

Group Briefing

October 2016

Ireland: The ideal location for data centres

WHY IRELAND IS THE IDEAL LOCATION FOR DATA CENTRES

Ireland is widely acknowledged to be the data centre capital of Europe. Ireland's 'free air-cooling' climate, an overcapacity in the national grid and access to 100% renewable power have contributed to Ireland's success in attracting significant international investment. Ireland will target to generate 40% of national electricity needs from renewables by 2020. This environmental symmetry is paired with other factors, including a talent pool of English-speaking, IT graduates and high speed low latency links to the US, UK and EU.

There is also the added attraction of the lowest corporation tax rate in Europe (12.5%) and the excellent government support offered to enterprises establishing operations in Ireland. Ireland's Industrial Development Authority (IDA) is a state run organisation that supports companies financially and administratively when setting up operations in Ireland and provides on-going support as they develop and succeed.

Ireland is already home to one of the largest clusters of data centres in Europe, with large-scale operations, including the likes of Amazon, Microsoft and Google. Co-location data centre operators such as TeleCity Group, BT, and Digital

Realty have also established significant operations in Ireland. In 2015 both Apple and Facebook announced plans to develop substantial data centres to support their on-line services.

WHY ARTHUR COX?

Arthur Cox has been involved in every aspect of the development of owner occupied and co-location data centres in Ireland. We have a specialist data centre team with market-leading experts in areas such as real estate, finance, planning and environmental, construction, energy and power procurement, data protection/privacy and tax. Our experienced team continues to advise on the leading data centre projects, providing practical, accessible and innovative advice every step of the way.

DATA CENTRE LEGAL SERVICES

Arthur Cox provides a comprehensive suite of expertise to a broad range of domestic and international clients establishing data centres in Ireland. We have provided our clients with unparalleled advice across the following areas:

» *Real Estate Acquisition*

As the largest real estate team in Ireland, we are regularly involved in advising on the largest and most innovative data centre transactions in Ireland. Our team

is closely linked to the specialist expertise provided by our Finance, Construction, Planning, Energy, Data Protection and Tax teams, expertise that is often integral to the structuring of major data centre transactions. This ensures that we provide a seamless and complete service to our clients.

» *Finance*

Our Finance team has extensive expertise in advising funders and sponsors in relation to large real estate acquisition, leasing and construction projects, including transactions involving data centres and the asset-specific areas of focus, such as security structures and funder interaction with operators/tenants.

» *Environmental and Planning*

Our Environmental and Planning team plays a central role in successfully navigating our clients through the Irish planning process including all advices relating to EIS/EIA, SID and the appeals process.

» *Energy & Natural Resources*

We have the largest dedicated energy and resources practice on the island of Ireland and are the only firm with leading energy practices in both Dublin and Belfast. We have unrivalled expertise in areas such as energy regulation under domestic and EU Law, electricity connection and use of

system arrangements which are central to the timely delivery of data centres by our clients.

» *Construction*

We advise on all stages of the design and construction of the data centre project, including procurement strategies to maximise value and engineering inputs, drafting bespoke contracts to meet client and project needs, project execution, dispute avoidance and efficient dispute resolution, as well as statutory compliance, such as health and safety and building regulations.

» *Tax & Incentives*

Our dedicated tax team has a wealth of experience in structuring the acquisition of and investment in data centres with specific experience associated with the incentives available to our clients that wish to invest in renewable energy development that support the data centre industry.

» *Data Protection & Privacy*

Our Technology and Innovation team is the largest legal team in Ireland dedicated to specialist IT and data protection law. Our expertise includes advising on EU data protection strategies for multinationals, data breach response incidents and compliance with data protection legislation. Our Technology and Innovation team work closely with our clients to ensure that their data centre operations are fully compliant with all applicable Irish and EU regulations, including on the reforms arising from the forthcoming General Data Protection Regulation, which law will come into effect on 25 May 2018 and from that point onwards provide for the application and enforcement of a more standardised data protection regime across the EU.

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