



Exemption from requirement to have a Resident EEA Director or Bond by virtue of having a “real and continuous link to one or more economic activities being carried on in the State”

Section 137 of the Companies Act 2014 sets a requirement for all Irish registered companies to have one Director who is “resident” in the EEA.

An alternative to having a resident Director is to have either a Bond or be able to prove that the applicant company has a “real and continuous link to one or more economic activities being carried on in the State”

For this purpose a company has a real and continuous link with an economic activity that is being carried on in the State if one or more of the following conditions are satisfied by it—

- (a) the affairs of the company are managed by one or more persons from a place of business established in the State and that person or those persons is or are authorised by the company to act on its behalf;
- (b) the company carries on a trade in the State;
- (c) the company is a subsidiary or a holding company of a company or other body corporate that satisfies either or both of the conditions specified in *paragraphs (a) and (b)*;
- (d) the company is a subsidiary of a company, another subsidiary of which satisfies either or both of the conditions specified in *paragraphs (a) & (b)*.

It is the Revenue Commissioners who decide whether or not a company has such a link and each application is judged on a case by case basis.

They have indicated that they interpret the above conditions as meaning that the applicant company must have some active participation in generating income in the State. So simply opening a deposit account, for example, would not be sufficient to prove a link. In the case of non trading holding companies, the Revenue will only grant a statement indicating that there is a link if subsidiaries of the holding companies have already been able to demonstrate that they have a link.

In order to apply to the Revenue Commissioners for a statement proving that a company has a link, the following information would be required.

- 1. Company's registered number
- 2. Company's tax number
- 3. Company's trading address in the state
- 4. Company's registered office
- 5. Confirmation that the company has been trading in the Republic of Ireland for at least twelve months together with any supporting documentation such as audited accounts, sales brochures etc.
- 6. A description of the nature and duration of the “link”

Once the Revenue Commissioners issue their statement in favour of the company it should then be filed with a Form B67 in the Companies Registration Office (the Revenue statement should be dated within 2 months of the date of the application to the CRO).

If, a company applies for and is granted a certificate from the Registrar of Companies that the company has a real and continuous link with one or more economic activities that are carried on in the State, that company will be exempted from the requirement to have at least one EEA resident director from the date of the certificate, as long as the certificate remains in force. Our fees for this assignment are €890 (Plus VAT).

If you would like further information on the above matter, please contact **Karen Corcoran** or **Sean Kavanagh** at CFI on +353 1 664 1177. Or better still you can email us directly at karen@formations.ie.

Very Important note:

The information in this document is of a general nature only and is not intended to address the circumstances of any particular person, corporation or entity. There is no guarantee that the information in this document is accurate as of the date it is received, or that it will continue to be accurate in the future. No individual or entity should act on the contents herein without first taking appropriate legal, accounting and taxation advice that is specific to their circumstances.