

# Global Watch

International Assignment Services

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## Ireland

### Immigration Update: Attracting Key Skills to Ireland - A Priority for 2012

*An International Assignment Services (IAS) Network Publication.*

*This article is intended to highlight general issues and is not a comprehensive statement of the topic or the laws of that country.*

### In Brief

As part of key priorities for 2012, the government plans to implement two immigration programmes to encourage investors and entrepreneurs to come to Ireland. This will be achieved by granting successful applicants two year residence permission for themselves and their family, renewable up to 5 years. The aim is to support Irish based businesses and create employment in Ireland. A brief summary of what we expect to see when the schemes are launched in March is set out below.

### The Immigrant Investor Programme

Intended for successful business people wishing to invest in and relocate to Ireland. Their investment choices are:

- €400,000 payment to a public project benefiting the arts, sports, health or education;

- €2,000,000 investment in a low interest immigrant investor bond for 5 years;

- €1,000,000 venture capital funding to an Irish business for 3 years, including the potential for investment in Irish publicly quoted companies also, but at a higher investment level;

- €1,000,000 mixed investment in property/Government securities and special considerations for purchases of NAMA properties.

### The Start-up Entrepreneur Programme

Intended for entrepreneurs with business proposals in innovation sectors. The entrepreneur must have:

- At least €75,000 in financial backing,
- A strong innovative business proposal and
- Not be a drain on public funds.

We will provide a further update once the detailed guidelines are published.

## Short-Stay Visa Waiver Programme

The Minister for Justice & Equality, Alan Shatter, intends to review the Short-Stay Visa Waiver Programme with a view to promoting and maximising its potential to attract visitors to Ireland from emerging markets particularly during the period of the 2012 London Olympics. The programme, which is due to end on October 31, 2012, is of particular interest to those travelling to the UK on short stays (business/tourism) who might also wish to include a short visit to Ireland.

### *Why is this of interest to employers?*

It affords the opportunity to visit the UK & Ireland on business without the requirement to obtain a separate visa for Ireland.

## Green Card Check Up

The Department of Jobs, Enterprise and Innovation (DJEI) are contacting employers in respect of randomly selected employees who were issued Green Card Permits and seeking up to date information in relation to the individual's employment status, salary level etc.

### *What action is required?*

Employers should consider if action is needed to avoid any unpleasant surprises (including reputational damage, fines or other sanctions) in the event of a review by the DJEI.

## PwC secure DJEI agreement to discontinue mandatory tax registration

During 2011, the DJEI implemented a new on-line tracking system which identified employers by their Employer's Registered Number for Pay As You Earn (PAYE). As a result, foreign employers wishing to apply for Irish employment permits were required to register as an employer with Revenue, even if no tax registration requirement existed otherwise.

Following extensive lobbying by PwC, to both the DJEI and Revenue, the DJEI have now agreed not to impose a tax registration requirement, on foreign employers, where none exists. This will result in significant savings for many overseas entities wishing to assign individuals to work in Ireland as it removes the additional administrative burden associated with PAYE registration and monthly tax filings. It also removes a significant hurdle which had been seen as a deterrent to some overseas organisations with Irish bound assignees.

### *What action is required?*

If your business set up additional tax registration numbers in response to a request from the DJEI, then you should assess the position in light of the above changes, as it may be possible to reduce administration around monthly tax filings.

## Introduction of New Immigration Stamp

New immigration permission, 'Stamp o', was introduced from December 1, 2011. 'Stamp o' is a low level immigration permission intended to allow an individual to remain in Ireland for a specific purpose and for a limited period of time. It may, for example,

apply in the case of a service provider sent to Ireland by an overseas company on a temporary basis to carry out a particular task and is not intended to be a stepping stone to a more permanent form of immigration permission.

### *What action is required?*

Companies should always consider the Irish immigration position when engaging with Non-EEA individuals (whether overseas employees or contractors) and ensure that they have appropriate permission to work in Ireland.

## **Reduction in Fees for Renewal Work Permit Applications**

On December 21, 2011 the Department of Jobs, Enterprise and Innovation (DJEI) announced a reduction in the processing fee for a 3 year renewal work permit from €2,250 to €1,500.

## **Restrictions on Romanians and Bulgarians prolonged**

Ireland is one of a number of EU member states retaining the restrictions on access to the labour market for Bulgarian and Romanian nationals. Following their accession to the EU in 2007, transitional arrangements mean that Romanian and Bulgarian nationals continue to require an employment permit for an initial 12 month period in order to work legally in Ireland. These restrictions will carry on until the end of 2013 at which stage the 7 year transition period will come to an end and Ireland will be required to grant full labour market access to Romanian and Bulgarian nationals.

## **New Immigration Regime for Full Time Non-EEA Students**

Following the introduction of the new regime for full time non-EEA students on January 1, 2011, some confusion has arisen, leading the Irish Naturalisation and Immigration Service (INIS) to issue guidelines on the scheme. These guidelines will be of benefit to students currently in Ireland as well as to students who wish to travel to Ireland in the future for the purpose of pursuing a course of study.

International students may pursue long term courses which are in Language, Further Education or Degree Programmes. For other students such as short term language students, more restrictive rules apply. The immigration conditions will depend on the level of the course chosen. For example, in line with new time limits for non-EEA full time students a time limit is being introduced for immigration permission on Stamp 1A whereby a 4.5 year time limit is applied.

### *What action is required?*

If your business employs full time students from outside the EEA, a review of their Irish immigration status to ensure that they are legally entitled to work in Ireland is recommended.

## **Citizenship**

For the first time ever, ceremonies were held in 2011 to mark the granting of Irish citizenship to people from 112 countries including the USA, South Africa, Nepal, Korea, China, India and Russia. The ceremonies are set to continue in 2012 and the Minister behind their development, Alan Shatter, believes that they will help to restore a sense of what is good about being Irish.

Following on from the major changes recently introduced to the citizenship application process, which aims for a 6 month turnaround time, a statutory application fee of €175 now applies to all Irish naturalisation applications. The fee is non-refundable even in the case of ineligible applications, so applicants need to be sure of their eligibility for naturalisation before submitting an application.

### Secure Common Travel Area (CTA)

On December 20, 2011 the Irish and UK governments signed a historic agreement, reinforcing the commitment by both governments to preserve the Common Travel Area (CTA), which was first established in the 1920's. The new agreement is aimed at cracking down on illegal immigration and further securing the CTA between the two countries. It opens the doorway to a more integrated approach between the two countries, which will include enhanced electronic border systems and a greater exchange of information such as fingerprint biometrics and biographical data.

### Dublin Airport Controls

For the first time since the 1930's, when

immigration controls were introduced, civilians from the Irish Naturalisation and Immigration Service are taking over the Garda Síochána's role of immigration checks at Dublin Airport. This pilot programme is designed to free up Garda resources for other operational duties.

### Special Assignee Relief Programme (SARP) – Tax relief for inbound assignees

The 2012 Finance Bill, issued on February 8, 2012, introduces a special assignee relief programme. This is a relief targeted at people who come to work in Ireland having spent at least 5 years outside the country. Provided certain conditions are satisfied, the qualifying individual will be entitled to a tax deduction amounting to 30% of employment income in excess of €75,000. The maximum permitted tax deduction is €127,500.

#### *What action is required?*

Tax planning should always be considered in conjunction with Irish immigration rules and this significant tax relief should not be overlooked when planning resource requirements for Ireland.

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