

## **The Employment Investment Incentive Scheme for Tourism Fáilte Ireland Guidelines**

### **Background:**

The new Employment Investment Incentive Scheme ("EII"), which has replaced the existing Business Expansion Scheme (BES), was first announced in the Budget and is contained in the Finance Act 2011. The purpose of EII is to enable a company to have a share issue which, under the scheme of tax relief for investment in corporate trades, will attract tax relief for individual investors.

The function of Fáilte Ireland in respect of the EII is to assess, on behalf of the Revenue, whether tourism applications satisfy the criterion of a tourism undertaking. A listing of the various tourism undertakings which qualify for EII can be found at Appendix I below.

Full details of the EII, to include definitions, limitations, investment ceilings, tax relief and rules, can be found at the website of the Revenue Commissioners ("Revenue"), [www.revenue.ie](http://www.revenue.ie)

The issue of an EII Certificate of approval by Fáilte Ireland is confirmation that a company qualifies as a tourism undertaking. Such approval should not be taken as confirmation that:

- A. The company will be regarded by Revenue as a qualifying company. The question of entitlement to relief is a matter to be agreed with Revenue.
- B. Fáilte Ireland have assessed or considered the level or likelihood of risk associated with an investment in a qualifying entity.

### **Application Process:**

All applications for EII should be made electronically to Fáilte Ireland via the following email address [EII@failteireland.ie](mailto:EII@failteireland.ie)

Applications should include the following information/documentation:

- A business plan which gives a full description of the proposed project;
- A three year marketing plan which details the activities to be undertaken across each of the three years, with the respective cost of each activity. This will be used to confirm that 8% of the EII monies raised will be discharged on out of State marketing;
- Five year financial projections to include profit and loss and balance sheet;
- Copies of the company's certificate of incorporation and memorandum and articles of association;
- Contact details, email and telephone numbers, of the promoters;
- Confirmation of which tourism undertaking the company qualifies under; and
- An upper limit applies to the proportion of total assets which can be devoted to land and buildings *excluding fixtures and fittings*. Such interest should normally be held freehold, but a leasehold with sufficient interest, e.g. 20 years or more, may be acceptable. Where applicable, it will be necessary to supply an auditor's certificate

confirming that the applicant company's interest in land and buildings does not exceed 90% of total assets.

The application is a consultative process and applicants will be afforded the opportunity to provide additional information to support their application.

### **Approval:**

Applicants will be informed of the progress of their applications on an ongoing basis. Where applications are successful, a Certificate of Approval will be issued directly to the applicant by Fáilte Ireland. All EII companies applying under tourism will be required to evidence such Fáilte Ireland approval in order to progress an EII application with the Revenue.

### **Post Approval:**

Fáilte Ireland has responsibility to monitor the implementation of the marketing and business plan over a three year period starting from the date the company commenced to carry on the qualifying trading operations. Failure to comply with the approved plans could invalidate the entitlement to relief under EII and in that event, Fáilte Ireland will notify the Revenue of non-compliance.

Fáilte Ireland will therefore maintain contact with approved companies in order to monitor the progress made since starting.

## **Appendix 1 Qualifying Tourism Undertakings**

### **A.** *Accommodation Facilities*

- Caravan and camping Sites that include an onsite food service facility\*
- Holiday hostels that include an onsite food service facility\*
- Holiday camps \*\*

### **B.** *Approved Tourist Facilities*

- Boat/cruiser/passenger boat/water craft hire\*\*\*
- Horse drawn caravan hire\*\*\*
- Equestrian centres
- Sailing/yachting centres/marinas
- Sub-aqua centres
- Heritage houses, castles, gardens: improvement and development of ancillary services for tourism
- Sea angling boat hire\*\*\*
- Game fisheries angling facilities
- Commercial golf facilities (pay-as-you-play) (see Appendix 3)
- Interpretative centres
- Chauffeur-drive operations for tourism only\*\*\*
- International conference centres\*\*\*\*
- Outdoor pursuits, activity centres
- Tourist guide agencies
- Tour coach services\*\*\*
- Campervan hire\*\*\*

\* In the case of caravan and camping sites or holiday hostels, the facility concerned must provide evidence, to Fáilte Ireland's satisfaction, that meals will be provided onsite to staying guests by the facility operator.

\*\* In the case of holiday camps, meals and refreshments must be provided on site.

\*\*\* In all instances in which a company proposes to supply to tourists any form of transportation, information must be provided to satisfy Fáilte Ireland that the company's total fleet is sufficient to provide the proposed service. In the event that the company's fleet is deemed too small, satisfaction should be provided as to the company's access to supplementary fleet, e.g. contract hire.

\*\*\*\* An international conference centre facility must be attached to accommodation classified as Four Star or higher by Fáilte Ireland and offering a minimum of sixty-five bedrooms and be a dedicated meeting space with its own reception and lobby area, but be readily accessible to a Business Centre serviced with computers, printer, fax, photocopying and related services. In addition the meeting rooms concerned must comply with the following criteria:

There must be a minimum of four meeting rooms, one of which must be capable of seating a minimum of 50 people classroom style, with dining / banqueting facilities for this number separate to the conference room (and not the hotel/other facility main dining room) and three additional syndicate rooms each capable of holding a minimum of 15 people. No form of bar facility is to be contained *within* the meeting rooms and Fáilte Ireland must be satisfied that the design is such that the rooms are not principally provided such that they can be adapted to the requirements of non-meetings business. In addition it is required that the rooms are:

- dedicated meeting rooms isolated from public areas;
- located conveniently for other services required by delegates;
- accessible to wheelchair and mobility-impaired users;
- with controls for ventilation and heating within the meeting room for guests direct use;
- lighted to a maintained luminance of 500 lux;
- with lighting controls in the room and enable split lighting over/near the projection screens;
- adequately sound proofed for secure discussion and from noise outside the room;
- capable of being secured with access under the control of the meeting organisers;
- supplied with spacious and hard surface tabling with ergonomically designed comfort seating appropriate for prolonged use – minimum four hours;
- with sufficient in-room power sockets together with appropriate provision of audio visual equipment;
- equipped with high-speed internet access through provision of either hard-wired or wireless;
- designed to allow natural light;
- capable of being effectively blacked-out;
- supplied with a telephone connection; and

- located nearby accessible toilets.

C. The promotion outside the State of any of the facilities mentioned at (A) and (B) above, along with accommodation which has been registered by Fáilte Ireland.