

Industrial Development – IDA and Enterprise Ireland Grants

Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2019

Most relevant to

- All Irish businesses
- Owners of, and investors in, Irish businesses
- Irish-based businesses which might need Irish Government aid because of Brexit



Sheena Doggett
Partner, Corporate and M&A
+353 1 649 2332
sdoggett@algoodbody.com

What does the Act say?

The provisions of the Act would enable Enterprise Ireland (EI) to increase the level of support for Irish businesses beyond the levels they have been previously permitted. This would be through a range of increased levels of investment, loans and grants, designed to limit the negative effect of Brexit on small and vulnerable Irish businesses.

Stronger commitment to R&D grants

- Irish businesses will now be permitted to avail of grants to support research activity overseas where those research needs cannot be met in Ireland. Previously, to avail of a R&D grant from EI, the R&D activity had to take place within the State. This development facilitates critical research needs of Irish companies and Irish companies undertaking any R&D abroad should consider whether such R&D could be aided by a grant from EI.
- Research grants can also now be provided up to EU limits of 70% of the approved R&D costs for small enterprises, 60% of the approved R&D costs for medium enterprises and 50% of the approved R&D costs for large enterprises, subject to an overall cap of €7.5m. This

was previously restricted to 50% of the approved costs of the R&D concerned. EI will also be permitted to make advance payments of R&D grants to companies (regardless of size) where doing so will enhance the prospects of the business' sustainability. Companies that avail of R&D grants should assess whether they should reapply for the extended amounts.

- For the first time, businesses in the horticultural sector will be able to apply for R&D grants from EI.

General increase in support and flexibility for funding Irish businesses

- EI will be permitted to grant loans to or enter into convertible loan notes with Irish companies for amounts up to €7.5m.
- There will be an aggregate limit of €15m placed on giving grants, taking shares, issuing convertible loan notes and lending to Irish companies.
- While amounts in excess of an aggregate limit of €15m can be granted, Government consent would be required for any amount in excess of the €15m limit placed on EI.