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1 Quick Facts

Here you find general information about Ireland.

Key Strengths

The complexity of the Republic of Ireland (Ireland) localization is low as the country is well established in the SAP solution.

Challenges

Brexit – in 2020 UK will leave the European Union. This may result in several legal changes and new legal requirements in Ireland.

Legal Compliance

<table>
<thead>
<tr>
<th></th>
<th>FI/Logistics</th>
<th>Human Capital Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Complexity Ranking</td>
<td>Low Complexity</td>
<td>Low Complexity</td>
</tr>
<tr>
<td>Frequency of Legal Changes</td>
<td>Dynamic, over the year</td>
<td>Dynamic, mostly at year beginning</td>
</tr>
<tr>
<td>Official Local Language</td>
<td>English</td>
<td>English</td>
</tr>
</tbody>
</table>

Language

English
2 Recommendations and General Information

Highlights in Financial Accounting

- General Ledger
- Taxation
- Accounts Payable
- Materials Management

Highlights in Human Capital Management (HCM)/Payroll

- Personnel Management including talent management and talent development
- Personnel Administration
- Time Management
- Payroll
- Employee Self Service (ESS)
3 Support Legal Requirements

3.1 Cross-Function Requirements

- Euro is the local currency
- A company should do their legal reporting in this currency
- No other hard or index currency reporting is required
- A company may trade (buy and sell) in any currency but all VAT accounts and amounts in foreign currencies must be converted to EURP for reporting purposes
- Invoices must show EURO figures for net totals and VAT
- The latest selling rate recorded by the Central Bank at the time the VAT becomes due should be used to convert foreign currency invoices. The Central Bank rates for most major currencies appear daily in newspapers.
- With agreement of The Revenue an alternative method of determining the exchange rate can be used, for example, a rate determined on a calendar month basis.
- Main language is English.

3.2 Financial Accounting (FI)

Chart of Accounts

There is no legally prescribed chart of accounts for Ireland. As a subsidiary of an international company it is possible to have a local chart of accounts and:

[a] have a mapping to the group chart of accounts
[b] have additional accounts that can be used for group reporting.

With the use of parallel ledgers in the General Ledger it is possible to have two ledgers:

- Local GAAP
- IFRS

Alternatively, the chart of accounts can be extended to report IFRS as well as local GAAP.
Taxation

Value Added Tax (VAT)

A customized tax calculation procedure is provided for Ireland. The procedure contains the necessary condition types for VAT calculation.

The VAT Return for reporting output and input VAT is provided:

- ECC – The Advanced Return on Sales and Purchases Report (RFUMSV00)
- S4 – Advanced Compliance Reporting (ACR).

SAP will validate the VAT registration number. The number consists of the country code IE followed by eight characters, for example 1234567X or 1X23456X

VAT Invoice numbers should be from a series that is unique and sequential for all document types.

There is no prescribed format for a VAT invoice, however, there is a certain amount of information that be shown.

The two thirds rule applies in Ireland for VAT. Where the provision of a service also involves the supply of goods or, alternatively, the supply of goods also involves the supply of a service, the rate of VAT applicable to the service can be used provided that the value of the goods does not exceed two-thirds of the total charge.

EC Sales List (VIES)

VIES only applies to exports within the EU. VAT registered traders in Ireland supplying goods and services to VAT registered traders in other EU member states without charging Irish VAT must complete a VIES return for the Revenue.

SAP supports the EC Sales List for Ireland in the VAT Information Exchange System format.

Intrastat

Intrastat applies to all imports and exports within the EU. All VAT registered traders must complete Boxes E1 and E2 on the VAT3 return. SAP enables you to prepare the Intrastat declaration as required in Ireland.

Withholding Tax

In Ireland a special Withholding Tax, known as Relevant Contracts Tax (RCT) applies to subcontractors working in the construction, forestry or meat processing industries.

The RCT applies to payments made by a principal contractor to a subcontractor under a relevant contract. This is a contract to carry out or supply labour for the performance of relevant operation in the aforementioned industries.

RCT is a tax deduction system whereby the Principal Contractor:

- Notify the Revenue of a contract that they are entering into with a subcontractor (Contract Notification)
- Notify the Revenue anytime a payment is due to be made to the subcontractor (Payment Notification)
- Will receive a deduction authorisation from the Revenue detailing the withholding tax code to be applied and the amount of the deduction.
- Will receive a deduction summary which lists all the payment notification and the amount of tax to be paid to the Revenue
3.3 Accounts Payable (FI-AP)

SAP supports the following payment methods as used by companies in Ireland:

- Cheques
- SEPA Credit Transfers
- SEPA Direct Debits
- Foreign bank transfers – there is no standard format in the . It is possible to use the generic MT101 and MT103 file formats.
- Formats available for importing bank statements are CAMT.053 version 2 and MT940
4 Human Capital Management Requirements and Payroll for Ireland

4.1 Payroll

The Payroll component for Ireland enables you to process payroll for employees in Ireland in accordance with statutory regulations. It provides all the necessary functions to:

- Calculate employees’ gross remuneration
- Calculate company absence entitlements and payments
- Calculate employees’ net remuneration, making all statutory and voluntary deductions:
  - Income Tax
  - Universal Social Charge (USC)
  - Pay Related Social Insurance (PRSI)
  - Local Property Tax (LPT)
  - Pension Contributions
  - Additional Superannuation Contributions (ASC)
  - Voluntary Health Insurance (VHI)
  - Any other voluntary deduction necessary
- Payslips can be printed or made available via ESS
- Create Payroll Submissions for Revenue
- Process incoming Payroll Notification (RPN) from Revenue

4.2 Reporting

- Statutory reporting between employer and Irish Revenue
  - RPNs (Revenue Payroll Notification)
    - Payroll submissions
  - CSO (Central Statistics Office) report
  - ASC reports for Public Sector
  - Pension report
  - VHI report
  - Reports for occupational sickness
    - Absence data overview
    - Absence spells analysis
    - Absence pattern analysis
  - Exception Messages Report
5 Information Repositories

Latest legal changes are announced on the [SAP One Support Launchpad](https://launchpad.sap.com)

[United Kingdom and Ireland Globalisation Services jam group](https://jam.sap.com)
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