Taxation	
The Irish government has put in place advantageous tax laws for finance vehicles in Ireland. The following tax points are of particular relevance:	
a. Section 110 regime	Section 110 of the Taxes Consolidation Act 1997 ("**Section 110**") is the cornerstone of Ireland's securitisation regime which permits qualifying Irish resident SPVs to engage in an extensive range of financial and leasing transactions in a tax neutral manner. The scope of the regime is accommodating, applying to companies involved in the holding or management of a wide category of financial assets ("**qualifying assets**"), and includes the leasing of plant and machinery, and the holding or management of commodities and carbon offsets issues under voluntary as well as compulsory schemes. A "**qualifying asset**" consists of any financial asset, or any interest (including a partnership interest) in a financial asset, commodities, or plant and machinery. "**Financial assets**" are defined to include: "*shares, bonds, other securities, futures, options, swaps, derivatives and similar instruments, invoices and all types of receivables, obligations evidencing debt (including loans and deposits), leases and loan and lease portfolios, hire purchase contracts, acceptance credits and all other documents of title relating to the movement of goods, bills of exchange, commercial paper, promissory notes and all other kinds of negotiable or transferable instruments, carbon off sets, and contracts for insurance and contracts for reinsurance*." Given the extensive range of assets, most structured finance vehicles can qualify as Section 110 companies in such a way that the transaction should be tax neutral. As a result, Ireland is an ideal jurisdiction for locating an on-shore, EU/ OECD issuer with no tax leakage.
b. Transaction size	For an SPV to qualify under Section 110, there is a ***'day-one'*** size requirement that the market value of all qualifying assets is not less than €10 million on the date they are first acquired, held, or legally enforceable arrangements in respect of the assets are first entered into, by the SPV. This requirement is a '***day-one'*** requirement only and asset levels can decrease over time.
c. Profit extraction	Minimal tax leakage and efficient profit extraction are crucial to any structured finance transaction. Under the Section 110 rules, the cost of funding and other related expenditure is generally tax deductible and is structured so that the SPV's net taxable profit is generally maintained at a negligible level as there is no minimum profit required for tax purposes. Section 110 in particular relaxes the rules regarding payments of interest on securities, the return on which depends on the results of the SPV, so that such payments will not automatically be deemed to be distributions (and therefore non-deductible). Certain targeted anti-avoidance provisions can limit a deduction for SPVs for certain payments of profit dependent interest or swap payments which are not subject to tax under the law of an EU/ treaty partner country. These provisions do not however apply to payments of interest on '***quoted eurobonds***' or commercial paper where certain conditions are met. The majority of transactions should not be affected by these provisions. A restriction on the deductibility of interest that is profit or results-dependent and which is derived from Irish real estate was introduced in 2016. This restriction is only relevant to the extent that the SPV invests in assets which derive value from Irish real estate and the investor does not come within an exempt category. As part of its implementation of measures contained in the EU Anti-Tax Avoidance Directive, Ireland adopted anti-hybrid rules in 2020 (with additional reverse-hybrid rules coming into force from 1 January 2022). The rules are broadly designed to prevent arrangements that create a tax advantage by exploiting differing tax treatment in different countries. Most transactions involving Section 110 companies will be unaffected by the rules due to the way in which Section 110 companies are established and governed.

d. Withholding tax	The most commonly used exemption from Irish withholding tax on interest paid by an SPV is the '***quoted eurobond***' exemption. This is generally available in respect of interest paid on securities listed on a recognised stock exchange where: (i) the securities are held in a recognised clearing system; (ii) payments in respect of the securities are made through a paying agent located outside Ireland; or (iii) where the holder is a non-Irish resident person, the holder has made an appropriate declaration to this effect. This may be restricted where the holder is known to be connected with the SPV and the interest is not subject to tax under the law of an EU/treaty partner country. However, in practice this is only likely to apply in limited cases and not to public investors. Alternatively, investors can rely upon an exemption from withholding tax for Section 110 companies which permits interest payments made to a person resident in an EU/treaty partner country (other than Ireland), and which are subject to tax under the law of that country, to be paid gross, provided that the interest is not paid in connection with a trade carried on in Ireland by the recipient through a branch or agency. Withholding tax exemptions are also available in respect of interest paid on commercial paper where certain conditions are met. In addition, interest payments between Section 110 companies are also free of withholding tax. This can assist where multi SPV structures are used.
e. Stamp duty	Stamp duty does not apply on the issue or transfer of securities issued by a Section 110 company.
f. VAT	Irish VAT legislation confirms that management services (which include portfolio management services) supplied to an SPV falling within Section 110, whether by an originator or otherwise, are exempt from Irish VAT. This legislative exemption provides clarity which is not necessarily available in other jurisdictions. Irish VAT may however be chargeable on certain trustee and rating agency services supplied to Irish SPVs, but proper structuring can usually eliminate or reduce VAT costs. Section 110 SPVs are typically engaged in VAT exempt activities, and so will generally have limited ability to recover any VAT charged to them.
g. Tax rulings	Not required. An Irish tax opinion will cover all relevant issues.
h. Double tax treaties	Ireland is party to an extensive range of double tax treaties that, depending on the particular treaty, can ensure that the SPV receives income on its underlying assets free from withholding tax or at a reduced rate.
i. No minimum profit	An Irish company is not required to make an annual statutory minimum profit for Irish tax purposes, but it is generally advisable to have a small retained profit for corporate benefit purposes.
j. "Thin capitalisation"	There are no '*thin capitalisation*' rules for SPVs in Ireland. Ireland will be implementing interest limitation rules from January 2022. As evident in the recently published Finance Bill, Ireland has adopted these rules in a manner such that Ireland's Section 110 regime remains attractive for a securitisation vehicle.
k. Financial account reporting	Ireland is a party to a Foreign Account Tax Compliance Act ("**FATCA**") Model 1 Intergovernmental Agreement ("**IGA**") with the US, and has implemented FATCA reporting obligations into its domestic legislation, similar to the UK. Ireland was an '**early adopter**' of the OECD's standard for the automatic exchange of financial account information, known as the '*Common Reporting Standard*' ("**CRS**"), in 2014. Ireland's adoption of the CRS makes financial account reporting for investors and counterparties straightforward.
l. Accounting standards	As a general rule, the taxable profit of an SPV follows the accounting treatment. SPVs qualifying as Section 110 companies can choose to use Irish GAAP as it existed in December 2004, unless they elect to use IFRS. This applies to existing and new SPVs and can be useful in certain structures as it eliminates the risk of a change in accounting rules and generally solves any issues raised by IFRS.
m. New structures	In addition to using Irish SPVs for traditional structures such as repackagings, securitisations, receivables transactions, RMBS/CMBS, CDO/CLOs and loan participation note ("**LPN**") transactions, Section 110 SPVs are also used for structures such as structured corporate and leveraged finance transactions, life settlement issues and fund linked structures (where either a qualifying investor fund ("**QIF**") is used with one or more SPV subsidiaries as a structure to minimise withholding taxes underlying investments or the reverse).