

Exemption from corporation tax of certain securities issued by Minister for Finance. FA85 s69 44.—(1) In this section—

“control” shall be construed in accordance with subsections (2) to (6) of section 432, with the substitution in subsection (6) of that section for “5 or fewer participators” of “persons resident in a relevant territory”;

“foreign company” means a company which is—

- (a) not resident in the State, and
- (b) under the control of a person or persons resident in a relevant territory;

“qualifying company” means a company—

- (a) (i) which is resident in the State and not resident elsewhere,
- (ii) whose business consists wholly or mainly of—

(I) the carrying on of a relevant trade or relevant trades, or

(II) the holding of stocks, shares or securities of a company which exists wholly or mainly for the purpose of the carrying on of a relevant trade or relevant trades,

and

(iii) of which not less than 90 per cent of its issued share capital is held by a foreign company or foreign companies, or by a person or persons directly or indirectly controlled by a foreign company or foreign companies,

or

- (b) which is a foreign company carrying on a relevant trade through a branch or agency in the State;

“relevant territory” means the United States of America or a territory with the government of which arrangements having the force of law by virtue of section 826 have been made;

“relevant trade” means a trade carried on wholly or mainly in the State, but does not include a trade consisting wholly or partly of—

- (a) banking within the meaning of the Central Bank Act, 1971 ,
- (b) assurance business within the meaning of section 3 of the Insurance Act, 1936 ,

(c) selling goods by retail, or

(d) dealing in securities,

but goods shall be deemed for the purposes of this definition not to be sold by retail if they are sold to—

(i) a person who carries on a trade of selling goods of the class to which the goods so sold to such person belong,

(ii) a person who uses goods of that class for the purposes of a trade carried on by such person, or

(iii) a person, other than an individual, who uses goods of that class for the purposes of an undertaking carried on by such person.

(2) Any security which the Minister for Finance has power to issue for the purpose of raising any money or loan may be issued with a condition that any interest arising on such security shall not be liable to corporation tax so long as the security is held continuously from the date of issue in the beneficial ownership of a qualifying company to which the security was issued.