

Exchange Traded Funds (ETFs)

Part 27-01A-03

This document should be read in conjunction with Chapter 1A, 2, 3 & 4 of Part 27 TCA 1997 and in conjunction with Tax and Duty Manuals (TDMs) [Part 27-01a-02](#), [Part 27-04-01](#) and [Part 27-02-01](#).

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Introduction

The term “Exchange Traded Fund” or “ETF” is a general investment industry term that refers to a wide range of investments. ETF investments can take many different legal and regulatory forms even where they are established within the same jurisdiction.

An ETF is an investment fund that is traded on a regulated stock exchange. A typical ETF can be compared to a tracker fund in that it will seek to replicate a particular index.

The taxation of investments in ETFs

The purpose of this Tax and Duty Manual (TDM) is to guide investors to the relevant TDMs that will advise further on the tax treatment of an ETF:

1. For further information with respect to the tax treatment of Irish domiciled ETFs refer to [TDM Part 27-01a-02](#) (Investment Undertakings) and [TDM Part 27-04-01](#) (Offshore Funds: Taxation of Income and Gains from the EU, EEA and OECD member states);
2. For further information with respect to the tax treatment of ETFs domiciled in the EU, EEA or an OECD¹ member state, refer to [TDM Part 27-04-01](#) (Offshore Funds: Taxation of Income and Gains from the EU, EEA and OECD member states);
3. For further information with respect to the tax treatment of ETFs domiciled in other territories (other than EU, EEA or OECD member states) refer to [TDM Part 27-02-01](#) (Offshore Funds: Taxation of Income and Gains from certain offshore states).

¹ Prior guidance confirmed that investments in ETFs domiciled in the USA, the EEA or in an OECD member state (other than the USA) with which Ireland has a double taxation treaty, follows the treatment that would apply to share investments generally. That confirmation does not apply to such investments with effect from 1 January 2022.

Where following an analysis of an ETF that was covered by the previous guidance it is found to be equivalent to an Irish ETF, then the 8 year “deemed” disposal rule will apply as follows: while the actual acquisition cost of the ETF will remain unchanged, the 8 years should be counted from 2022 meaning the earliest deemed disposal will be in 2030 .