



INCOME TAX

RELIEF FOR INVESTMENT IN CORPORATE TRADES

Company Statement (see NOTE 1)

RICT 1

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 unless previously submitted.

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:

Inspector of Taxes _____ Corporation Tax Reference No. _____

Revenue File Reference (see note 9) _____

Employer 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 carried on (if different to above) _____

Date of incorporation* _____ Country of incorporation _____

Date of commencement of trade _____

Number of employees (including number in qualifying subsidiary if applicable)

At present Expected 1 year hence 3 years hence

Description of the company's trade (including if applicable a detailed description of the manufacturing process)* _____

Full names of the directors and persons with a controlling interest* (see Note 8) _____

Details (shareholding/type of trade) of any other companies which the principal shareholders may individually or collectively control _____

* NEED NOT BE COMPLETED IF A FORM RICT (OUTLINE) WAS PREVIOUSLY COMPLETED AND IF CHANGES HAVE NOT OCCURRED IN THE INTERIM.

RELIEF FOR INVESTMENT CORPORATE TRADES

RICT 1 EXPLANATORY NOTES

NOTES

1. A claim for relief by an individual in respect of a subscription for eligible shares in a qualifying company cannot be allowed unless a certificate of relief has been issued by the company on form RICT 3. Such a certificate cannot be issued until the company has been authorised to do so by the Inspector of Taxes on form RICT 2. To obtain the authority to issue a certificate a company must give the information required by this form (RICT 1), complete the declaration and send it to Direct Taxes: Incentives Branch, Revenue Commissioners, Dublin Castle, Dublin 2.

A company is liable to a penalty not exceeding €630 (or, in the case of fraud €1,265) for issuing a form RICT 3 without the authority of the Inspector on form RICT 2.

2. Eligible shares are defined in section 488(1) TCA 1997 (for the meaning of ordinary shares see section 2(1) and Section 488(1) TCA 1997). **Where eligible shares have been issued on different dates, a separate RICT1 must be supplied in respect of each issue.**
 3. 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).
 4. 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 stated.
 5. The circumstances in which value is received from the company and the amount of the value are as indicated in section 499 and 501 and in paragraph 3 of Schedule 10.
 6. Section 489(1)(c) requires the company to produce satisfactory evidence that the money raised by the issue of eligible shares was used, is being used or is intended to be used for the purposes of (a) and (b) as follows:
 - (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 and/or maintenance of employment in the company, or in the case of a company engaged in the trade of the construction and leasing of an advance factory building, in either or both the company contracted to construct the advance factory building concerned and the company which enters into a lease for its use.
- (6A). 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.
- (6B) 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.

Under EU State-Aid rules, medium-sized enterprises operating in the non-assisted areas are restricted to their seed/start-up stage for the purpose of raising BES investments. The “Regional Aid Map 2007-2013 - Ireland” details the non-assisted areas of Ireland as counties Dublin, Kildare, Meath and Wicklow (and with effect from 2009, Cork city and county (except for Cork Docklands)). *{Guidelines on National Regional Aid for 2007-2013, OJ C54, 4.3.2006}*

7. 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 except that if a liquidator has been appointed the proper officer is the liquidator. (See section 1044(2) Taxes Consolidation Act 1997).
8. 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
9. Available from Outline Approval Letter (if received).
10. 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 acquired	Name, Address & PPS No. of shareholder	Description of shares held and nominal value	No. of shares held

2. The company has been asked to issue a certificate or certificates in respect of the following subscription(s) for eligible shares issued on _____ (See Note 2)

Full name and address of the subscriber	PPS No. of the subscriber	Full description of the Shares subscribed for and their nominal value	Number of shares subscribed for	Total amount subscribed Euro(€)

separate sheet may be used if the above space is insufficient

3. Issued share capital of the company immediately after the issue of eligible shares at 2 comprised: -

Full description of each class of shares issued including nominal value	The number of shares issued	The total amount subscribed Euro (€)

4. The loan capital (see Note 3) of the company immediately after the issue of the eligible shares at 2 was: -

Name of holder or lender (see note 4)	Name of loan capital	Amount Euro (€)

5. The following changes in the company's share capital have occurred between the date the shares at 2 were issued and the date of the declaration at 10.

6. Between the date the company was incorporated (or, if later, two years before the shares listed at 1 were issued) and the date of the declaration at 10, shareholders have received value (see Note 5) from the company or subsidiary of the company as follows:

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

IMPORTANT: PLEASE ENSURE THAT ITEMS 1 TO 6 ON PAGES 4 AND 5 HAVE BEEN COMPLETED

7. The shares listed at 2 were 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).

* Delete as appropriate

Named _____

8. The money raised by the issue of shares listed at 2 was used, is being used or is intended to be used for the following purposes (see Note 6 - the criteria at (a) and (b) of that Note must be satisfied). Please give a **full description** of the intended use of the money raised.

8a. State the company's stage of development - **See Note (6A)**

<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 (6B)**.

<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 since 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 in this form 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 or subsidiary company identified at 7 has been carried on for at least four months
- * a winding up satisfying section 489(II) or 507(3) began before that trade has been carried on for four months
- (b) if that trade has not commenced when the eligible shares listed at 1 were issued, it was commenced within two years from that date
- (c) from the date of the issue of the eligible shares listed at 1 to the date of this declaration (or, if earlier, up to the end of three years from the date of issue of those shares)
- (i) the trade or trades carried on by the company and any subsidiary companies listed at 9 have all 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
- (A) have complied with the provisions of section 495(3) except that winding up of _____
- _____
- has been commenced (as outlined in section 495(7) and it is expected that the provisions of section 495(8) will be satisfied.
- (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 has not
- (A) had any share capital which has not been fully paid up
- (B) had a 51% subsidiary company or controlled (or together with any other person connected with it, controlled) another company (see Note 8) except insofar as the conditions of section 507 have been satisfied.
- (C) 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 8) and no arrangements exist or have existed at any time from the issue of the eligible shares listed at 1 whereby either A or B 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 10).
- (e) the eligible shares listed at 2 were 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. They carry no present or future preferential right 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 7)

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