



The Knowledge Development Box (KDB) is an OECD compliant Patent Box that provides companies with additional incentive to develop, commercialise and retain innovative technology in Ireland. Introduced in 2016, the KDB is a key part of the Irish Government's competitiveness and economic growth agenda, and is designed to complement the other innovation tax incentives available in Ireland.

The KDB innovation tax incentive represents a significant opportunity for companies in Ireland that undertake innovative activities to avail of a 6.25% effective corporate tax rate for profits generated from commercialising certain intellectual property ("IP"). This provides the potential for companies to halve their corporation tax bill in respect of profits qualifying for the KDB.

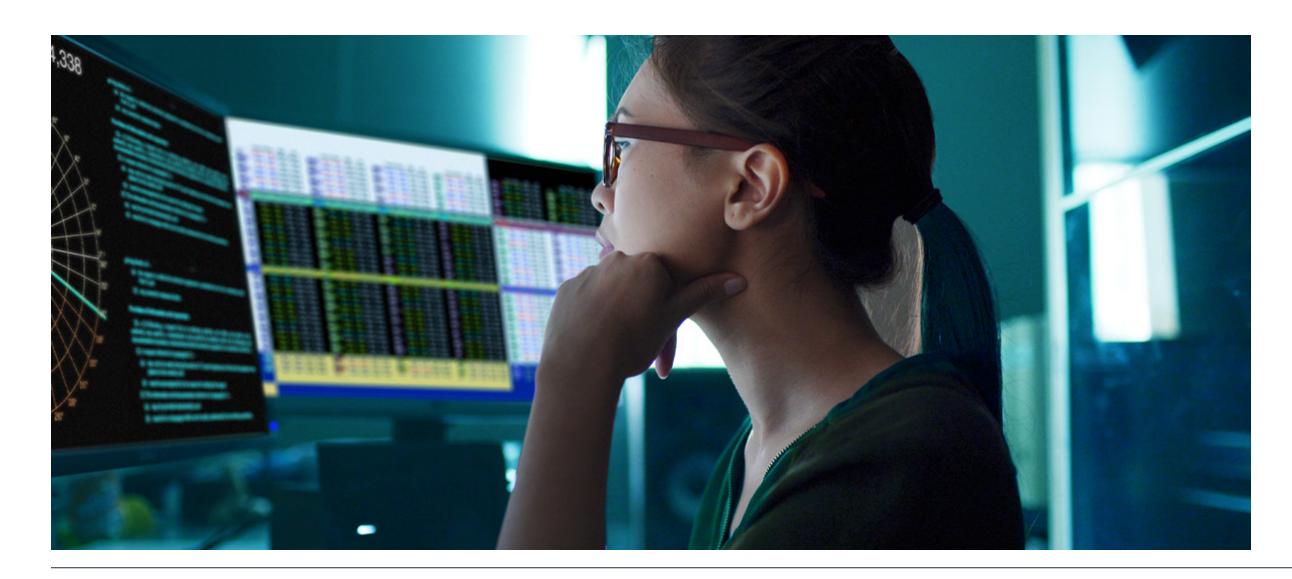
The relief must be claimed within a two year period from the end of the accounting period to which the claim relates. To obtain maximum benefit from the KDB regime, the profits generated from the IP must typically flow into the same entity undertaking the R&D activities that led to the IP creation.

As a result, there may be opportunities to embed significant efficiency improvements in processes for capturing, analysing, tracking and tracing qualifying R&D expenditure levels for the purposes of both the R&D tax credit and a KDB claim.

Why act now?

What growth could you achieve if you had additional funding? What we are hearing from multinational businesses and Irish SMEs:

- Want to manage your cash tax more effectively?
- Want to increase your investment in R&D but don't have the available cash?
- ► The tax authorities want more detail.
- ► How does KDB work with existing reliefs for intangible assets?
- Can you qualify for KDB if you don't patent your inventions?



Is the KDB relevant for you?

Does your company carry out R&D?

Does your company have an invention that is or can be protected by a patent or copyright?

Incentives for innovation in Ireland

- ► 12.5% tax rate
- ► 25% refundable R&D tax credit
- Tax relief on qualifying IP
- ► KDB 6.25%
- Grant aid

Knowledge Development Box

How can EY assist you with making a KDB claim?

Assess

Feasibility study to assess opportunities to avail of KDB for qualifying profits within two years of the end of the current accounting period

Qualify and Quantify

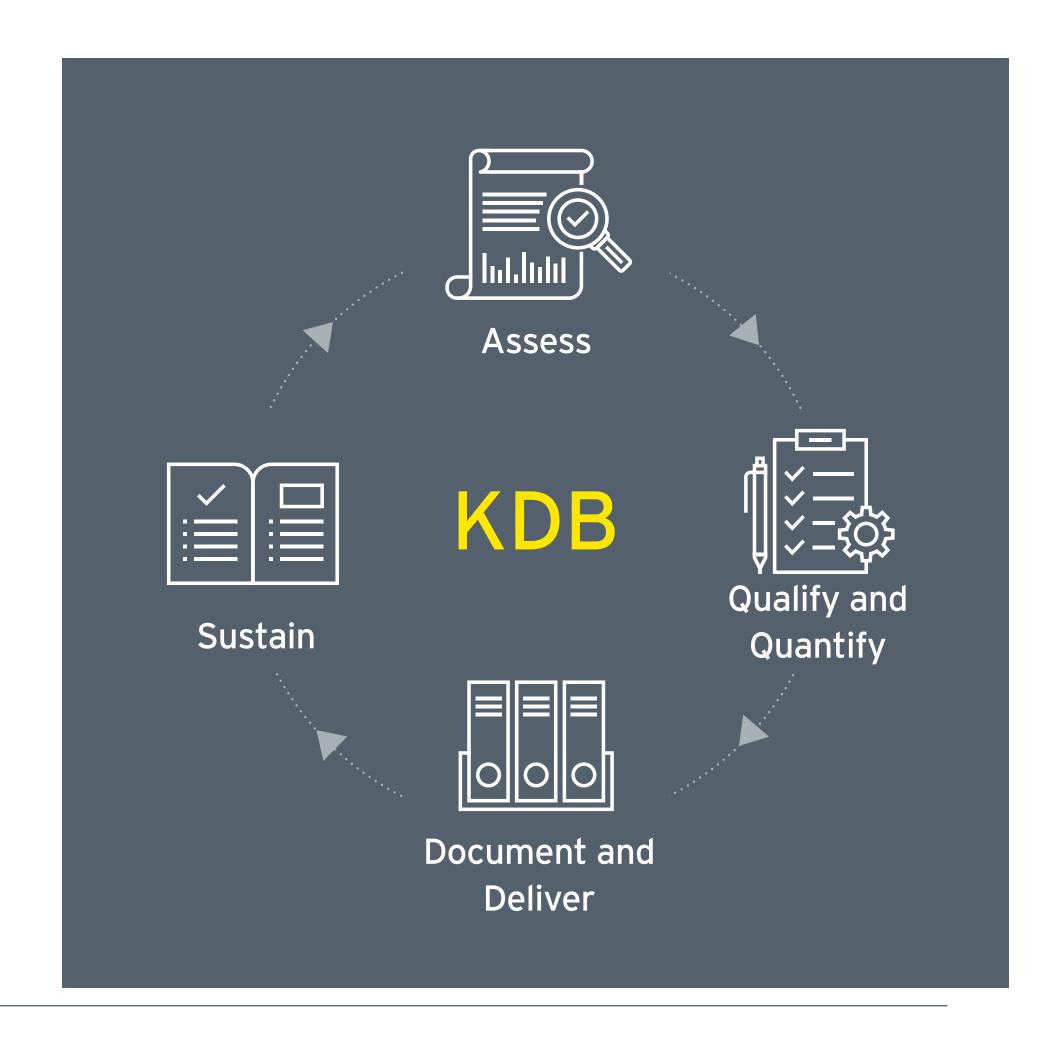
Our experienced scientists, engineers and tax specialists provide a bespoke systematic approach to qualifying and quantifying claims with minimal disruption to your organisation

Document and Deliver

Our multidisciplinary team maximise the level of your claim by ensuring appropriate documentation is in place to support all elements of your claim

Sustain

Through building your claim, we develop tailored and robust methodologies for processes and documentation requirements which act as a template for future claims



Knowledge Development Box

EY Innovation Incentives Team

Our Innovation Incentives team has a proven track record of offering a uniquely integrated service to clients by combining the skills of experienced engineers, scientists and qualified tax advisors.

- We have expertise in relevant sectors
- We understand the requirements of tax authorities
- We are a multidisciplinary experienced team
- We use tailored methodologies relevant to you/your sector

Visit ey.com/en_ie/tax/innovation-incentives to find out more



Find out more



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