

Minutes
Indirect TALC Meeting
7^h June 2017 @10.30 am
Basement Conference Room, Stamping Building, Dublin Castle

Item 1 – Minutes of the last meeting

- The minutes of the meeting held on 30th March 2017 were approved.

Item 2 – Transfer of Business

- It was noted that Revenue had circulated draft guidance for observations. It was agreed that the committee would revert within two weeks with comments and that a revised draft would be circulated to the committee prior to publication.

Item 3 – Revenue website redesign

- As the new website had just been launched Revenue provided an overview of the changes and demonstrated the key features of the site.
- The feedback link on the website was highlighted and practitioners were asked to utilise this facility as a means of improving the site.
- Practitioners asked that the index of VAT guidance content published recently be expanded to indicate where guidance available previously is now located.

Item 4 – Education Services Exemption

- Practitioners raised further points relating to the application of the guidance on a prospective basis and concerns in relation to certainty and consistency for taxpayers.
- Revenue reiterated that they would continue to address any issues arising on a case by case basis.
- In general, where Revenue had ruled that a service was taxable or exempt but this position has now changed then the new position would be applied on a prospective basis.
- However, for any business where an assumption was made by a service provider or his/her advisor that a service was taxable or exempt all of these businesses will be looked at on a case by case basis. Revenue cannot provide comfort on this in advance of any analysis and examination of the facts.
- Revenue stated that they were committed to providing fair and consistent treatment to all taxpayers. Where the treatment of any service supply is not sufficiently free from doubt the District will escalate the matter to RLS. Similarly, the RTS mechanism is available to taxpayers and their agents in very technical cases that are not free from doubt. Revenue will also monitor this area through the National VAT network.
- Revenue would welcome any further examples or suggestions for inclusion in the guidance that practitioners may have.

Item 5 – Joint option for taxation – practical application

- The question was raised as to whether Revenue was prepared to consider accepting that a “joint option for taxation” has been exercised where the 15th day of the following month time limit has expired and/or where the vendor charged VAT and the purchaser reclaimed the VAT

instead of the purchaser self-accounting for VAT.

- Revenue stated that issues in this area had not been referred to them in the past. The date referred to (15th of the following month) is legislated for in the VATCA and mirrors general invoicing rules so it is not open to interpretation.
- Revenue asked that more details on the specific case and any wider implications be submitted. Revenue would then be in a position to consider the matter further.
- Revenue agreed to include this as an agenda item on the National Vat Network.

Item 6 – Interest on refunds of VAT

- Revenue acknowledged the submission from the Law Society on this topic which was received the previous week. At this stage Revenue's view remains that Irish legislation is in line with EU jurisprudence and there is no need for a legislative amendment. However, Revenue will examine the submission in more detail.
- While the submission drew attention to the UK treatment it did not seem to deal definitively with the question of legality of the Irish provisions. If members want to make a further submission on this matter Revenue would be happy to review it.

Item 7 – Right of appeal for a person who suffers the cost of VAT

- Revenue acknowledged the recent submission from the Law Society on this issue. However, on review of the submission, Revenue does not believe that a substantive case for legislative change has been made. Revenue restated their view that this is a contract issue which could be resolved by the parties involved prior to signing contracts.
- Revenue noted that the submission did not propose a detailed model that would minimise the volume of appeals that might arise if access to the appeal process was extended.
- Revenue stated that it was still of the view that it would not be appropriate to impose costs on the public to provide a system to resolve matters that should be resolved between a supplier and purchaser.
- Revenue agreed that they were willing to review the issue further but only on receipt of a more detailed submission which sets out the proposed system and how it would function.

Item 8 – Larentia and Minerva

- Revenue noted that they had not circulated draft guidance as planned; this is a complex area incorporating a number of issues. Draft guidance will be circulated to the committee for their observations within 4 weeks.

Item 9 – Litdana C-624/15

- Revenue stated that they had not yet had the opportunity to consider the judgment in this case in detail. However, on a preliminary reading, Revenue does not believe that it highlights any deficiencies in the manner in which Revenue considers these cases which continues to be on a 'case by case' basis having regard to the level of due diligence carried out by the trader. This is in line with the judgment in this case.
- Revenue has published guidance in this area but will update this guidance if necessary following a more detailed review of the "Litdana" case.
- Revenue said it would put this item on the agenda for the next National VAT Network to ensure that there is a consistent approach across Districts.

Item 10 – EU Update

- As discussed at previous meetings there are a number of VAT issues under review at EU level. While most countries are in favour of the simplification measures, there are issues to be resolved but significant progress has been made.
- The request by the Czech Republic and Austria to introduce a general reverse charge mechanism for supplies in excess of €10,000 is still being debated at Council and will be discussed at ECOFIN on 16th June.
- The proposal to allow Member States to apply the same rate of VAT or a reduced rate to eBooks will also be discussed at ECOFIN.
- Article 358(a) of the VAT Directive prohibits a non-established business, with a VAT registration in one or more Member States, from using the MOSS system in respect of B2C Telecoms, Broadcasting or eService supplies. This is leading to problems of non-compliance or to onerous compliance costs for these businesses. The matter was raised at a recent Future of VAT meeting and potential solutions were discussed. Revenue invited practitioners that might have such cases to contact Revenue to explore their options.

Item 11 – AOB

- Compulsory Purchase Order (CPO) – practitioners queried when the supply takes place in relation to a CPO. The Law Society mentioned that they had received a note on this previously and that they would forward this to Revenue.
- VAT registration forms – practitioners queried whether the form could be amended to give agents an option to be registered as agent only in relation to registering the business for VAT and not as agent for filing returns. Revenue agreed to raise this query and revert at the next meeting.
- Next meeting – Wednesday, 4th October.

Action Points	Responsible	Timescale
Practitioners to send in comments on draft TOB guidance	Practitioners	2 weeks
Practitioners to make a detailed submission in relation to the “Joint Option for Taxation” issue	Practitioners	
Revenue to consider issues raised in relation to interest and VAT refunds	Revenue	Next meeting
Practitioners to make a detailed submission in relation to third party right of appeal	Practitioners	
Revenue to circulate draft guidance on Larentia and Minerva	Revenue	4 weeks
Revenue to consider “Litdana” judgment	Revenue	Next meeting
Note re Compulsory Purchase Order to be sent to Revenue	Practitioners	
Revenue to consider whether an amendment to the VAT registration form is possible	Revenue	Next meeting

Submitted for approval by Secretary – Sinéad O’Meara

Approved by TALC Committee Members

Law Society

Michael O’Connor (Chair)

Donal Kennedy

David Lawless

ITI

Brian Butler
Frank Mitchell
David Duffy

CCABI

Kevin Elliot
Norah Collender

Revenue

Gerard Moran*
Ita Foster
Dermot Donegan
Maeve O'Malley
Humphrey O'Sullivan
Chad Egan

*Designated Public Official, *Regulation of Lobbying Act 2015*