

BYRNE
WALLACE

YOUR
LEGAL
BUSINESS
PARTNERS

Foreign Direct Investment



Why Ireland? Why ByrneWallace?

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Why Ireland?

World Leaders with Operations in Ireland...
 8 of the top 10 in Information and
 Communications Technology 8 of the top 10 in
 Pharmaceuticals 15 of the top 25 in Medical
 Devices More than 50 per cent of the World's
 leading Financial Services firms.

The level of foreign direct investment into Ireland relative to the size of the economy is one of the highest in the world. **So why Ireland?**

Taxes

Favourable Corporate Tax Rates

Irish tax resident companies can benefit from a corporation tax rate of 12.5% on trading profits and certain distributions received from foreign trading subsidiaries. The scope of activities considered to be trading is broad and can include the development and exploitation of intellectual property. A company is tax resident in Ireland if it is incorporated in Ireland and if Ireland is the place of central management and control of the company. Irish tax law also contains reliefs for expenditure in relation to intellectual property and research and development.

A Favourable Holding Company Regime

The principal benefits of locating a holding company in Ireland are the exemption from the charge to Irish capital gains tax in respect of the disposal of qualifying shareholdings in subsidiaries and the beneficial regime for the

taxation of foreign dividends. While there is no specific participation exemption, to the extent that dividends are received from companies resident in the EU or in a tax treaty country such as the US and are payable out of the trading profits of such subsidiaries, those dividends are taxed in the hands of an Irish holding company at the lower 12.5% rate. Although Ireland imposes a dividend withholding tax and withholding on interest payments (both at 20%), domestic law provides for wide exemptions from these obligations, particularly for dividend payments.

Research and Development (R&D) Tax Credit

Ireland has an R&D Tax Credit to encourage both foreign and indigenous companies to undertake new and/or additional R&D activity in Ireland. This is available to Irish tax-resident companies engaged in in-house qualifying R&D undertaken within the European Economic Area (EEA). In practice,

R&D expenditure covers wages, related overheads, plant and machinery and buildings. In 2009 49% of all Foreign Direct Investments in Ireland were in R&D and Innovation.

Access to Key Markets

Ireland is part of the European Union (EU), the world's second largest economy where goods, people and capital move freely and with over 500 million consumers. Aside from Malta, Ireland is the only English speaking country which uses the euro. The European mainland is readily accessible through Ireland's main ports and airports.

Foreign Trade

Ireland has recently enjoyed record levels of external trade. The 2010 Index of Economic Freedom rates Ireland as Europe's most economically free country and the fifth in the world in this regard.

Foreign Trade Continued:

Industrial products such as computers, chemicals, software and medical devices account for the majority of manufactured exports. The pharmaceuticals, information and communications technology, globally traded services and financial services industries are particularly important to the Irish economy. Eight of the world's 10 largest pharmaceutical companies and eight of the world's 10 largest information and communications technology companies have operations in Ireland while 15 of the top 25 medical device companies are and 50% of the world's largest financial services companies are also located here.

US investment is key to the development of Irish industry providing a multiplier effect with new technology, export capabilities, and employment opportunities. As of year-end 2009, the stock of US foreign direct investment in Ireland stood at \$166 billion, more than the US total for China, India, Russia, and Brazil- the BRIC countries- combined. There are 600 US subsidiaries

currently in Ireland employing 90,000 people and supporting work for a further 250,000 out of a working population of 2 million spanning activities from manufacture of high-tech electronics, computer products, medical supplies, and pharmaceuticals to retailing, banking, finance, and other services. Ireland is also an important European research and development centre for North American Firms.

Excellent Business Environment

Ireland benefits from a stable constitution based parliamentary democracy, a pro-business industrial development policy, an effective transport network and one of the most technologically advanced telecoms networks in the world. Ireland has one of the longest average industrial working weeks in the EU (40 hours including overtime) and the longest working year. World Bank's 2011 Doing Business Report ranks Ireland 9th globally in terms of ease of doing business.

Educated Labour Force

Ireland's young population and high-quality education system present a competitive advantage for any employer. Many of Ireland's third level students major in engineering, science or business studies and many graduates are proficient in more than one language. IBM's Global Location Trends Report 2010 has ranked Ireland as the number one destination globally for jobs by foreign direct investment.

Network of World Class Suppliers and Business Supports

Ireland's position as a multinational manufacturing base has resulted in the development of a network of top-quality suppliers. As well as servicing the needs of Irish- based manufacturers, these companies supply facilities across Europe and worldwide. Most suppliers are accredited to ISO 9000 quality standards.

The total US investment into Ireland is greater than into
**Brazil, China,
 India & Russia**
 combined

"ByrneWallace provides a one stop shop for all legal aspects of the foreign direct investment project. The advice, support, service and attention from ByrneWallace has played a big part in the smooth success of our operation." **Bentley Systems**

Cost Competitive

One of the few good things to come out of the global economic downturn has been the downward pressure on costs. With rents and salaries falling dramatically in the last two years, Ireland has become increasingly cost competitive.

Special Incentives and Development Agencies

Industrial development agencies may offer a range of attractive incentives for companies. The main incentives offered to Inward Investors are primarily in the areas of tax and financial assistance and are administered through various government agencies. Key factors in determining eligibility of an Inward Investor for a grant include the geographical location of the project with more significant grants available in certain areas of the country; the types of activities for which the grants are sought and the number and skill level of the prospective employees. These include grants towards start-up costs such as training and employment, and grants in respect of investment in research and development projects. Rent remissions and rent allowances may also be available.

There are two principal national development agencies:

The Industrial Development Authority (IDA)

- The IDA provides advice and assistance to overseas companies considering setting up an operation in Ireland and to those already established here. ByrneWallace has a strong working relationship with the IDA both in the US and in Ireland.
- The IDA owns a number of industrial parks with purpose-built factories and can also offer greenfield sites where promoters can erect custom-built facilities.
- The IDA's International Services Programme is specifically geared towards encouraging international services companies to locate in Ireland.
- The IDA has offices in the UK, France, Germany, Russia, Holland, Japan, Hong Kong, India, China, Korea, Taiwan, Australia, Brazil and six offices in the US: New York, Chicago, Los Angeles, Boston, San Jose and Atlanta.

Enterprise Ireland

- Enterprise Ireland's role is to support the development of indigenous Irish industries and to encourage overseas industries in the food, drink and timber sectors to locate in Ireland.
- Enterprise Ireland has offices in Ireland and around the world facilitating 60 countries.



Why ByrneWallace?



Driven by Client Needs

ByrneWallace, formerly BCM Hanby Wallace, is one of Ireland's largest law firms. We provide expert legal advice to multinational companies on all aspects of their Irish operations. We have earned a reputation within Ireland and internationally as a leading business law firm with an award-winning approach to client service. Our aim is to be recognized as clients "Legal Business Partners", delivering the full benefits of a trusted legal business partnership. This means that we challenge ourselves to find ways of adding business insight through connections and otherwise as well as legal excellence. We appreciate that there are human concerns involved in establishing operations in Ireland such as executives with families moving to a new country with and we try to add value by helping where we can in these areas.

Client Sectoral Requirements

Depending on the client's sector, our market leading Life Sciences, Green Economy and Technology lawyers seek in addition to first rate legal expertise, to apply commercial knowledge and insight to offer solutions.

Providing Focused Expertise

We are a full service practice with our services divided into the following areas:

- Banking and Finance
- Capital Markets
- Corporate and Commercial
- Corporate Restructuring and Insolvency
- Data Protection
- Dispute Resolution (Litigation)
- Employment Law
- EU, Competition & Regulatory Law
- Financial Services
- Foreign Direct Investment
- Green Economy
- Health Services
- ICT and Technology
- Life Sciences
- Outsourcing
- Projects, Energy and Natural Resources
- Property
- Tax

The specialist skill sets we have assembled, together with real industry and regulatory experience and a dedicated approach to serving foreign direct investment companies, enables us to provide the highest quality legal service in a focused manner.

Resourced for Success

With over 40 partners and a total staff of almost 300 people, we have the scale and experience to ensure that we deliver on our promises in a timely, efficient and cost-effective manner. We are accessible, approachable and properly resourced to deliver the level of service you require.

North American Office

In May 2010 we opened an office in New York in order to be better attuned to meet the legal needs of North American clients looking to establish operations in Ireland and the rest of the EU. We also utilize this office to help make connections for indigenous clients in North America. Helping clients do business is a key part of our business. Through our association with leading Northern Ireland law firm Mills Selig, we meet the needs of our clients throughout the island of Ireland.

Foreign Direct Investment and ByrneWallace

Foreign Direct Investment is at the core of the Irish economy and is a key practice area for ByrneWallace. Our dedicated Foreign Direct Investment Team is comprised of lawyers with many years of experience in advising multinational companies on their Irish operations and who are attuned to client's needs for speed, efficiency, commerciality and confidentiality.



Foreign Direct Investment areas where we are active include:

- Incorporations and Restructurings
- Mergers and Acquisitions and Joint Ventures
- Company Secretarial Services
- Advising the Board of Directors
- Identifying Non-Executive Directors
- Tax Structures
- Regulatory and Grants
- Intellectual property
- EU and Irish anti-trust issues
- Labour issues
- Real property issues both office and residential
- Grants
- Outsourcing
- Sectoral Specific Issues, e.g. Technology, Green Economy and Life Sciences

ByrneWallace recognises that establishing a business abroad poses challenges not just for the company but also its executives who are making the move. We look to add value by using our contacts and networks to help the transition go as smoothly as possible whether this be helping with visas, finding a place to live, schools for the children, finding out where they can watch the big game from home and generally introducing the executives to a support network to help make Ireland become home as quickly as possible.

“ByrneWallace is a valued partner in many aspects of our business. In addition to providing sound legal advice, the partners at ByrneWallace have facilitated important networking opportunities that will drive our business growth in Ireland. The partners have been a tremendous help in assimilating our US executives into Ireland through their client network and personal support.”

Shionogi Pharma

Foreign Direct Investment Expertise

Our Foreign Direct Investment Team draws on the technical expertise of lawyers from across the Firm's practice areas. We pool our diverse and complementary skills in an integrated, practical and innovative manner according to client needs. This dynamic and flexible approach has enabled us to develop and maintain a leading position in the provision of focused advice to multinationals in Ireland.

Corporate and Commercial

Our team has dedicated foreign direct investment lawyers and is fully integrated with our Company Secretarial team which can provide company secretarial services to multinationals. Our Corporate and Commercial department advises on the establishment of the Irish operation, mergers and acquisitions, restructuring and contracts. Our New York office facilitates US clients needing Irish advice in an as efficient a manner as possible.

Regulatory and Anti-Trust

Our team advises on a broad range of regulatory issues including foreign direct investment grants, executive visas and industry specific licences.

Tax

Our tax team, a full service tax practice, serves a broad range of domestic and multinational clients in all major business sectors. We advise on all tax aspects of establishing operations in Ireland and tax issues arising for established operations. We also have extensive experience in cross-border and international tax matters.

Intellectual Property

Our Intellectual Property Group provides expert advice on both commercial and contentious intellectual property matters. The team brings together a wealth of experience in advising clients on intellectual property, ICT and industry specific matters and regularly advises on intellectual property rights (patents, trademarks, design rights and copyright) and related issues – including registrations, exploitation (licenses and assignments), IP due diligence and IP enforcement. Our lawyers focus on providing pragmatic solutions to the domestic and international IP issues faced by our clients.

In relation to contentious IP matters, the firm has a unit headed by a specialist intellectual property litigation partner with experience in all areas of hard and soft IP litigation, including obtaining search orders and using all forms of ADR from arbitration to mediation and co-mediation

Labour

Our labour unit provides tailored legal advice on all aspects of EU and Irish labour issues including employment contracts, trade union recognition, disputes and transfer of undertakings

Real Property

Our property unit uses its strong working relationship with Irish commercial agents to help negotiate commercial terms as efficiently as possible.

Outsourcing

Our outsourcing unit draws together the extensive experience, industry knowledge and business acumen of experienced lawyers from each of the key practice areas within the firm to ensure that our clients receive a seamless and comprehensive service in what can be a sensitive sector. We recognise the importance of contracts which are sufficiently detailed to govern the relationship on a day to day basis but also sufficiently flexible and practical to anticipate and facilitate change.

Our lawyers have advised the following multinationals on their Irish operations



Our Foreign Direct Investment Team

Our dedicated team draws together extensive legal expertise and industry knowledge from key practice areas.

Dennis Agnew

Partner, Corporate and Commercial

Dennis is a corporate transactional lawyer who heads the firm's Foreign Direct Investment team and acts for a broad range of US and Irish companies. Based in our New York office, Dennis' role is to provide Irish legal advice and know-how to US companies in as efficient a manner as possible.



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Darren Daly

Partner, ICT & Technology

Darren advises on both general corporate law matters and also provides specialist advice on intellectual property, ICT, e-commerce, data protection and technology issues with a particular emphasis on advising technology clients in the health services, pharma, and medical device sectors.



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David Hourihane

Partner, Corporate and Regulatory

David is a leading expert in Irish and EU anti-trust law and regulatory issues and has represented a number of clients on merger control issues and competition investigations before the European Commission and the Irish Competition Authority.



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Paul McGennis

Managing Partner

Paul is the firm's Managing Partner. He specializes in FDI, banking and commercial property. He is a member of the Council of the Dublin Chamber of Commerce. He has been instrumental in extending the firm's international reach, particularly with US based investment clients.



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Enda Newton

Partner, Corporate and Commercial

Enda is a corporate transactional lawyer who heads the firm's International Business Section. He is extremely active in foreign direct investment areas and is the current president of the Irish Canada Business Association



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Barbara O'Neill

Senior Associate, Corporate and Commercial

Barbara is a US and Irish qualified lawyer with over 13 years' experience in product liability and regulatory matters primarily in advising on life science related activities. She is extremely active in Irish based US organisations and a key contact for US in product liability and regulatory matters.



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Colin Sainsbury

Partner, Corporate and Commercial

Colin is a corporate transactional lawyer with over 16 years' experience in the international life science sector and acts for a broad range of Irish and foreign life sciences companies. Colin was previously Senior VP and General Counsel of Elan Corporation's Drug Delivery Division.



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Ursula Tipp

Partner, Tax

Ursula is a tax lawyer, dual-qualified in Ireland and Germany, with over 15 years' experience in international taxation. She was formerly the head of the tax department in a large multinational.



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