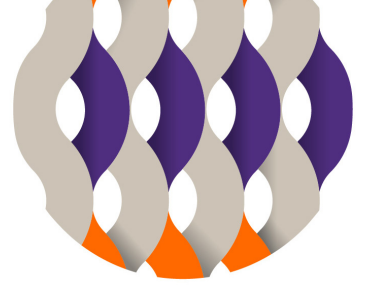
Before arriving in Ireland the employee must have worked for the employer who is assigning them for a minimum of six months and must not have been tax resident in Ireland for the five tax years immediately preceding the assignment. The employee is required to work in Ireland for a minimum of twelve consecutive months from the commencement of the assignment, must be tax resident in Ireland and earn a minimum basic salary of €75,000. The employer is required to be incorporated and tax resident in a country with which Ireland has a double taxation agreement or a tax information exchange agreement.

The employer is also required to notify Revenue within 90 days of the employee’s arrival in Ireland. Prior to Finance Act 2018 the notification period was 30 days. This created practical difficulties as in some instances employers were unable to obtain all of the information required, for example PPS numbers. The extension to 90 days should result in more employers availing of the relief.

The relief can be claimed for a maximum of five years. It does not apply to the Universal Social Charge (USC). The employer is required to submit an annual return of all employees for whom the relief is claimed.

## Preparing for Brexit – Economic Operators’ Registration and Identification (EORI) numbers

Traders who export goods to the UK or import goods from the UK are likely to face additional administrative obligations in relation to customs declarations when the UK leaves the EU. While there is lots of uncertainty about future customs procedures, one of the practical steps that a trader can take in advance is to apply for an EORI number. This number is used when interacting with customs authorities in other EU countries and is also used on customs declarations, such as Single Administrative Document (SAD) forms. A declarant is obliged to register for EORI and the absence of the number is likely to result in delays in clearing goods through customs, etc.



While a trader may be registered for VAT in a number of EU countries, it can only have one EORI number and it is linked to all of its EU VAT registration numbers. Traders who do not currently hold an EORI number and who wish to apply for an Irish EORI can make the application online using ROS. The application process is relatively straightforward. The trader should firstly register for customs and excise, and follow the online instructions to apply for an EORI number. When granted, the EORI number will be similar to the traders Irish VAT number (with the addition of the letters 'IE' before the numbers in the VAT registration number).

#### Disclosure of beneficial ownership of Irish companies

From 22 June 2019, a new Central Register of Beneficial Ownership of Companies and Industrial and Provident Societies (the Central Register) will be created. A Registrar will be appointed to oversee the Central Register and this is likely to be the Registrar of Companies. Relevant entities which exist prior to the effective date must deliver the required information to the Central Register within five months of the effective date, ie 22 November 2019. Newly incorporated companies from the 22 June 2019 will have five months from incorporation to deliver their information going forward.

The Regulations apply to all relevant entities being a corporate or other legal entity incorporated in the State and includes an entity and any other body corporate so incorporated (the Relevant Entity).

How Grant Thornton can help:

- providing advice on the necessary steps an entity needs to take;
- assisting entities in compiling their register;
- assisting entities with identifying their beneficial owners; and
- assisting with the filing obligation for the Central Register.

Click [here](#) to view our detailed update on this topic.


#### Charity update

##### Compensation scheme for charities

A refund scheme will be introduced in 2019 to compensate charities for VAT they incur in 2018. The level of refund will be restricted in proportion to the level of non-public funding they receive. A capped fund of €5 million will be available and the scheme will be reviewed after three years. If total claims exceed €5 million, the individual claims will be paid on a pro-rata basis.

##### Charities VAT compensation scheme closing date for submission of claims

The **30 June 2019** is the closing date for submission of claims to the Charities VAT Compensation Scheme in respect of eligible VAT paid by charities during 2018. Claims submitted **after 30 June 2019 will not be accepted.**

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