



**RELIEF FOR INVESTMENT IN CORPORATE TRADES
APPLICATION FOR OUTLINE APPROVAL
(See Note 1)**

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OUTLINE**

This form, when completed, should be returned to:

**Direct Taxes: Incentives Branch
Revenue Commissioners
Dublin Castle
Dublin 2.**

and should be accompanied by a copy of the company's Memorandum and Articles of Association and any other relevant documentation i.e. Put/Call Options, Prospectus, Subscription Agreement etc.

Your attention is drawn to the fact that: -

1. Under EU cumulation of State-aid rules, full details of a beneficiary company of a State-aid in the form of Seed Capital and/or BES relief -
 - must be notified to the European Commission;
 - will be published on the Revenue website and on the European Commission's website;
 - and may be made available to other State bodies with responsibility for the administration of other State-aided schemes.
2. The grant of Seed Capital/BES relief may have affects on any future applications by the company for further State-aid schemes e.g. employment grants and/or financial assistance.

N.B. Any queries regarding EU cumulation of State-aid rules should be addressed to the State body responsible for administration of the State-aid in question.

Please complete in CAPITAL letters:

To: Revenue Commissioners, Dublin Castle, Dublin 2.

Name of company _____

Date of Incorporation _____ Country of Incorporation _____

Corporation Tax Reference No. _____

Date of commencement of trade _____

Employers Registration Number _____

(Please quote the reference number and name, if different, under which the trading company returns PAYE/PRSI on behalf of its employees)

Name & Address of Registered Office of company _____

Company Name & Address where qualifying trading operations are, or will be, carried on (if different to above)

Nature of the company's trade or business. (Please give a detailed description of the company's manufacturing process and/or other activities)

Full names of the directors and persons with a controlling interest (See Note 7)

Details (e.g. % shareholding, type of trade etc.) of any other companies which the principal shareholder(s) may individually or collectively control

Except where otherwise indicated references are to the Taxes Consolidation Act, 1997.

NOTES

1. The purpose of this form is to enable a company to ascertain whether or not a proposed share issue is likely to attract relief under the scheme of relief for investment in corporate trades. It is stressed however, that entitlement to relief is determined when the share issue has taken place and the fact that a company may obtain outline approval does not guarantee the availability of relief.
2. Loan capital for this purpose includes the debts outlined in section 493(5)(a), (b) and (c). A bank overdraft is excluded by section 493(10).
3. Where the holder or lender is known to be a nominee, this fact should be stated. If known, the name and address of the beneficial owner etc. should be given.
4. The circumstances in which value is received from the company and the amount of the value are as indicated in sections 499 and 501 and in paragraph 3 of Schedule 10.
5. Section 489(1)(c) requires the company to produce satisfactory evidence that the money raised by the issue of shares was used, is being used or is intended to be used for the purposes of:
 - (a) (i) enabling the company, or enlarging its capacity, to undertake qualifying trading operations, or
 - (ii) enabling the company to engage in, or assisting the company in, research and development, the acquisition of technological information and data, the development of new or existing products or services or the provision of new products or services, or
 - (iii) enabling the company to identify new markets, and develop new and existing markets, for its products and services, or
 - (iv) enabling the company to increase its sales of products or provision of services.

and

 - (b) with a view to the creation or maintenance of employment in the company.
- (5A). Under the EU "Community Guidelines on State Aid to promote Risk Capital Investments in Small and Medium-Sized Enterprises" {OJ C 194, 18.08.2006}, Member States are required to collect data on a beneficiary company's stage of development. These Guidelines contain definitions of "seed capital", "start-up capital" and "expansion capital" as follows:

"Seed capital" means financing provided to study, assess and develop an initial concept, preceding the start-up phase;

"Start-up capital" means financing provided to companies, which have not sold their product or service commercially and are not yet generating a profit, for product development and initial marketing;

"Expansion capital" means financing provided for the growth and expansion of a company, which may or may not break even or trade profitably, for the purposes of increasing production capacity, market or product development or the provision of additional working capital.
- (5B). The definitions of micro, small or medium-sized enterprises currently in force (i.e. with effect from 1st January 2005) may be seen at Annex 1 to Commission Regulation (EC) no. 364/2004 of 25 February 2004, {OJ L 63 of 28th February 2004} and may be summarised as follows:
 - A medium-sized enterprise has less than 250 employees and has an annual turnover not exceeding €50 million or an annual balance sheet total not exceeding €43 million;
 - A small enterprise has less than 50 employees and has an annual turnover and/or annual balance sheet total not exceeding €10 million;
 - A micro enterprise has less than 10 employees and has an annual turnover and/or annual balance sheet total not exceeding €2 million.
6. Everything to be done by a company under the Taxes Acts is to be done through the secretary or person acting as the secretary of the company (See section 1044(2) Taxes Consolidation Act 1997).
7. For the meaning of:
 - 51% subsidiary – see section 9 TCA 1997
 - person connected with – see section 10 TCA 1997
 - control – see section 488(1) TCA 1997
 and section 432(2) to (6) TCA 1997
8. The definition of associated company in Section 491(4) TCA 1997 is very broad. Companies are associated for the purposes of limiting the relief available if the companies
 - act in pursuit of a common purpose, or
 - are under the control of the same person or group(s) of persons, or
 - if the same person or group(s) of persons have or had the means or power, either directly or indirectly to determine the trading operations carried on or to be carried on by both companies.

The definition of associated company includes situations where the same people are or have been involved at any stage in the planning or operation of a BES project. The individuals need not ever take a controlling interest in the projects.

IMPORTANT

If there is any doubt about the application of this rule full details should be discussed with the Incentives Branch.

1. Full details of shareholdings in company from the date the company was incorporated or, if later, the two years immediately prior to the issue of eligible shares.

Dates shares were acquired	Name, Address & PPS No of shareholder	Description of shares held and nominal value	No. of shares held

2. Give a full description of the proposed share issue and state its nominal value

3. If the names etc. of the proposed subscribers are known please give details hereunder.

Full name and address of the subscriber	PPS No of the subscriber	Full Description of shares subscribed for and their nominal value	No. of shares subscribed for	Total amount subscribed Euros (€)

Separate sheet may be used if the above space is insufficient.

4. The issued share capital of the company immediately after the issue of shares at 2 will be

Full description of each class of shares including nominal value	The number of shares	Total amount subscribed Euros (€)

5. The anticipated loan capital (see Note 2) of the company immediately after the issue of the shares at 2 will be

Name of holder or lender (see Note 3)	Name of loan capital	Amount Euros (€)

6. Between the date the company was incorporated (or, if later, two years before the shares listed at 2 are issued) and the date of the declaration at 10, shareholders have received value (see Note 4) from the company or subsidiary of the company as follows:

Date	Name of shareholder	Nature of value received	Amount of value received Euros (€)

7. The shares listed at 2 are to be issued **for the purpose of** raising money for a qualifying trade carried on by:

* the company

* a subsidiary company (see Section 507 and Schedule 10).

Named _____

* Delete as appropriate

8. The money raised by the proposed share issue will be used for the following purposes (see Note 5 - the criteria at (a) and (b) of that Note must be satisfied).

8a. State the company's stage of development - **See Note (5A)**

<i>Please tick one of the following:</i>	
Seed Capital Stage?	
Start-up Capital Stage?	
Expansion Capital Stage?	

8b. State whether the company is a micro, small or medium-sized enterprise within the meaning of the Commission Regulation (EC) currently in force - **See Note (5B)**.

<i>Please tick one of the following:</i>	
Micro?	
Small?	
Medium?	

9. Details of all the companies which have been subsidiary companies of the company (as defined in section 507 and Schedule 10) at any time up to the issue of the shares listed at 2 are:

Name and address of the registered office	Date and country of incorporation	Country of residence	Nature of its trade

10. Declaration.

I declare that to the best of the company's knowledge and belief the information given above is correct, and that the conditions of the relief applying to the company and its subsidiaries listed at 9 are satisfied and, in particular, that:

- (a) the trade of the company/subsidiary company* identified at 7 will have been carried on for at least four months;
- (b) if that trade had not commenced when the shares listed at 2 are issued, it will be commenced within two years from that date;
- (c) from the date of the issue of the shares listed at 2 to the end of three years from the date of issue of those shares –
 - (i) the trade or trades carried on by the (i) company and any subsidiary companies listed at 9 will all have been conducted on a commercial basis and with a view to the realisation of profits;
 - (ii) the company and any subsidiary companies listed at 9 will –
 - (A) have complied with the provisions of section 495(3), and
 - (B) have been unquoted companies within the meaning of section 488(1) and have been resident in the State or have been resident in an EEA State other than the State and have carried on business in the State through a branch or agency and have complied with section 495(3A) and section 495(16) unless the company is a subsidiary to which section 507(1)(b)(ii) applies.
 - (iii) the company will not –
 - (A) have any share capital which has not been fully paid up;
 - (B) have a 51% subsidiary company or control (or together with any other person connected with it, control) another company (see Note 7) except insofar as the conditions of section 507 have been satisfied; or
 - (C) have been a subsidiary of another company or been controlled by another company (or by another company and any person connected with that other company) – see Note 7 – and no arrangements will exist at any time from the issue of the shares listed at 2 whereby either A or B of this of this sub-paragraph or both, would cease to be satisfied.
- (d) the company is not restricted in raising BES funds by association with another company within the meaning of section 491, Taxes Consolidation Act, 1997 (see Note 8).
- (e) the shares listed at 2 will be issued for bona fide commercial purposes and not as part of a scheme or arrangement, the main purpose, or one of the main purposes, of which was the avoidance of tax and they will carry no present or future preferential rights to dividends or to the company's assets on its winding up and no present or future preferential right to be redeemed.

* Delete as appropriate

Signature _____ Date _____

Capacity in which signed _____ (See Note 6)