



The Irish research and development (R&D) tax regime provides a 25% credit for qualifying expenditure on qualifying activities.

This means that companies can now obtain an effective tax deduction of up to 37.5% with the possibility of the value of the R&D tax credit being refunded where there is not a sufficient level of taxable profits within the company/group.

Consider how much money your business spends when trying to develop or improve its products or processes.

Now imagine you could reduce that by 25%.

### FEATURES OF THE IRISH R&D TAX REGIME

Companies are entitled to a credit of 25% of the total qualifying R&D expenditure incurred for periods commencing on or after 1 January 2015. The credit can be used to:

- Reduce the company's corporation tax liability of the period
- Reduce the corporation tax liability of the previous year, or
- If unused, the credit can be refunded by the tax authorities subject to certain restrictions.

The credit is in addition to the normal corporation tax deduction for the expenditure.

The claim must be made within one year of the end of the accounting period in which the expenditure has been incurred. However, many companies are not actually aware that they are carrying out activities that may qualify for this lucrative relief. R&D activities are not limited to those that occur in a traditional research lab. In fact most claims are for experimental development which often takes place right on the factory or shop floor.

### TYPES OF ACTIVITIES BDO HAVE FOUND TO QUALIFY IN THE ICT SECTOR

Ireland has a thriving indigenous IT sector and is home to the second highest concentration of ICT multinationals in which BDO has wide experience. While it is impossible to provide an exhaustive list and each case would have to be reviewed in its own context to assess eligibility, the following are areas where we have, in the past, found qualifying R&D activities in the sector:

- Query optimisation
- Framework extension
- New or improved algorithms
- Performance enhancements
- Architecture development/enhancement
- End to end security solutions
- Data transportation platforms
- Integrations
- Data constructs.

If you are carrying out some of the above activities contact one of our dedicated R&D Tax Service Team overleaf.

“BDO's approach has greatly increased the efficiency of our claims process”





Our R&D team understand that your technical staff's time is valuable and best spent engaged in R&D activities. Therefore, our service is designed to be as unobtrusive as possible and to take as much of the pain of the claims process away from your team so they can spend their time making the next breakthrough.

**Our services include the following:**

Project Identification	Project Qualification	Engineer-led Approach
Report Writing	Documentation Review	Process Review
Technical Compilation	Revenue Audit Support	Costing Compilation
Technical Workshops	Claims Review	Taxation Experts
Multidiscipline Dedicated Team	Claim Project Management	

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