Meeting of the Irish Tax Institute/Revenue Business Division

12 June 2019

Key Points from the Meeting

1. **Overview of Business Division**

   Business Division was established on 1 November 2018, as part of the realignment of Revenue's operational structure. The division is responsible for entities with a turnover of less than €3m, and the proprietary directors of such entities.

   The division is segmented into 14 branches, managed by Principal Officers (PO), with c.1600 staff in 28 offices countrywide.

   Service to support voluntary compliance is the main area of focus for 2019. The aim is to ensure consistent treatment and the achievement of customer service standards, with the right staff in the right position to deliver on service needs. Registrations and RCT for all businesses that are dealt with by the Business Division have now been centralised under a lead PO, as part of improving service delivery.

   Four other key priorities for the division are:

   - PAYE modernisation
   - Legacy cases
   - Brexit
   - Mineral Oils

   Details on Revenue's work on these topics are outlined further below (in item 4).

2. **Business Division Branches**

   Revenue circulated an organisation chart detailing the composition of the various branches within the division, staff responsibilities and branch functions (copy attached).

   - ***Composition of the branches and branch management personnel***
     The Business Division has a case base of c.665,000 taxpayers. This includes; individuals and businesses with trading or professional income less than €3m; cases with live VAT, RCT registrations and the proprietary directors of entities dealt with by Business Division. The division contains 11 Compliance Branches, 2 Service Branches and a Divisional Office.

     Revenue takes a risk-based approach to compliance interventions. Work is underway throughout 2019 to profile and segment the division's case base with a view to managing cases consistently and in a timely fashion. Cases will be managed as closely as possible to their geographic location.

   - ***Specific responsibilities in branches***
     A PO leads each branch in the division and forms part of the Divisional Management team. Each PO also has a number of "national lead" responsibilities, for example, in relation to VAT fraud, Customs and Mineral Oils.

There are 15 RTS experts based across the Branches. 20% of their time is dedicated to RTS queries. The RTS service is now centrally managed in the Medium Enterprises Division (MED) and timeliness and standards of replies are monitored.

Revenue clarified that Assistant Principals and POs in each branch are authorised to sign CG50A.

3.   **Revenue services**

- *Telephone Service*
  Phonelines now operates on a national basis, with hubs of staff answering calls in various locations countrywide. The phone service performance has generally improved. Practitioners acknowledged improvements to the service and the welcome replacement of 1890 numbers with the lower cost "01" numbers.

- *Processing of refunds and registrations*
  Practitioners raised delays in the issues of tax refunds and instances where Revenue queries relating to refunds had been addressed, yet the refund had not issued. Revenue confirmed that timely processing of refunds is a priority for the division. Each branch also has a PO who liaises with the Collector General's Office on issues arising. Specific examples of significant delays in the issue of refunds are welcome. Revenue is open to proposals to further improve the process.

  Practitioners noted the short timeline provided in Revenue letters to respond to queries and requests and, at times, a longer waiting time to receive a response from Revenue. Revenue will discuss the issue with their management team.

- *MyEnquiries*
  ITI referred to discussions at the recently formed TALC sub-group on MyEnquiries service improvements. Two meetings have taken place to date and work is underway to:

  o   Examine sample cases for quality and timeliness of response.
  o   Increase the issue of "completion" notifications, when a request/query has been addressed.
  o   Improve online services, to allow practitioners to complete common requests on ROS.
  o   Encourage the use of the "exceptional contacts" where queries are not answered within the 20/25 working days service standard.

It was acknowledged that it may take time to see a significant improvement to the service, but significant efforts are underway to address issues raised. ITI appreciates Revenue's support at local level to improve service delivery.

Revenue reiterated that service delivery is a priority for 2019. In response to a question about queries remaining unallocated after the expiry of the 20/25-day service standard, Revenue noted that there should not be a significant number of such queries. If practitioners' experiences reflect a different position, examples can be provided via the ITI.

- *Revenue Manuals*

  Practitioners referred to the amendment of and update to Revenue Manuals, in circumstances where the related legislation has not changed. In addition, Manuals are removed from the website while they are under review, rather that remaining in place until the updated version becomes available. Revenue noted that at times Manuals may need to be updated to reflect a change in view, for example, following an appeal determination or Court decision. Discussions surrounding removing Manuals under review would be appropriate to the TALC forum.

- *EII administration*

  Practitioners outlined the considerable difficulties experienced in EII administration, including difficulties in contacting the EII unit and lengthy delays in processing correspondence and obtaining the Certificates required to claim the relief. ITI referenced a useful meeting with EII unit management and that a Revenue speaker on EII would be updating members at forthcoming member updates at four locations. The Business Division does not currently deal with EII, but Revenue noted the feedback and agreed to raise it with the relevant division.

4. **Areas of focus for the division/Information Items**

- *Projects and areas of focus for 2019 for the division*

  The main priorities for Business Division for 2019 are:

  - *PAYE Modernisation*
    Revenue's current focus is on providing support and assistance to employers. Engagement is continuing with software developers. There is a keen focus on data quality and Revenue will be conducting some "service for compliance" visits to employers and payroll agents. Real-time interventions may commence later in the year, once the regime is established. In addition, Revenue will pursue employers who are not complying with the reporting requirements and not responding to Revenue contacts.

    Practitioners referenced the inability to register an employment in advance of the employee's start date. They also suggested that training sessions at schools and colleges on how to use "MyAccount" would be useful to encourage more use of the service by employees. Revenue will convey this suggestion to Personal Division.

  - *Brexit*
    Revenue is preparing for potential outcomes of Brexit. Customs "hubs" have been established within Revenue as part of these preparations, with four hubs in Business Division and a further five hubs in MED.

  - *Legacy Cases*
    There is significant focus on legacy cases, as some cases have been outstanding for a number of years. Revenue is examining cases that could be resolved by agreement. It was agreed there is merit in engaging on cases that could be concluded through agreement.

- *Mineral Oils*

  Mineral Oils also continue to be an area of focus for Revenue with a focus on high risk traders and operators.

- ***Use of information received under AEOI and third-party data***

  Revenue uses the full range of data available to them in managing cases and expects use of e-audits going forward. The division is currently analysing its case base, to gain a full understanding of the case base and associated risks. This will allow Revenue to adopt a segmented risk-based approach later this year and into 2020. As a result, Revenue's approach to compliance interventions will change. For example, the adoption of a fully risk-based approach, with a move from the previous "old reliables" and sectoral projects.