

# News Release

10th December 2009

## Finance Minister's Budget Speech

It has been widely reported that the most significant concern associated with the entry of the UCITS IV regime in to the European industry is the uncertainty around the many outstanding tax issues. As such it was very welcome and significantly re-assuring that in his Budget speech yesterday the Minister for Finance, noting the national importance of the funds industry, highlighted the industry led activity to prepare the tax environment for the new UCITS era. This activity includes consideration of the tax efficiency requirements for UCITS management companies, master feeder structures and fund mergers etc.

This consideration also extends to the tax environment for funds re-domiciling to Ireland, funds which are looking to re-establish in a regulated European jurisdiction i.e. to benefit from the opportunities UCITS presents or in anticipation of the AIFM Directive.

Below is the relevant extract from the Finance Minister's speech.

### *Retaining a Pro-Enterprise Tax Policy*

*"Our Corporation Tax rate of 12½ per cent has become an international 'brand', known the world over. It is a powerful expression of our pro-enterprise ethos and continues to attract new business and new jobs to this country. In a time of great uncertainty for international business, it is important that we send out a clear message. The 12½ per cent Corporation Tax rate will not change. It is here to stay.*

*Over the last two years I have significantly enhanced the incentives for R&D and intellectual property. I look forward to receiving the report of the Innovation Taskforce and I will explore its recommendations in the context of the Finance Bill. In Budget 2009, I introduced a three year corporate and capital tax exemption for start up companies in 2009. I propose to extend this scheme to new start-ups in 2010.*

*Significant opportunities exist in the international financial services sector for centralising high value added activity in Ireland as this sector restructures itself around the world after the global financial crisis. Particular opportunities also exist for Ireland to become the European hub for the international funds industry following recent European legislative changes. I will be bringing forward changes in the Finance Bill which will strengthen Ireland's competitive edge in this important sector."*