CHARITIES AND SPORTS BODIES

Since 9 December 2019, applications for charitable tax exemption must be made through ROS. The online application service outlines the application procedure and sets out the supporting documentation which must be submitted with the application. The applicant must ensure that proper systems are in place to keep adequate records and if necessary, that the entity is registered for VAT and PAYE.

UNIVERSAL SOCIAL CHARGE

The National Minimum Wage increased by €0.30 to €10.10 per hour from 1 February 2020. To that end a full time worker on minimum wages with 39 hours of paid work would earn €20,484 per annum. As a consequence, Revenue announced a change to the USC thresholds to raise the ceiling of the 2% rate from €19,874 to €20,484 for 2020 thereby ensuring that 2% remains the highest rate of USC chargeable on income of full-time minimum wage workers. The necessary legislation to give statutory effect to these changes will be legislated for later in 2020, in the interim Revenue have agreed that changes will be implemented on an administrative basis for 2020.

USC CHARGES 2020	
UP to €12,012	0.5%
The next €8,472	2%
€20,484 – €70,045	4.5%
Income > €70,045 – €100,000	8%
Income > €100,000	11%

PAY AND FILE SUMMARY

The following is a summary of upcoming pay and file dates:

INCOME TAX

Filing date of 2019 return of income (self-assessed individuals)	**31 October 2020**
Pay preliminary income tax for 2020 (self-assessed individuals)	**31 October 2020**
On-Line pay and file date for 2019 return of income	**12 November 2020**

CAPITAL GAINS TAX

Payment of Capital Gains Tax for the disposal of assets Made from 01 January 2020 to 30 November 2020	**15 December 2020**

CORPORATION TAX

Filing date for Corporation Tax returns for accounting periods ending in July 2019	**21 April 2020**
Balancing payment of Corporation Tax for accounting periods ending in July 2019	**21 April 2020**

SURCHARGE ON LATE RETURNS BY DIRECTORS

A "proprietary director" is a director of a company who is the beneficial owner or is able to control more than 15% of the ordinary share capital of the company either directly or indirectly. A proprietary director is required to file an income tax return each year. Directors who are required to file an income tax return are liable to pay a surcharge if the return is not filed on time. The surcharge will be based on their income tax liability before credit for tax paid under the PAYE system even if taxes have been already paid by the director via the PAYE system.

Non-proprietary directors are not required to file an income tax return. Revenue accepts that the returns of certain non-proprietary directors are not critical to the audit of the company. Non- proprietary directors need not automatically file an income tax return and the surcharge for late filing will not apply if all their income is taxed under PAYE and they would not be chargeable persons under self-assessment apart from being directors (i.e. they do not have other sources of income not subject to PAYE).

Revenue has now confirmed that the obligation to file a return does not apply to certain directors for example directors of shelf companies, genuinely dormant companies or others who take up temporary directorships in the period prior to a company commencing activity.

Directors of a company, are not chargeable persons and do not need to file an income tax return where during the three years ending on 31 December in the tax year the company -

- Was not entitled to any assets other than cash on hands, or a sum of money on deposit, not exceeding €130
- Did not carry on a trade, business or other activity including the making of investments
- Did not pay charges on income within the meaning of S243TCA (charges on income for Corporation Tax purposes)

For tax years prior to 2019 the relevant date of the assessment of the above criteria is 5 April in the appropriate tax year.

DRIVING FOR WORK
WHAT EMPLOYERS NEED TO KNOW

In today's world, driving for work has become common in most businesses. Multiple office locations, client meetings and bank errands are a few reasons why your employees may rely on driving during their working day. Driving for work may be done in a company vehicle or an employees own vehicle but does not include their commute to and from the workplace.

As an employer or self-employed person, you must by law, manage the risks that may arise when employees drive on roads for their work. For some workers, their main job involves driving for work; for others, driving may only form a minor part of their job and be carried out occasionally.

Although the driver is mainly responsible for how they drive, as an employer you also have a key role to play in managing and influencing the driver, the use of their vehicle and their journey when driving for work. In other words, driving for work is a shared responsibility between you and your employee. Three main types of law apply for driving for work in Ireland:

- Road Traffic Law
- Health and Safety Law; and
- EU Rules on Driving Times

If you are an employer, you have a duty to provide a safe place of work for your employees, including vehicles if this is part of their work. Your duty involves making sure that:

- work related journeys are safe;
- members of staff are able to drive safely; and
- all vehicles and vehicle equipment are fit for use and in a safe condition.

Managing driving for work should form a core part of your company's overall health management system. Five key steps, as outlined by the Road Safety Authority, in developing a program for managing driving for work are outlined as the following:

1. Develop a 'Driving for Work' Policy
The Driving for Work policy should refer to all relevant driving for work legislation. Explain how you are managing the three key elements of vehicle, driver and journey, and detail all relevant resources.

2. Planning
This step involves:
- listing and assessing the risks involved in driving for work; and
- drawing up the proper control measures

3. Putting Policy into Practice
In order to ensure the correct control measures are being put in place, ensure you have assigned the responsibility of the policy to a senior manager. This person can then ensure there are documents available to relevant parties to make everyone aware of their responsibilities.

4. Measuring Performance
Monitoring the safety of your drivers on a consistent basis will be imperative to keeping your policy relevant. Any incidents should always be recorded, regardless of how minor they may seem. This feedback will help you to identify underlying causes of potential incidents.

5. Reviewing Performance
The policy is quite subjective to your company and the level of driving done by your employees for work purposes. A review should be conducted regularly to assess if all drivers are following the program. You can then use the results of this review to make improvements to your company's Driving for Work management policy and procedures.

This article is a snippet of the "Safe Driving for Work" handbook produced by the HSA and RSA. A full version can be viewed on
www.hsa.ie/eng/Vehicles_at_Work/Driving_for_Work/

MAIN ELEMENTS OF A BUSINESS PROPOSAL

A good business plan does more than just inform readers about what your company does, how you earn money, or what you want to do. It persuades the reader that your company is exciting and successful and should make them eager to get involved in your opportunity. The average business plan should be around 15 pages long. By the time readers are done reading your business plan, they should have a clear understanding of the how and why of your proposal.
WHY (Why this? Why now? Why you? Why them?)
HOW (How will you make money? How will you get customers? How will you grow your business?)

Your business proposal should cover the following areas.

- Executive Summary – after you have compiled a cover page and contents page you need to have an executive summary. It is an introduction to the main ideas that you will discuss in the rest of the plan. The reader should have a clear understanding of your business from just this section.
- Investment Opportunity – this is where you tell investors what your goals are in terms of funding and what they have to gain from getting involved.
- Team or Asset Overview – it is important to outline your team and or assets to assure the potential investor that you have the necessary resources to make your business successful at a new level should you have the required finance.
- Market Opportunity – set the stage here and inform your reader about the problem that your product or service solves. Show them the gap in the market that you have identified. Emerging trends and technologies should be discussed here.
- Company Synopsis – This is where you get to talk about what you are doing exactly and why it is great. It will tell the reader what your company currently provides and how it has performed to date.
- Revenue Model – Time to get down to the bottom line here, literally. Clearly illustrate your current margins and turnover, detail your revenue sources and price points.
- Financial Overview - Following on from your revenue model, you will want to include at the end of your proposal a cashflow statement, income statement and balance sheet. All of these represent different aspects of a company's financial health.

If you are finding it difficult to do a business plan, speak to us today.

BORDER STIMULUS PACKAGE

Now that Brexit is a reality, there is a renewed focus on innovation, competitiveness and diversification a strong business strategy for Irish companies.

To support this strategy the Minister for Business, Enterprise and Innovation, Heather Humphreys, TD recently announced the details of a special €28 million economic stimulus package for the Border region.

Given the closely integrated supply chains across this region, the fund is specifically designed to help the counties most impacted from Brexit; Donegal, Sligo, Leitrim, Cavan, Monaghan and Louth.

The main objective of the €28m stimulus package is to support businesses across the region to strengthen their resilience and capabilities and drive economic activity.

Enterprise Ireland is responsible for the administration of:

- A €15 million competitive Border Enterprise Development Fund
- A €8.5 million Brexit Transformation Fund

The package also includes the allocation of €3 million to the six Local Enterprise Offices (LEOs) located in the border counties to establish development programmes for ambitious micro and small firms. In addition, Science Foundation Ireland (SFI) will administer €1.5 million to Industry Fellowships targeted at businesses located in Border counties.

THE BORDER ENTERPRISE DEVELOPMENT FUND

The €15 million competitive Border Enterprise Development Fund is aimed at fostering collaborative projects that have the potential to drive entrepreneurial and innovative capability in the region.

Applications for this fund opened on Wednesday, 5th of February 2020 and closes on March 25th.

THE BREXIT TRANSFORMATION FUND

The Brexit Transformation Fund opened for applications on Wednesday, February 5th, 2020 and closes on the 8th of April 2020. Companies are encouraged to examine all aspects of their operations to enable transformative changes to their business in response to Brexit.

To find out more about this fund and its application process, please contact your Enterprise Ireland Development Advisor (DA) or alternatively you can contact the Enterprise Ireland Regional Office in Sligo or Dundalk.

Full details of these funds including eligibility and application processes can be found on **www.enterprise-ireland.com**

STATE FINANCIAL SUPPORT FOR SMEs IN IRELAND

Supportingsmes.ie is a cross-governmental initiative to help Irish start-ups and small businesses navigate the range of Government supports to see which you could possibly apply for. By answering the eight quick questions in the Online Tool, a small business will, in one location be able to:

- Find out which of the over 170 Government business supports from 27 different Government Departments, Agencies and Initiatives are available to them;
- Obtain information on the range of Government supports for accessing credit;
- Be told their nearest Local Enterprise Office to discuss the outcomes of the guide further, and;
- Be able to download all these filtered results into a document for their further use.

NEW FORMS OF BUSINESS FINANCE CONTINUED...

WHERE DO THEY FIT
WHO PROVIDES THEM
AND HOW DO THEY COMPARE?

FOLLOWING ON FROM OUR LAST EDITION'S ARTICLE WHICH WAS WELL RECEIVED, WE REVIEWED EQUITY FUNDING, MEZZANINE FUNDING, AND INVOICE FINANCE. THIS ARTICLE WILL FOCUS ON THE UBIQUITOUS PEER-TO-PEER (P2P) LOANS AND CASH ADVANCE FACILITIES.

P2P LOANS

Peer-to-peer (P2P) lending enables individuals to obtain loans directly from other individuals, cutting out the financial institution as the middleman. This type of facility is typically in the form of a term loan with fixed monthly repayments. The difference between a peer-to-peer loan and a traditional bank term loan is that the capital is provided by multiple retail lenders (individuals) instead of a bank fund.

P2P Platforms act as the intermediary between retail lenders and small businesses.

While ultimately the capital from banks is retail money, the lending of this money is regulated by the central bank. In contrast, there is no regulation in place for retail lenders that lend via P2P. P2P retail lenders tend to have a higher risk appetite and are willing to lend to businesses that banks may otherwise say no to. Because P2P lenders are typically not the lenders of funds (i.e. balance sheet lenders), they focus on providing the credit assessment, management and administration of the loan between the business and the retail lender. The security needed for these loans is a mixture of unsecured and secured, depending on size of the loan and provider criteria. P2P loans tend to be more expensive than a bank loan. Some peer-to-peer lenders that operate in Ireland include Linked, Flender or Property Bridges.

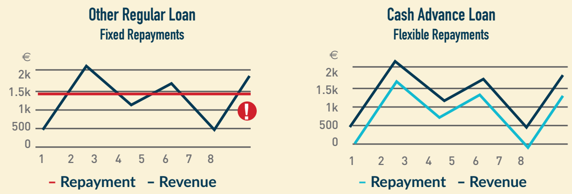
As P2P funding is growing in popularity, it should also be noted that the term peer is now evolving to include alternative finance providers who are using P2P platforms as a means to utilise their investment funds.

Given this evolution, it means the P2P environment is growing steadily and is a very viable option for businesses to seek funding. Also as the market is now maturing, the application processes are much more streamlined and user friendly.

CASH ADVANCE

This is the newest type of loan to the Irish market and is one that is typically secured against future card receivables of the business (revenue collected by debit/credit card payments). This option is particularly beneficial to businesses that operate a seasonable trade as it offers proportional repayments in line with a business's cash flow. These flexible repayments make this type of loan a good alternative to an overdraft. While an overdraft can be retracted at any time by the bank without any notice, a cash advance can't be retracted as funds are drawdown before the repayment process begins. It is specifically designed as a rolling credit facility, allowing the borrower to drawdown additional funds once a certain percentage of the original facility has been repaid. Because the security is predominately based on the future receivables of card takings, the residual risk to the provider translates to a cost of capital that is higher than a traditional bank loan.

Flexibility of repayments can have significant impact on cash flow.



COMPARING APPLES AND ORANGES

When it comes to choosing a finance product for your business, not every Euro is equal. Lifecycle stage aside, the typical approach used to compare products is the cost of capital using APRs. However, this is flawed for a number of reasons. Firstly, a quoted APR may not include credit report fees, legal fees, appraisal fees or inspection fees. Secondly, an APR does not represent other vital attributes of a finance product such as flexibility, security and covenants, early repayment penalties, out-of-schedule repayment and administration fees etc. And lastly, access, both immediate and future. By using an easily accessible and fast, but potentially more expensive product now, can save a business the opportunity cost of time spent on traditional hoop-jumping loan applications (only to potentially receive a decline). Non-Bank lenders are typically good at giving a fast 'yes' but just as important is getting a fast 'no' where a deal does not fit their criteria. This save time otherwise spent on cumbersome application processes. Where possible, work with a business advisor who is savvy enough to consider a products fit for a business beyond APRs.

GRID Finance

RECORD KEEPING – EMPLOYERS OBLIGATIONS

The Workplace Relations Commission (WRC), seeks to achieve a culture of compliance with employment law by working with individual employers through an inspection process. An employer can help the WRC in achieving this by having his/her employment records available and up to date at the time of the inspection. The following list outlines the standard records that employers must keep and which a WRC Inspector will require access to during the course of an inspection:

1. The completed template sent with the inspection appointment letter or the same information in a similar format.
2. Employer registration number with the Revenue Commissioners.
3. List of all employees including full name, address and PPS number for each employee (full-time and parttime).
4. Written terms of Employment for each employee.
5. Payroll details (including Gross to Net, Rate per hour, Overtime, Deductions, Shift and other Premiums and Allowances, Commissions and Bonuses, Service Charges, etc.).
6. Evidence that the employer has provided payslips to employees.
7. Employees' job classifications.
8. Dates of commencement and, where relevant, termination of employment.
9. Hours of work for each employee (including starting and finishing times).
10. Register of employees under 18 years of age.
11. Details of any board and/or lodgings provided to employees.
12. Holiday and Public Holiday entitlements received by each employee.
13. For non-EEA nationals1 , employment permits or evidence that permits are not required.
14. Any documentation necessary to demonstrate compliance with employment rights legislation.

Additional records may be required to be held depending on the sector/business involved. There are minimum periods for which these records must be kept (generally three years).

THE CONSUMER INSURANCE CONTRACTS ACT 2019

The Consumer Insurance Contracts Act 2019 (the Act) was signed into law by the President of Ireland on 26 December 2019. The Act, which represents a major overhaul of Irish insurance law, applies to life and non-life insurance "consumer" contracts i.e. contracts with individuals or businesses with a turnover of €3million or less. Some of the key changes to be introduced include:

Insurable interest – an insurer cannot refuse cover merely because the consumer's name was not specified in the policy, also a claim by a consumer under an otherwise valid insurance contract cannot be rejected by the insurer because the consumer does not have an insurable interest in the subject matter of the contract.

Replacement of the utmost good faith principle – a consumer's pre-contractual duty of disclosure is limited to responding to specific questions posed in writing by the insurer. Consumers are not required to volunteer any information beyond that. The insurer must also ensure that the questions it asks are specific, unambiguous and clearly drafted.

Proportionate remedies for misrepresentation – insurers are not permitted to avoid a contract of insurance where a consumer makes an innocent misrepresentation.

The remedy available to an insurer for negligent misrepresentation must be proportionate and reflect what the insurer would have done had it been aware of the full facts.

Basis of contract clauses no longer valid – any term in a contract of insurance that seeks to convert a statement made by a consumer into a warranty will be invalid.

Right of third parties to claim against insurers – where a policyholder has died, become insolvent, cannot be found or where "for any other reason it appears to a court to be just and equitable to so order", injured third parties intended to benefit under an insurance contract may make direct claims against an insurer.

The Act will come into operation on by order of the Minister for Finance, which is expected to be in the early half of

CONSUMER PROTECTION (GIFT VOUCHERS) ACT 2019

The Consumer Protection (Gift Vouchers) Act imposes a minimum expiry date of five years for vouchers and bans contract terms which require them to be spent in a single transaction.

The new law will also ban contract terms that limit the number of vouchers that can be used in a transaction and prohibit the cancellation of gift vouchers or the imposition of charges by airlines if the name of a gift voucher recipient differs from the name on a passport.

In passing the laws in December 2019, Ireland has become the first European country to enact legislation protecting consumers in this area.

The Bill also includes provisions that ban a number of unfair terms in gift voucher contracts.

The first of these provisions outlaws any term in a gift voucher contract that requires the full value of a voucher to be spent in one transaction.

Where a gift voucher cannot be used more than once and the consumer does not redeem the full amount of the voucher in an initial purchase, the business will be required to reimburse any remaining balance of more than one euro by way of cash, electronic transfer or voucher.

A second provision bans contract terms that prevent consumers from using more than one gift voucher in a transaction.

THE DIGITAL PARADOX FACING THE MEDIA INDUSTRY IN 2020

Technology will continue to redefine the media landscape in 2020, creating opportunities and challenges for marketers. As ad spend on social and tech platforms continue to grow; technology innovations will also enable a renaissance in real-world engagement. According to Kantar's global 2020 Media Trends & Predictions report, marketers and media owners will be challenged to develop the skills, engagement models and measurement capabilities to meaningfully engage consumers in the crowded media landscape.

Kantar predicts there will be a digital paradox; while new and evolving media channels will create opportunities, the deluge of digital touchpoints will make it more difficult to connect with consumers. Marketers will also need to navigate the 'data dilemma,' meeting consumer demand for relevant, personalised content, without breaching trust and privacy. And as third-party cookies start to crumble, advertisers will need to find alternative measurement solutions.

Kantar's 2020 Media Trends and Predictions fall into three major themes:

THE TECHNOLOGY TRENDS TRANSFORMING THE MEDIA LANDSCAPE:

- 5G finally gets real: The marketing industry will be one of the key beneficiaries of the 5G era, enabling far greater capabilities to reach and engage with consumers but taking advantage of the 5G opportunity will require a significant transformation from marketers.
- The battle of the streaming platforms heats up: New players will see the battle of the streaming platforms heat up, but an increasingly cluttered market will drive subscription fatigue among consumers.
- Turning up the volume: Brands will turn up the volume and find their voice as we enter a new age of audio advertising. Newer audio channels are poised to gain mainstream prominence.

Content meets commerce: Content and commerce will converge as 'shopvertising' evolves from shoppable social to shoppable TV and digital out-of-home resulting in a contraction of the closed-loop marketing cycle.

THE SPACES THAT BRANDS CAN CREDIBLY OCCUPY:

- Brands get back to reality: Brands will balance their digital presence with more real-world experiences, meaning we could see a slowdown in the pace of digital advertising growth.
- Brands take a stand: Taking the lead from consumers, brands will become more radical in 2020. But they need to ensure their media strategy is aligned with their values and purpose.

- Just grow up: influencer marketing must measure what matters: Influencer marketing will mature as brands start to collaborate more deeply and take measurement more seriously in 2020.
- Get ready to play: E-sports are a form of sports competition using video games. E-sports will go mainstream over the next 12 months, presenting lucrative opportunities for the media owners and advertisers that learn the rules of the game.

THE CONTEXT AND CATALYSTS FOR CHANGE:

- Turn and face the change: The trend towards media in-housing: The trend towards media in-housing will continue as more brands build their own teams of digital experts, pushing agencies and advertisers out of their traditional comfort zones, into a new collaborative and exciting space.
- Cookies start to crumble: Changing the recipe: The demise of cookies could leave many marketers in the dark. Advertisers need to prepare now for the new "mixed economy". Direct integrations between publishers and measurement partners will enable true cross-publisher measurement for the first time.
- The data dilemma: Doing the right thing with data: Faced with impending legislation like the California Consumer Privacy Act in January 2020, privacy ethics will come to the fore and marketers will design personalisation initiatives with a people-first, rather than tech-first, mentality.