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SUN, SEA SAND and EXPORT OPPORTUNITIES

Irish travellers visit Spain and Portugal in their droves - at least two million last year alone. While we have long exported our tourism to Iberia, the same cannot always be said for Irish firms.

Given the proximity of two Eurozone neighbours whose GDP is five times that of Ireland, with both offering gateways to growing domestic markets, and to Latin America and Africa, Irish exporters should take a closer look.

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SUN, SEA, SAND and EXPORT OPPORTUNITIES

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While both Spain and Portugal joined Ireland, Italy and Greece as the hardest-hit economies during the recession, like our country, they have emerged showing above-average Eurozone growth.

With a population 10 times that of Ireland, Spain offers the larger market opportunity. Its GDP is €1.2trn, five times that of Ireland, while a growth rate of 2.1pc has been forecast by the International Monetary Fund for 2019.

While unemployment remains high at 14.7pc, in key sectors such as telecoms, banking, travel tech and services, it offers a wealth of expertise, as would be expected from a country that is home to the telecoms and banking giants Telefonica and Banco Santander.

Spain's logistics infrastructure is excellent, hosting two of Europe's biggest airports in Madrid and Barcelona.

Its 46 ports serve the Atlantic and Mediterranean, while its internal rail network is one of Europe's most advanced. It has the digital infrastructure to match, and ranks fourth in the world for e-government services.

At Enterprise Ireland's **Ambition Spain and Portugal** event in Dublin, delegates heard how exports to the market from companies we support totalled €338m last year.

Gedeth Network founder Juan Millán advised attendees to also consider the region as a gateway to South America: "It's a good place to access decision makers for firms in Latin America, as they have headquarters in Madrid and Barcelona."

Irish firms can look to some of the market's strongest-growing sectors, such as telecommunications, life sciences and agriculture, which are all forecast to grow. Telecoms is expected to grow to around €21bn by 2022, with agriculture growing to €27.4bn. Tourism remains huge, at more than €180bn per year, half the GDP of Ireland, offering opportunities to firms in travel tech.

Being the smaller neighbour has not stopped Portugal from transforming into a high-income, advanced economy with a high living standard. Its growth forecast of 2.2pc for 2019 is ahead of the likes of Germany, with unemployment steady at 6.8pc.

Both markets have already yielded opportunities for Irish companies. Last month, a trade event organised by Enterprise Ireland introduced eight Irish firms to 24 Portuguese buyers, with all aiming to make inroads into Iberian markets.

Accessing either market requires thorough research. While there are traditional barriers to entry, such as mature supply chains and language challenges, a range of Enterprise Ireland supports are available to assist firms looking to future-proof their export sales. These include the Market Discovery Fund and GradStart, which provides up to 70pc of two-year salaries for graduates with relevant market language skills.

Enterprise Ireland's office in Madrid is ready to assist companies interested in turning sun, sea and sand into export success.

enterpriseIreland.ie

AIRBNB – SHORT TERM LETTINGS

Short term lettings of free space in houses through websites such as Airbnb has soared in the last few years. Initially there was confusion as to whether income from letting a room in your own home on a short term basis could qualify for an exemption from Income Tax under Rent a Room Relief. Revenue has confirmed that short term lettings advertised through on-line accommodation sites do not qualify for Rent a Room Relief.

In fact income from short term lettings is classified as a business income. To that end direct expenses such as light and heat, accountancy, cleaning are allowed as a deduction in arriving at taxable income. Where income from short term lettings exceeds €37,500, the taxpayer is obliged to register for VAT and charge VAT at 9% on short term lettings. VAT can then be reclaimed on business expenses. When an individual sells their own home they can usually avail of Principal Private Residence Relief to ensure that any gain on the sale of the property is exempt from Capital Gains Tax. However Revenue has confirmed that where a room in a property is used exclusively for business purposes Principal Private Residence Relief is restricted.

It is best to get the right advice from the outset to ensure you minimise any exposure to tax where your income from short term lettings is likely to be significant.

PAY AND FILE SUMMARY

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

INCOME TAX

Filing date of 2018 return of income (self-assessed individuals)	**31 October 2019**
Pay preliminary income tax for 2019 (self-assessed individuals)	**31 October 2019**
On-Line pay and file date for 2018 return of income	**12 November 2019**

CAPITAL GAINS TAX

Payment of Capital Gains Tax for the disposal of assets made from 01 January 2019 to 30 November 2019	**15 December 2019**

CORPORATION TAX

Filing date for Corporation Tax returns for accounting periods ending in December 2018	**21 September 2019**
Balancing payment of Corporation Tax for accounting periods ending in December 2018	**21 September 2019**

PAYE SERVICES – MANAGE YOUR TAX

PAYE services have been updated from the end of June to allow users to:

- View payroll submissions
- Print out statement from a ceased job or pension
- Claim additional tax credit – Medical Insurance BIK, PRSA payments, AVC's, RAC's and Assistant Dog allowance. Taxpayers can now upload documents to support their claims
- Additional Department of Employment Affairs and Social Protection (DEASP) income can be declared
- Taxpayers can now opt to divide tax credits and rate bands if there are 2 or more live employments on the system

REQUIREMENT FOR A SECURITY BOND

Revenue may require a person carrying on a business to provide security for taxes which may become due, where Revenue has concerns that taxes will not be paid and or, such taxes are not paid within 30 days of the due date. The request will be made by way of notice in writing and must be accompanied by a copy of S960S TCA 1997 and a blank Form of Guarantee. The notice has effect from the date of service on the taxpayer. It is an offence for the taxpayer to continue to engage in business unless the required security is provided or an appeal has been lodged with the Tax Appeal Commission.

SUBSISTENCE RATE INCREASE EFFECTIVE FROM 1ST JULY 2019

OVERNIGHT RATES REMAIN		
Normal Rate	Reduced Rate	Detention Rate
€147.00	€132.00	€73.50

DAY RATES	
10 hours or more	5 hrs but less than 10 hours
€36.97	€15.41

Vouched Accommodation (VA) Domestic Subsistence Rates
(for use in Dublin only)
Effective from 1st July 2019 will remain

VOUCHED ACCOMMODATION ("VA") RATE	ACCOMMODATION		MEALS
VA Rate	Vouched cost of accommodation up to €147.00	Plus	€36.97

THE BENEFITS OF FRANCHISING IN IRELAND

Did you know over 150 different franchise models are currently operating in Ireland? Have you ever thought of buying a franchise?

When most people think of a franchise, they first think of food related businesses. Surprisingly only 41% of active franchise systems operating in Ireland are food related. The franchise model extends into other sectors such as children's STEM (Science, Technology, Engineering and Maths) education, personal health wellbeing and fitness, B2B support services; cleaning services, pet services, landscaping services, and so on. The list is endless, so if food service franchises don't interest you, there are plenty of successful franchise models available for you to choose from.

"Research indicates that over 90% of franchisees continue in business after five years."

Buying a franchise does not guarantee you commercial success, but it enhances your likelihood of being successful. Some franchisees may feel that purchasing a franchise removes all the commercial risk. While this is not the case, international research indicates that over 90% of franchisees continue in business after five years. This compares very favourably against the very high unrecorded failure rates of stand-alone start-ups.

"44% of the active franchise units operating in Ireland are of Irish origin."

Entrepreneurs are by nature, better suited to creating their own business framework and setting their own goals and plans. Therefore, a franchise model that restricts the entrepreneurial spirit may present a struggle for people with a creative and independent character.

Similarly, if you are totally risk-averse and are genuinely uncomfortable in the world of financial uncertainty then seriously question your suitability to buy into a franchise.

From the most recent survey conducted surprisingly 44% of the active franchise models operating in Ireland are of Irish origin. This means Irish entrepreneurs are really embracing business models franchising as an appropriate growth strategy for their businesses both within Ireland and for expanding internationally.

"The business model franchising sector in Ireland is now worth close to €1 billion."

There are circa 30,000 people employed in the franchising sector in Ireland. This figure excludes the significant number of people employed in the wholesale/retail sectors under brands such as SuperValu, Costcutter, Quick pick, Daybreak, Gala etc. The figure also excludes most of the petrol forecourt models, albeit those numbers are changing due to the recent emergence of food service franchise offerings being incorporated into some of the forecourt retailers selection of produce for their customers.

The fact that the turnover in the business model franchising sector in Ireland is already close to €1billion and growing, makes for quite an attractive business venture.

www.thinkbusiness.ie

FOR FRANCHISEES, BENEFITS INCLUDE

- A higher chance of success than in a sole partnership
- Initial training and ongoing support
- Shorter time to opening
- Assistance in finding an optimal site
- Lower costs through group purchasing
- National and regional advertising campaigns

CO-INNOVATE PROGRAMME EMITS FINAL CALL FOR AUGUST DEADLINE

Companies in the life and health science, agri-food and tech, and renewable energy sectors have a final chance to access funding of up to €300k from Co-Innovate. If your business has an innovative idea for a new product or service, and has a strategic partner to make it happen then this is a funding you need to know about. Companies must be based in Northern Ireland, the border counties of Ireland or western Scotland. The deadline for new applications is 31st August 2019 and can be done through the website **www.co-innovateprograme.eu**

Applications are sought from Co-Innovate's three priority sectors as listed below:

- Renewable energy
- Life and health science
- Agri-food & tech

If your business is interested in a specific area of activity or research but the project just seems too big for your business alone, then creating or joining a cluster partnership may be for you. Each cluster which is supported by the Co-Innovate programme will involve a group of companies and at least one academic partner (a minimum of three business organisations and one academic institute). Funding provided will be for a very specific purpose and the results of the cluster activity will have some identifiable and measurable impacts for each partner. Specifically, a business network is likely to result in enhanced competitive advantage and/or mutual financial gain.

A HELPING HAND FOR BUSINESSES LOOKING FOR CREDIT

The Credit Review Office provides an independent review process for SMEs, sole traders and farm enterprises that have had requests for credit refused or had existing credit facilities reduced or withdrawn from the banks that were, at the time, participating in the NAMA scheme. Since it started in 2010, other banks have voluntarily joined the process. The banks currently covered are Allied Irish Bank, Bank of Ireland, PTSB and Ulster Bank.

The Credit Review Office aim is to form an independent, impartial opinion on whether your business is viable and will generate enough cash to repay the loan.

They have no statutory or regulatory powers to overturn bank lending decisions. However, if it is their view that the lending could have been made within acceptable risk boundaries, the bank will be required to comply with this recommendation or explain to the Credit Review Office why it will not do so. In over 90% of the cases supported by the Office, the banks have accepted the Credit Review Office Opinion and complied with the recommendations.

As part of its remit, the Credit Review Office publishes regular reports for the Minister for Finance on the outcome of its appeals process. This is in order to inform Government of the performance of the credit system's in participating banks.

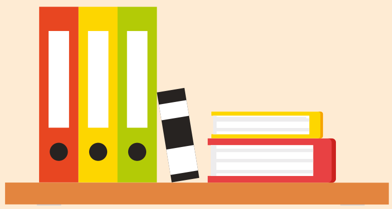
There are two forms to be filled out in order to apply for a Credit Review, The Borrower Applications Form and The Borrower Administration Form both of which can be downloaded on the website **www.creditreview.ie**. The complete application must be received by the Credit Review Office within 20 working days of your receipt of Bank decline letter or Bank letter indicating withdrawal or reduction of facility.

MANAGING YOUR TIME WHEN WORKING FROM HOME

With more people now choosing to work from home, the greater flexibility for employees can be difficult to manage. Without the distractions of the regular office environment, people have a chance to think about and get things done if they manage their time correctly. Some methods to look at to create a productive environment at home are:

1. Create a dedicated workspace
You do not need a specific room for this, a practical workstation will suffice as long as it is free from clutter, has a quality chair and desk, has access to electrical sockets and Wi-Fi and has enough storage for your documents.

2. Create a Routine
To avoid wasting time and procrastinating, set a work start time and target break times. This will help you to avoid taking a break too often and help you concentrate on the task at hand.



3. Use a timer
Having a clear plan in place every day you work from home is essential. Set an end time for individual pieces of work to ensure you are spending the right percentage of your time on each task.

4. Manage others
When family and friends know that you work from home they may feel like you are available for a visit at any time. Be assertive (but polite) and let people know you have deadlines.

5. Change your scene
It is all too easy to become claustrophobic in an isolated home office environment. Take the opportunity to grab your laptop and use a coffee shop or hotel lobby to provide you with background noise. This can help you to achieve a deeper level of focus.

MAJOR NEW **EMPLOYMENT LAWS** TO SHAKE UP IRISH BUSINESS

A new Act containing major employment law reforms came into force on 4th March 2019. It's so significant that the Minister for Employment Affairs, Regina Doherty, labelled it a "once-in-a-generation reform of our labour market." And for good reason:

It has the potential to put *every single employer* in Ireland at greater risk of prosecution. But the penalties aren't just a slap on the wrist. You could face criminal punishment.

WHAT IS THE ACT FOR?

The Employment (Miscellaneous Provisions) Act 2018 aims to protect people who are in precarious work conditions. For example, that could be people on zero hour or short-term contracts—which no doubt includes a large portion of employees working for various organisations in Ireland. But while the Act's primary goal is to protect those in precarious work, it applies to all employees and has a major impact on employers, too.

That's because failure to comply with the new law could lead to a €5,000 fine and 12 months in prison. With such seemingly draconian penalties we break down what employers need to know.

THE FOUR NEW PROVISIONS

Within the Employment (Miscellaneous Provisions) Act 2018, there are four new provisions that are the most important. Understand each one and assess its impact on your company's current work practices.

1. **Early issuing of five core terms of employment:** From the date new employees join your business, you have five days to give them five core terms of employment in writing. If you fail to provide your employees with their written statement of core terms within one month, you will be guilty of criminal offence which is punishable by both a financial penalty and a custodial sentence.
2. **Zero hour contracts abolished:** As giving greater security to those in precarious work is the Act's primary goal, it's no surprise to see zero hour contracts banned. The only exception is if your business faces an emergency demand for casual or short-term relief workers. However, the ban raises the prospect of a logistical nightmare for employers who currently rely on zero hour contracts.
3. **Banded hours:** This provision is likely to impact you if you have staff on part-time or variable hours contracts. Say you have an employee whose contracted hours are much lower than the actual hours they work. Your employee will now be entitled to request that you put them on a 'banded hours contract' to reflect the actual hours worked over the previous year. You may suffer payroll consequences as employees will be entitled to be paid for the minimum number of hours in the band of hours they fall into.
4. **Minimum payments if there's no work:** If you can't offer someone any work on a certain week or you can only offer them less than 25% of their weekly contracted hours, the minimum payment affected employees receive must be no less than 3 x the national minimum wage/employment regulation order hourly rate.

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PARENTAL LAW CHANGES IN IRELAND

The Parental Leave (Amendment) Act 2019 ("the 2019 Act") has now been commenced and is effective from the 19th July last. Employers must now ensure that policies and procedures are up to date and in line with the new entitlements and must prepare for applications for additional parental leave immediately.

The 2019 Act amends the Parental Leave Act 1998 ("the 1998 Act") and provides for the extension of the period of unpaid parental leave from the current entitlement of 18 weeks to 22 weeks from the 1st September 2019 and to 26 weeks from the 1st September 2020. The 2019 Act also increases the age of the child in relation to whom parental leave is available from 8 to 12 years of age. Therefore, parents will now be able to avail of their extended entitlements up until the child in question turns 12 years old. The 2019 Act also increases the relevant age for children who have been adopted. Previously, parents of children adopted between the age of six and eight years old could avail of the leave in respect of the child up to two years after the date of the adoption order. The 2019 Act now extends this time and provides that leave may be taken up to two years after the date of the adoption order for children who have been adopted between the ages of 10 and 12 years old.

Applications from parents to use this additional leave can be made as and from the 19th July last, allowing them to give the statutory six weeks notice to their employer in advance of the four weeks additional leave being available from 1st September next.

The 2019 Act has not amended section 11 of the 1998 Act which provides for a postponement by the employer of parental leave in certain circumstances. The section sets out a variety of circumstances where the employer may postpone a request which has been received and the request can be postponed for up to 6 months , including circumstances where an employer is satisfied that the taking of parental leave may have a substantial adverse affect on the operation of his or her business, profession or occupation by reason of the number of employees whose period of parental leave will fall within the period specified.

IMPORTANT CHANGES TO RENTAL LEGISLATION

The Residential Tenancies (Amendment) Act 2019 was signed into law on May 31st 2019. There are a number of changes enacted and will come into effect at various dates over the next few months.

NOTICE OF TERMINATION OBLIGATIONS AND PROCEDURES
Effective from **4th June**, the legislation provides for a number of changes such as:

1. *Where a landlord intends to sell* – a landlord must enter into a contract for sale within 9 months of the termination date or must offer to re-let the property to the tenant.
2. *Where a landlord intends to substantially refurbish the dwelling* – the landlord must provide certification by a registered professional that the works would pose a threat to the health and safety of the occupants, would require vacation of the property and would take at least 3 weeks to complete. The landlord must offer the property back to the original tenant on completion of the works.
3. *Where a landlord intends to move in or move family in and where a landlord intends to change the use of the dwelling* – the landlord must offer the property back to the tenant should it become available for let from 12 months from the expiry of the notice of termination.

EXEMPTIONS TO RENT PRESSURE ZONE MEASURES, RENT REVIEWS AND RENT SETTING PROVISIONS

Effective from 4th June, the following exemptions are effective.

Exemption 1 - a property must be new to the market, having not been let in the 2 years prior to the immediate tenancy commencement date.

Exemption 2 - A 'substantial change' in the nature of the accommodation has been defined as a permanent extension to the dwelling that increases the floor area.

Effective from 15th July, landlords who provide residential accommodation to students during academic term time will come under the remit of the Residential Tenancies Board (RTB). Landlords and student tenants will now have access to the RTB's dispute resolution service and will have certain rights and responsibilities

PENSIONABLE AGE TASK FORCE BILL 2019

This Private Members' Bill proposes the establishment of a Pensionable Age Taskforce. Its functions will be to conduct research, engage in public consultation, make recommendations and report on all aspects of the most appropriate age at which an individual shall be entitled to receive the State pension. The Minister will be required to consider and report on the recommendations made by the Pensionable Age Taskforce within twelve months of a report being presented to him / her.

NATIONAL MINIMUM WAGE CHANGES

The Minimum Wage in Ireland was increased on January 1st 2019. It went up by 25 cent per hour, from €9.55 to €9.80. New laws were introduced on March 4th 2019 – which mean that minimum wage rates are now based purely on age and not on any previous work experience or training.
These are the Minimum Wage Rates that apply in Ireland from 4th March 2019.

Aged under 18	€6.86 per hour
Aged 18	€7.84 per hour
Aged 19	€8.82 per hour
Aged 20 or more	€9.80 per hour

New rules also mean that if a casual/part time employee is called to work and sent home without receiving the hours expected, the employee is entitled to a minimum payment of three times the national minimum hourly wage.

Steps to becoming an ENERGY EFFICIENT SME

As the Irish economy continues to grow, so too does the energy requirements of SMEs and the agricultural sector throughout the country. Ireland is transitioning to a low-carbon economy in an effort to meet both Government and international targets and to reduce the economy's dependence

According to the Sustainable Energy Authority of Ireland (SEAI) the scale of these challenges is significant, and it will require a coordinated interplay of technology, infrastructure and actions by organisations and individuals to shape Ireland's energy future. For the past number of years, SEAI has been supporting Irish businesses, large and small, as well as the Irish agricultural industry, to shift to more sustainable energy use by providing a range of support services. This includes mentoring, training, standards development and a number of financial supports to help companies to become more energy efficient, deliver measurable savings and reduce their energy bills. There are six main grants available from SEAI that would be of great interest to SME's and the agricultural sector.

Three of these grants are now closed for 2019 so it is the perfect time to do your research ahead of the 2020 round of applications. These three include:

- The SME Lighting Support Scheme
- The Dairy Farm Grant
- The Communities Grant Scheme.

The remaining three grants are outlined here

1. RENEWABLE HEATING

Sustainable biomass fuel is organic material used to generate low cost renewable energy that can supply heat for your business. Biomass fuel is transferred to a boiler where it is burnt to produce heat, most commonly for heating and hot water. Biomass heating tends to be most suitable for:

- Sites that have regular heating requirements throughout the year. For example: hotels, leisure centres, healthcare facilities and food processing locations.
- Large sites. A biomass heating system often needs more space than an oil or gas alternative.

The Scheme aims to bridge the gap between the installation and operating costs of renewable heating systems and the conventional fossil fuel alternatives; and incentivise the development and supply of renewable heat. SEAI have been appointed by the Department of Communications, Climate Action and Environment, as the administrator for the Support Scheme for Renewable Heat.

Applicants must be able to demonstrate that:

- Proposed heat use is eligible and adheres to verified energy efficiency criteria
- Heat generating technologies and project installations comply with Building Regulations, Construction Products Regulations, EN Standards, efficiency, technology standards and air quality standards in relation to emissions
- Designers and Installers are competent to carry out works
- Recipients of payments meet tax clearance requirements

The installation grant provides funding of up to 30% of eligible costs, to successful applicants.

2. EXEED CERTIFICATION

The Excellence in Energy Efficiency Design (EXEED) grant scheme is designed for organisations who are planning an energy investment project. EXEED enables organisations establish a systematic approach to design, construction, and commissioning processes for new investments and upgrades to existing assets. The EXEED Certified program aims to influence and deliver new best practices in energy efficient design management. EXEED designs, verifies, and manages optimum energy performance and management at the earliest stages of the lifecycle. The EXEED Grant Scheme provides grant support of up to €500,000 per year. They are now accepting grant applications for 2019. EXEED is applicable to any sector, any organisation and any project. Projects can be of any scale or complexity, for example:

- Public and private sector
- New design projects
- Major energy upgrades of existing buildings and assets

3. TAX INCENTIVES AND FINANCING

Want to reduce your tax bill and your energy costs? Accelerated Capital Allowance is a tax incentive encouraging investment in energy saving technology. The Accelerated Capital Allowance (ACA) is a tax incentive scheme that promotes investment in energy efficient products & equipment. The ACA is based on the long-standing 'Wear and Tear Allowance' for investment in capital plant and machinery, whereby capital depreciation can be compensated through a reduction in an organisation's tax liability. The ACA scheme allows a company that pays corporation tax in Ireland to deduct the full cost of the equipment from their profits in the year of purchase. As a result, the reduction in tax paid by the organisation in that year is currently 12.5% of the value of capital expenditure. By contrast, the Wear and Tear Allowance provides the same tax reduction, but this is spread evenly over an eight-year period.

For cars coming under the category "Electric and Alternative Fuel Vehicles" the accelerated allowance is based on the lower of the actual cost of the vehicle or €24,000.