

# P.J. O'DRISCOLL & SONS

## Solicitors

73 Soth Mall, Cork, Ireland.

Telephone 021 2300800

Fax 021 4274709

Email enquiries@pjodriscoll.ie

Website www.pjodriscoll.ie

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# FOREIGN EXCHANGE


## HOW DO YOU GET THE BEST RATES WHEN TRANSFERRING MONEY ABROAD?

There are a lot of different ways of transferring your money abroad. Most people assume that an international wire transfer through your bank is the standard way to transfer money internationally but this is not the case. In fact international money transfers through your bank can actually be one of the most expensive ways of transferring money from one country to another. Banks will charge a fee for transferring your money and they are unlikely to give you a good exchange rate.

The other form of money transfer which is often used is a Remittance service such as Western Union. This is more commonly used for smaller sums of money up to €1000 although they can do more. Traditionally Remittance Services were used by migrant workers to send money home but nowadays they are more commonly used for many different purposes by people around the world.

However, the use of a remittance service to transfer money can be proportionally expensive and the real benefit of this sort of service is that you don't necessarily need a bank account and they can transfer to exotic locations.

If you are looking to get the best exchange rates on international money transfer then you should contact a Foreign Exchange Specialist (currency broker). Foreign Exchange Specialists have a serious level of expertise when it comes to transferring money abroad and dealing with currency. Many companies based in Ireland are international experts in the foreign exchange market and we can recommend one to you. The purpose of a foreign exchange broker is to provide you with the most cost effective way of transferring your money abroad.

Continued 



### WHAT ARE THE MAIN ADVANTAGES OF USING A FOREIGN EXCHANGE SPECIALIST?

Foreign Exchange Specialists nearly always offer the most competitive exchange rates available, so you are most likely to save money when using this sort of service to transfer money abroad. Most Foreign Exchange Specialists will offer lower transfer fees than many banks. If they don't it is important to ask why as they are likely to provide savings elsewhere. If a Foreign Exchange Specialist can't offer you better rates than your bank you should contact one that will. Foreign Exchange Specialist can nearly always transfer your money more quickly than many banks so if you are in a hurry this service could certainly benefit you. In general Foreign Exchange Specialists do not charge commission so it is worth using them to transfer your money abroad. A Foreign Exchange Specialist can also protect you from adverse currency movements, allowing you to lock in to favourable exchange rates, thereby fixing exchange rates for settlement in the future. Foreign Exchange Specialists offer a personalised service so that you can be sure that you will always be able to get hold of someone regarding your money.

### WHAT OTHER SERVICES CAN FOREIGN EXCHANGE SPECIALISTS OFFER?

Foreign Exchange Specialists offer extra services such as 'forward Contracts' whereby you 'fix' an exchange rate so that you aren't affected adversely by currency fluctuations in the future.

Spot Contracts are also available and with a spot contract you purchase currency 'on the spot', at the exchange rate of the day. If you think a spot contract is something you are interested in then it is worth speaking to a Foreign Exchange Specialists for more information.

If you are looking to make regular payments then a regular payment plan is also likely to be useful to you and these can be arranged for up to two years. It is worth looking into these if you want to make regular international money transfers and obtain the best foreign exchange rates.



## PAY AND FILE SUMMARY

The following is a summary of upcoming pay and file dates:

### INCOME TAX

Filing date of 2016 return of income (self-assessed individuals)	<b>31 October 2017</b>
Pay preliminary income tax for 2017 (self-assessed individuals)	<b>31 October 2017</b>

### CAPITAL GAINS TAX

Payment of Capital Gains Tax for the disposal of assets made from 1 January 2016 to 30 November 2016	<b>15 December 2016</b>
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### CORPORATION TAX

Filing date for Corporation Tax returns for accounting periods ending in March 2016	<b>21 December 2016</b>
Balancing payment of Corporation Tax for accounting periods ending in March 2016	<b>21 December 2016</b>

## CAPITAL GAINS TAX

Capital Gains Tax (CGT) liabilities on gains made between 1 January 2016 and 30 November 2016 are due for payment by 15 December 2016. It is a good time to review your affairs to ensure that any capital losses are captured to reduce any potential exposure to CGT. CGT losses once recorded with Revenue can be carried forward to offset against future CGT Gains.

## SOCIAL WELFARE BILL 2016

Social Welfare Bill 2016 included measures to extend the availability of the Invalidity Pension and Treatment Benefit to persons paying the S (self-employed) rate of PRSI. Other measures include an increase of €5 in the weekly rates of pensions, benefits and allowances effective from 10 March 2017.

## HOME CARER TAX CREDIT

A Home Carer Tax Credit can be claimed by a couple in a marriage or civil partnership where one spouse or civil partner is the Home Carer and cares for one/more dependent persons. The Home Carer's income cannot exceed €7,200 in a tax year.

### Who is a Dependent Person?

A dependent person is:

- ➔ a child for whom Department of Social Protection Child Benefit is payable,
- ➔ a person aged 65 years or over,
- ➔ a person who is permanently incapacitated by reason of mental / physical infirmity.

A dependent person you are caring for **cannot be a spouse or civil partner**. They can however, be a relative by marriage, or someone for whom you act as a legal guardian.

**Note:** Dependent person must normally reside with the couple or if they are relatives they must reside:

- ➔ next door in a neighbouring residence,
- ➔ on same property,
- ➔ within 2 kilometres of claimant.

It was announced in Budget 2017 that the Home Carers credit is to increase to €1,100 for 2017. Full tax credit due if the Home Carer's income is less than €7,200. If income is between €7,200 - €9,200, reduced relief is granted. Where this tax credit is claimed the couple are not entitled to the increased standard rate band normally given to couples in a marriage or civil partnership where both spouses or civil partners are in receipt of income. If only one spouse or civil partner has income or the increased standard rate band is sufficient to cover the combined income of both spouses or civil partners then this issue doesn't arise. However if this is not the case then it is best to discuss same with us.

## VAT FRAUD – HOW CAN YOU PROTECT YOUR BUSINESS?

With the ever-changing pace in business and emerging markets, VAT Fraud is becoming more prevalent. The European Court of Justice in a number of cases concerning VAT fraud has held that:

(a) a taxable person who knew or ought to have known that, by his purchase of goods, he was party to a fraudulent transaction can have his right to deduct related input credits refused;

(b) a taxable person who knew or ought to have known that the transaction carried out was part of a tax fraud committed by the purchaser may be denied the right to zero-rate the intra-Community supply to that purchaser.

To that end a taxpayer who unwittingly becomes involved in a transaction which is subsequently proved to be connected with a VAT fraud, could end up with an exposure to VAT, interest and penalties.

It is good business practice to undertake due diligence when entering into a business transaction, particularly with an unknown party. In order to help you avoid being an unwitting party to a VAT fraud, we have set out examples of reasonable steps you can take to establish the integrity of your customers, suppliers and supplies:

- ➔ Obtain copies of the Certificate of Incorporation, if applicable, and VAT registration certificates;
- ➔ Verify VAT registration details on the European Union website if the other party is based in another Member State [http://ec.europa.eu/taxation\\_customs/vies/](http://ec.europa.eu/taxation_customs/vies/);
- ➔ Obtain signed letters of introduction on headed paper;
- ➔ Obtain some form of written and trade references and follow through on these to ensure they are genuine;
- ➔ Obtain credit checks and other background checks from an independent 3rd party;
- ➔ Make personal contact with a senior officer of the prospective supplier and/or make a visit to their premises whenever possible;
- ➔ Obtain the prospective supplier's bank details in order to check whether (a) payments made by you would be made to a 3rd party or (b) in the case of an import, the supplier and the bank share the same country of residence.

This is not an exhaustive list and Revenue recommends that these are supplemented where necessary in each of the above categories to ensure that you are not caught up in fraudulent transactions.

# BUDGET 2017/FINANCE BILL 2016

Minister Noonan delivered his Budget speech on 11 October, with additional detailed measures in the Finance Bill, published on 20 October and currently going through the legislative process, to culminate in Finance Act 2016. A (necessarily) brief summary of some key measures to date follows.

## PERSONAL TAX/EMPLOYEES/CAT

The three lowest USC rates are each reduced by 0.5% (to 0.5%, 2.5% and 5%) with effect from 1 January next.

The earned income credit of €550 introduced last year for the self-employed is increased to €950 from 2017 on.

The home carer credit rose to €1,000 last year and increases to €1,100 this year.

With effect from 1 January next, DIRT will fall to 39% and reduce by 2% each year until 2020, when it will be 33%.

The CAT exempt thresholds have been increased with effect from 12 October 2016 to €310,000, €32,500 and €16,250.

The Minister had expressed concern that the dwelling house CAT exemption was being used more widely than initially intended, particularly for certain gifts of properties. The Finance Bill changes mean the exemption will (subject to conditions) be narrowed considerably and only apply to gifts to relatives aged over 65, gifts to an incapacitated relative, or inheritances. The changes should take effect when the Bill is enacted.

## BUSINESS TAXATION

The “revised” entrepreneur relief introduced last year has been amended. With effect from 1 January next, the current 20% rate on chargeable gains (with a lifetime limit of €1 million) is reduced to 10%. While not raising the threshold closer to the UK £10 million limit is regrettable, he indicated he will review the threshold in future budgets.

Removing the Employment and Investment Incentive Scheme from the high earner’s restriction in 2013 was very welcome but due to expire on 31 December next. Now extended indefinitely, this should benefit many SME companies seeking alternative finance sources.

## PROPERTY AND CONSTRUCTION

The Help-to-Buy scheme is designed to help first-time buyers with new house purchases/builds via an income tax (including DIRT) rebate over four years of 5% up to a maximum allowable purchase price/self-build cost of €400,000 (i.e. a maximum benefit of €20,000). It applies from 19 July 2016 until 31 December 2019, with conditions attaching (e.g. minimum 70% LTV mortgage; must deal with a “qualifying contractor”). Debate to date suggests more changes may occur before Finance Act 2016 is enacted.

Full interest deductibility for residential landlords is restored over a five-year period starting in 2017, when 80% of the interest incurred on qualifying loans is allowable (and rising by 5% per annum until 100% is allowable).

Further property market changes include extending the Home Renovation Incentive scheme by two years to 31 December 2018, extending the Living City Initiative to landlords and increasing the annual rent-a-room exempt income threshold from €12,000 to €14,000.

## AGRIBUSINESS

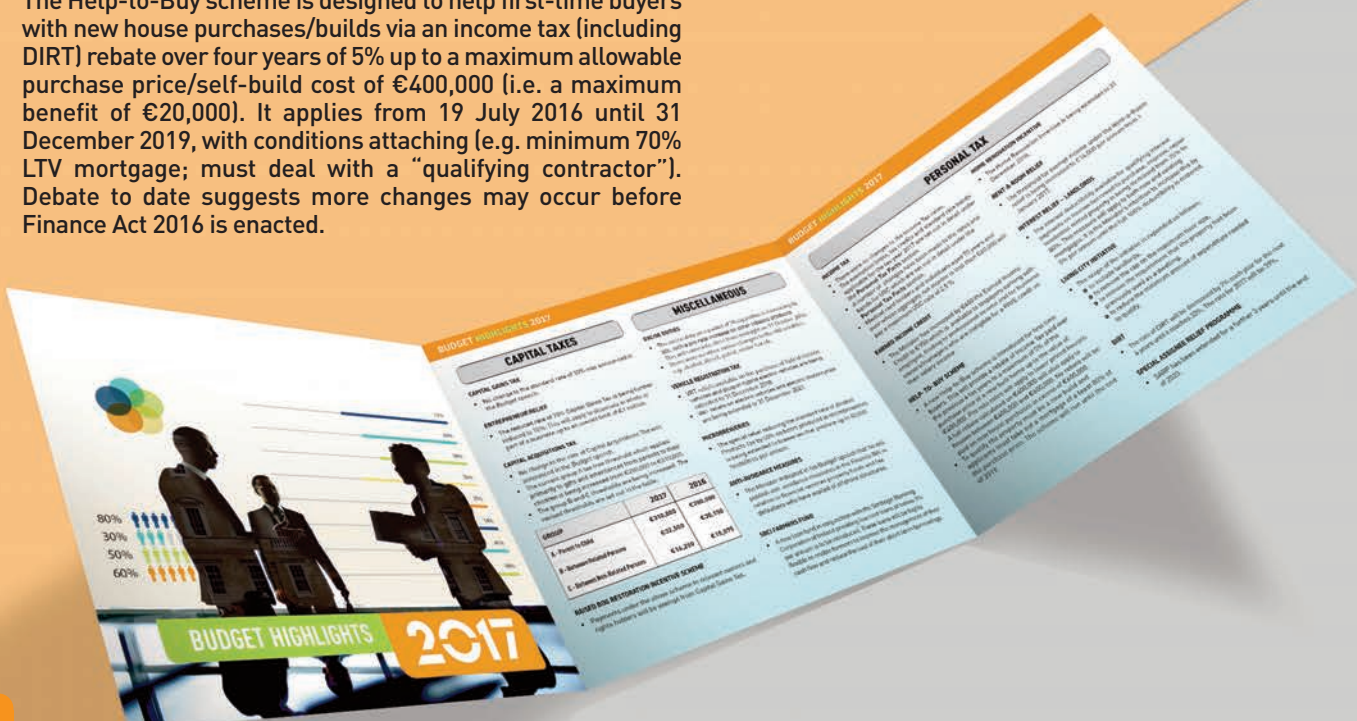
Income averaging allows farmers electing in to smooth out profit fluctuations over a rolling five-year period in calculating their tax liability. Such farmers can now, where they are having a particularly bad year, elect out for one year, meaning they pay tax on actual profits for the “bad” year and pay the (thereby) deferred averaging liability over the next four years. Applying from 2016 on, it can be used once every five years.

Other income tax changes include a new fisherman tax credit of €1,270 available from 2017 to 2021 and extending the accelerated capital allowance regime for energy-efficient equipment investment to individuals.

The farmer flat-rate addition will increase from 5.2% to 5.4% on 1 January next. The Minister also has a new power to remove the flat rate in an agricultural sector if he has concerns it is being abused.

## REVENUE MATTERS

Offshore tax evasion is being tackled. With confirmation that the “qualifying disclosure” penalty mitigation provisions no longer apply to an “offshore matter” from 1 May 2017, Revenue has essentially allowed about six months (an amnesty, if you will) to those with offshore assets to regularise matters.



## DIGITAL CERTIFICATES FOR CONVERSION AND CHANGE OF NAME APPLICATIONS

From 16 November, CRO will commence issuing digital Certificates of Incorporation to companies who have filed N1, N2 and N3 forms to convert to a new company type or change their name under the transition provisions in the Companies Act 2014.

This is the 4th phase of the roll out of CRO's Digital Certification strategy which was launched in April 2016 with Mortgage Certificates followed by Business Names Certificates in August 2016 and Certificates of Incorporation for new companies in September 2016.

These digitally certified documents will replace paper certificates where an e-mail address has been provided in the "Presenter Details" section of the N1, N2 or N3 form filed with the CRO. This will facilitate same day receipt of the digital certificate by the presenter as they are e-mailed to customers after 6pm on the date of registration.

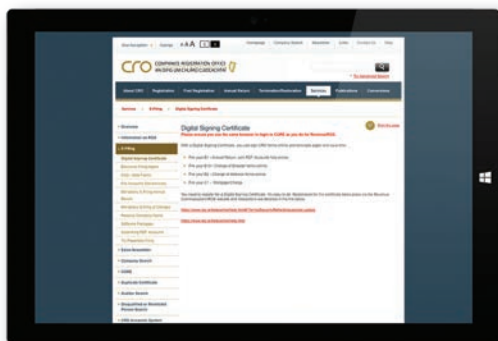
The certificate will be issued as a PDF attachment to the e-mail and contains a coloured banner at the top of the screen to confirm that it has been digitally signed as certified by the CRO. This provides an assurance to the recipient that the document is authentic, has not been tampered with and has been independently verified as sourced in CRO. Presenters can forward the digital certificates directly to third parties by e-mail.

Please note that if you can see on CORE (online filing) that your N form has been registered but you haven't received an e-mail with the digital certificate attached, you should first check your spam and junk mail folders before contacting the CRO.

Companies that have enterprise level e-mail are advised to "whitelist" @cro.ie domains in order to ensure these e-mails are not blocked. Please also note that the digital certificates are issued after 6pm on the day the document was registered.

Up to 30 November 2016, CRO will issue a paper certificate where no e-mail address has been supplied by the presenter on the N1, N2 or N3 form. However, from 1 December, all certificates of incorporation issued by the CRO as part of the automatic conversion / change of name process will be digital certificates and no paper certificates will issue after that date.

For more information, see CRO website



## GET EXPORT READY EXPORT AND IMPORT REGULATIONS

Information in this article relates to the movement of goods to a destination outside the European Union (EU), sometimes called 'export to a third country'. Trading outside the EU is often subject to restrictions and may require additional licenses. Goods are controlled both at the time of export from Ireland and when imported into another country. You, as the exporter, are responsible for both export and import documents, and for ensuring your customer receives the required documents for importation before the goods arrive.

Trade within the EU, that is, intra-EU supplies, involve no border controls, though there may be Value Added Tax (VAT) implications.

The Market Access Database contains extensive information about market access conditions in non-EU countries. It also provides a system for the EU to follow-up complaints about barriers to trade in non-EU countries. It contains information on:

- ➔ Sectoral and trade barriers
- ➔ Applied tariffs and HS (harmonised system) product codes
- ➔ Exporters' guide to import formalities
- ➔ Statistical database
- ➔ Studies
- ➔ Export barriers for animal and plant products to non-EU countries

Irish and EU financial regulations on exporting to a third country are explained in A Guide to Customs Export Procedures which is available from the Revenue website. Some goods with a dual use or military materials exported from Ireland must have an export licence and some goods are restricted under EU Trade Sanctions. Details of items subject to export control is available in the Customs section of the Revenue.ie website.

If you export to the USA, duties may apply when the goods are imported. Other customs and security considerations may also apply. Prepare yourself by taking advice from US Customs and Border Protection before you settle terms for sales.

Your products may have to comply with performance requirements before they can be sold, or even imported, into third countries, including:

- ➔ Labelling as to origin, textile composition and care, composition and quality of food products.
- ➔ Registration of pharmaceuticals and their brand names.
- ➔ Technical standards.
- ➔ Language requirements for labels.
- ➔ Retail unit packs, transit packs and marking on packing cases may also have to comply with specific rules.



# BUSINESS PROTECTION

**HAVE YOU CONSIDERED THE IMPACT YOUR DEATH WOULD HAVE ON YOUR BUSINESS?  
IF YOU DIED TODAY, WOULD YOUR FAMILY STAY IN THE BUSINESS OR WOULD THEY SELL THE BUSINESS?**

**SCENARIO 1**

On your death, your family stays in the business.

What financial effect would your death have on the business?

What loans would need to be repaid?

Would your key skills need to be replaced (at a high cost)?

Are there key relationships which depend on you?

**SCENARIO 2**

On your death, your family sells the business.

Would they get fair value for the business?

If you have business partners, has it been agreed they will buy your share?

Would your business partners have the money to buy your share?

**IF ANY OF THESE ISSUES CONCERN YOU, THEN SPEAK TO US ABOUT PROTECTING YOUR BUSINESS TODAY!**

## DO YOU KNOW THE FACTS... The odds of one dying before age 65

AGES	SOLE TRADER	TWO PARTNERS	THREE PARTNERS
35	9.41%	17.05%	23.17%
40	9.10%	16.55%	22.57%
45	8.66%	15.82%	21.67%
50	7.95%	14.62%	20.21%

Source: Mortality table - AM00 actuarial table published by the Institute of Actuaries UK (based on a cohort of non smoking male lives in the year 2000).

## PROTECTION PROVIDES SOLUTIONS TO PROBLEMS CAUSED TO:

- ➔ A business owner's family on the death of the business owner.
- ➔ The business owner when a partner or key employee in the business dies.

**HAVE YOU CONSIDERED THE IMPACT A KEY EMPLOYEE'S DEATH WOULD HAVE ON YOUR BUSINESS?**

**SCENARIO 1**

What is the financial impact if a key employee dies?

Will the business suffer a financial loss?

Will the business lose goodwill and important contacts?

Will the business need to hire a replacement?

Will loans need to be repaid?

Will profits be lost in the short term?

**SCENARIO 2**

What will happen to his/her share of the business?

Will his/her family become involved in the business?

Would you like to be able to buy them out?

Is there an agreement already in place?

Would you have the funds to buy them out?

**IF ANY OF THESE ISSUES CONCERN YOU, THEN SPEAK TO US ABOUT PROTECTING YOUR BUSINESS TODAY!**

## BUYING A PROPERTY AT AUCTION

The number of auctions (including regional auctions) has significantly increased over the last number of years. Purchasers need be aware of the essential steps they should take before the auction, on the day of the auction and after the auction.

### 1. Pre- Auction

- Ensure your solicitor has carried out a detailed review of the legal documentation prepared by the seller's solicitor, including the Contract for Sale and Title Deeds. You buy the property subject to the information contained in the legal pack, whether or not you have read it.
- You should contact us to obtain advice on the potential tax consequences of the purchase.
- You should engage a chartered surveyor to inspect the property prior to the auction.
- You should ensure that you have organised deposit monies in advance of the auction. Be careful if you are obtaining loan approval for the transaction and discuss this with your solicitor. The closing date of the sale is usually 3-4 weeks after the auction, and cannot be conditional on loan approval. If there are any problems with your loan and you fail to complete the sale on time you could lose your 10% deposit or risk being charged interest on the purchase price.
- Check whether you have to register to attend the auction.
- Read the auction terms and conditions.

### 2. On the Day of the Auction

- Ensure you bring Proof of registration (if required by the auctioneer) and original identification (passport/drivers licence).
- Ensure you have a blank cheque or a bank draft to enable you to pay the deposit.
- The property becomes the buyer's insurable risk from the date of the auction. You should have contact details of an insurance company/broker that you could telephone to activate an insurance policy as soon as the contract is signed.
- Details of the solicitor who will act for you if you are the successful buyer.
- The buyer's bid is not accepted until he is declared the highest bidder and the hammer falls. This marks the creation of the contract.
- If you are the successful bidder you will be immediately required to sign the Contract for Sale (which is a legally binding document) and pay the deposit.
- You will be given one part of the contract for sale.

### 3. After the Auction

- The closing date of the sale is usually 3-4 weeks after the auction and you should contact your solicitor immediately to finalise matters.
- If you are obtaining funding, you will need to ensure that you draw down the funds by the closing date.

In conclusion - the basic legal rule which applies is "caveat emptor" (i.e. buyer beware). It is essential that you carry out detailed due diligence in advance of the auction. If you are the successful bidder on the day of the auction, then you will have to sign a binding contract for sale at the auction and pay a 10% deposit. Properties sold at auction are sold unconditionally and are not sold 'subject to contract', 'subject to finance' or 'subject to survey'.

## REQUESTING DETAILS OF ILLNESSES IN SICK CERTIFICATES

In a recent case before the Workplace Relations Commission ("WRC"), an Adjudicator awarded €18,000 (approx. six months' salary) to an employee who had been discriminated on the ground of disability. The Adjudicator found that the employee had been discriminated against when he was dismissed for a minor misdemeanour shortly after he revealed to his employer that he was taking anti-depressants.

The employee revealed his condition after enquiries were made about medication he was taking. The Adjudicator felt that the "request [was] an invasion of his privacy" and did not accept the evidence given by the employer that it wanted to check whether the drugs that the employee was taking would affect him driving, which formed part of his work.

The case highlights the challenging position that employers can be placed in when balancing their obligation to provide a safe place of work while maintaining the employees right to privacy.

On reviewing the recent WRC decision and guidelines previously published by the Data Protection Commissioner, employers should consider whether they ought to be seeking details of the nature of the illness in their Sickness Policy. There is a clear balance that must be struck between the employer's liability to safeguard employees and making enquires which are deemed excessive, intrusive and may result in a violation of privacy. Very often, employers are left in a 'no-win' situation. Perhaps Sickness Policies should contain a clause which allows the employer to request details of the illness on a "need to know" basis instead of asking employees to reveal the nature of the illness in every instance.

## LIFE AFTER BREXIT

Post Brexit, the UK will no longer be in a position to partake in the European Competition Network which coordinates policy with the European Commission and national authorities. It is difficult to determine exactly how the UK will engage with the EU however there are a number of potential options:

- 1 The UK could apply to join the European Economic Area (EEA), which consists of the twenty-eight EU Member States plus Iceland, Lichtenstein and Norway. The EEA Agreement grants its members access to the EU single market, on condition that the EEA member state enacts all EU legislation in policy areas related to the EU single market.
- 2 Switzerland has access to the EU single market through a web of over seventy bilateral treaties. Switzerland is not a member of the EU or the EEA. This option would give the UK the opportunity to negotiate agreements whereby it retains certain EU law whilst remaining outside any decision making circle.
- 3 The UK could apply to join the European Free Trade Association - its members are Norway, Switzerland, Lichtenstein and Iceland. In this scenario, the UK would also have to negotiate separate trade deals with the EU/EEA.

Ultimately, the consequences of Brexit are unpredictable and will largely depend on how Britain chooses to engage with the EU post Brexit. Businesses servicing the UK and EU markets may find themselves subject to review by both the UK and EU authorities.

# BRAND AND REPUTATION BUILDING THROUGH EMAIL MARKETING

In our competitive business market, email marketing can be an extremely helpful tool to grow brand awareness and establish you as a thought leader in your industry. If you want to make your digital marketing strategy work more effectively for your business, email marketing is a great place to start.

According to research carried out by the Direct Marketing Association, marketing emails maintain a hugely successful position, with a return on investment at almost \$41 per dollar spent. This is a long way ahead of other online marketing platforms, including social media, which currently yields a return on investment of just \$12.71.

## HOW DOES YOUR EMAIL MARKETING WORK FOR YOU?

Of course, any form of marketing is only effective if you get it right, and your marketing emails must be well designed in order to enable your customers to access and share your services with ease. However, emails will certainly reach a higher percentage of your target market than any other form of advertising, since 90% of the emails you send will be delivered to the inboxes of existing or potential customers, while only 2% of your Facebook followers will see your marketing posts.

## MAKE YOUR EMAIL MARKETING COUNT

If you want to get your email marketing right on target, we recommend focusing on the following factors:

- 1 CONSISTENCY:** Everything you send out should be instantly identifiable, so make sure you present a uniformly branded layout, which is appealing to your audience. Build a voice and style your audience can identify with, and decide on the frequency with which you will send marketing emails, inform your audience of this, and stick to it. You can customise email templates for a professional, sleek look.
- 2 MOBILE FRIENDLINESS:** Mobile platforms are increasingly important in the world of online business, so don't assume that your emails will work if they aren't optimised for mobile. Recent statistics show that 53% of emails are now read on mobile devices. Results achieved by companies who have not embraced mobile are noticeably poorer than those who have embraced the technology.
- 3 AUDIENCE ENGAGEMENT:** Giving your audience what they want is a vital part of any advertising strategy, so experiment with images and video and find out what works best for you. And don't lose your audience by making an email too long! Try the winning formula of 80% content that is useful or interesting to your audience, and 20% promotion of your own business.

## COULD YOUR EMAIL MARKETING BE BETTER?

Being honest about your performance is a vital step in growing your business, and the good news is that it isn't difficult to set up a regular monthly newsletter that establishes you as the expert and keeps your brand top-of-mind. Online packages such as Constant Contact can simplify the management of your marketing campaigns for you and help is always available if you don't have the time or expertise to do it in-house. This offers you a very simple way to keep in touch with your customers and track the performance of your email marketing campaigns to ensure that they are working for you.

john@epresence.ie

