



## Knowledge Development Box:

**First Irish measure of its kind fully compliant with the OECD "modified nexus" approach**

Ireland's Finance Act 2015 introduced a corporation tax relief: Knowledge Development Box. The KDP is an Irish counterpart of an otherwise known Patent Box regime that allows to tax profits from qualifying patented innovations and copyrighted software at a 50% lower rate (6.25% instead of 12.5%).

The Irish KDP meets the "modified nexus" approach set by the OECD under the BEPS initiative. Under the nexus approach, the R&D expenditure is used as a proxy for substantial activity and therefore links benefits to the requirement to have undertaken the R&D expenditure incurred to develop the intellectual property.

**Quality, comparability and contemporaneous data is key for any Patent Box analysis**

RoyaltyRange intellectual property royalty rates database is a trustworthy tool for the **Irish royalty rate analysis** :

- ✓ We focus on recent third-party licence agreements covering European region and worldwide territory;
- ✓ Our database contains an extensive range of data on royalties paid for patent and software licensing;
- ✓ Our database consists of agreements with disclosed royalty rates in percentages;
- ✓ Our data is compliant with the OECD BEPS measures and the upcoming EU Anti Tax Avoidance Package.