

## Minutes of Main TALC Meeting

10 June 2016

Office of the Revenue Commissioners, Dublin Castle, Dublin 2 at 12pm

### Item 1 – Approval of minutes of meeting held 5 April 2016

- The minutes were approved.

### Item 2 – Matters arising

#### 1. Procedures for publication of TALC minutes

- The procedures for the publication of Main TALC and TALC sub-committee minutes on the Revenue website were agreed.

#### 2. Update on Consultations

- Consultation on *“The use of Intermediary-Type Structures and Self-employment Arrangements”*: 23 submissions were received by the Department of Finance and the Department of Social Protection. The Departments reported that there is a broad range of views and concerns raised in the submissions. The Departments have not indicated a date for a response to the Consultation.
- Consultation on *“4<sup>th</sup> EU Anti-Money Laundering Directive and Funds Transfer Regulation”*: 19 submissions were received by the Department of Finance and the Department of Justice and Equality. The Departments are involved in concentrated work in analysing the submissions and in legislating for the member state discretions contained in the Directive (EU) 2015/849.
- Consultation on *“Appropriate Treatment for Tax Purposes of Trade Union Subscriptions and Professional Body Fees”*: the Department of Finance indicated that this is not currently a priority item for the newly formed Government.

Practitioners queried whether Revenue views this area as complex or contentious. Revenue is not aware of any technical complexity and considers that both the legislation and published guidance is clear and free of ambiguity.

#### 3. Update on Cooperative Compliance review

- The Board of the Revenue Commissioners is currently considering this matter.
- Revenue intends to have a substantive update on this item by the end of the year.

#### 4. Update from TAC on matters raised at the meeting of 5 April 2016

- The Tax Appeals Commission (‘TAC’) responded in a letter of 29 April 2016 to the two matters raised at the meeting of 5 April 2016.

- TAC outlined that the current Commissioners do not intend to rely on determinations made by the former Commissioners, nor is it intended that such determinations made by former Commissioners will be collated and published.
- TAC outlined that there is no published practice nor are there binding rules in respect of the timing of exchange of Appellant and Respondent submissions in advance of an Appeal hearing. Matters will be decided upon by TAC on a case by case basis.

### **Item 3 – Tax Appeals System**

- *(i) Notices of Appeal:* practitioners had requested Revenue to provide guidance on the Notice of Appeal form. Revenue advised that the Notice of Appeal Form is not a Revenue document. It is a TAC document and any guidance or queries regarding the Form are a matter for the TAC. Revenue reiterated the importance of the independence of the TAC in the performance of their functions as provided for in Section 10, Finance (Tax Appeals) Act 2015.
- *(ii) Update on recent letters on existing cases:* in accordance with Section 31 of the Finance (Tax Appeals) Act 2015, Revenue has an obligation to transmit existing appeals to the TAC as soon as practicable after the Act's commencement date of 21 March 2016. Before transmitting such appeals, Revenue is required to ascertain whether the taxpayer wishes to explore a potential settlement of the appeal by agreement. This is an opportunity for taxpayers to settle open cases.

Revenue advised that s.31 Settlement Letters have issued in the overwhelming majority of cases (there are a small number where issues such as a change in taxpayer circumstances or address has delayed the issue of the letter). Taxpayers had a period of 30 days in which to indicate whether they wish to have their appeal transmitted immediately to the TAC or to enter settlement negotiations. Revenue will analyse the outcome of the 'Section 31' letters over the coming weeks and it expects a clearer picture to emerge. In those cases where there is no response to the 'Section 31' letter, Revenue will transfer the appeal to the TAC. If a taxpayer has indicated a wish to enter settlement negotiations, the local Inspector of Taxes will be in contact with the taxpayer in order to commence settlement discussions.

- Practitioners queried whether TALC would be a useful forum to channel queries to TAC on aspects of the administration of TAC. Revenue reiterated the importance of both the independence and the perception of independence of the TAC in the performance of their functions as provided for in Section 10, Finance (Tax Appeals) Act 2015. While it may arise that there are issues relating to the appeals system that are of common concern to Revenue and practitioners that might be discussed at TALC at some point, Revenue took the view that, in general, practitioner issues with regard to the appeals system should be addressed directly to the TAC.

#### **Item 4 – BEPS Implementation – update re sub-committee**

- At the meeting of 5 April 2016, practitioners requested circulation of the draft Manuals or Guidance to the Main TALC representatives in advance of the sub-committee meeting of 27 April 2016 so that any suggestions could be forwarded to their BEPS Implementation sub-committee representatives in advance of the meeting of 27 April 2016.
- The draft manual on new Exchange of Information requirements in respect of cross-border rulings, the second draft of Knowledge Development Box ('KDB') Guidance and the first draft of Country-by-Country Reporting ('CbCR') Guidance were circulated to the Main TALC representative bodies on 20 April 2016.
- The minutes of the BEPS Implementation sub-committee meeting of 9 February 2016 are published on the Revenue website.
- The KDB Guidance and the Exchange of Information requirements are agreed and it is expected that they will be published by the end of June 2016.
- A second draft of the CbCR Guidance was circulated to the BEPS Implementation representatives on 3 June 2016. Practitioners requested circulation of the second draft of the CbCR Guidance so that any suggestions could be forwarded to their BEPS Implementation sub-committee representatives in advance of the meeting of 22 June 2016.
- Revenue confirmed that the CbCR Guidance and the operation and implementation of the EU Anti-Tax Avoidance Directive will be discussed at the next meeting of 22 June 2016.

#### **Item 5 – Update on recent changes in operational responsibilities in Revenue**

- Revenue informed practitioners that their Large Cases Division ('LCD') recently carried out a case base review which generated transitions, which are still evolving, of certain taxpayers in to and out of the case management of LCD.
- As a consequence of this case base review, Revenue has configured 7 Districts as '2<sup>nd</sup> Tier'. The 2<sup>nd</sup> Tier Districts will generally be responsible for the compliance aspects of case management and, as a result, the vast majority of taxpayers should not experience a material difference in their interactions with Revenue.
- In a small number of cases, the case management of certain sectors has transitioned from LCD. For example, the case management of certain Accounting and Legal firms will be managed in future by Revenue's South West Region based in Cork and the case management of the Motor Distribution firms will be managed in future by Revenue's East & South East Region based in Nenagh.
- Revenue expects to undertake regular case base management reviews in order to ensure that cases are optimally assigned on an ongoing basis.

- The contact details of the 2<sup>nd</sup> Tier District Managers are outlined below. It is not anticipated that taxpayers would have reason to make contact with the District Managers as a result of the recent changes in operational responsibilities in Revenue. In a small number of cases, where the case management of certain sectors has transitioned from LCD, the District Managers notify the taxpayer of such a change, if he or she has not already done so. The e-mail addresses shown below are therefore for the purpose of **general or emergency enquiries only** and should not be used for case specific enquiries. Case specific contacts, to ensure taxpayer confidentiality, should be via Revenue's MyEnquiries: <http://www.revenue.ie/en/online/myenquiries.html>

District Name	District Manager	Location	District Details
Dublin Region 2nd Tier District 1	Anne P Byrne	O'Connell Street	Dub2ndtierdistrict1@revenue.ie
Dublin Region 2nd Tier District 2	Deirdre Behan	O'Connell Street, Tallaght	Dub2ndtierdistrict2@revenue.ie
Dublin Region Construction 2nd Tier District	Maurice Priestley	O'Connell Street	<b>Registrations and Cancellations</b> DubConstruction2TReg@revenue.ie <b>Income Tax</b> DubConstruction2TIT@revenue.ie <b>Corporation Tax</b> DubConstruction2TCT@revenue.ie <b>Value Added Tax</b> DubConstruction2TVAT@revenue.ie <b>Relevant Contracts Tax</b> DubConstruction2TRCT@revenue.ie
Dublin Investigations District	Kieran O'Grady	Ashtowngate, Dublin	dubinvestig@revenue.ie
South West Region 2nd Tier District	Karen Drake	Cork, Limerick	SW2ndtier@revenue.ie
East South East Region 2nd Tier District	Paul Kennedy	Nenagh, Kilkenny, Waterford	ESE2ndtier@revenue.ie
Border Midlands West Region 2nd Tier District	Ciaran Toohey	Athlone, Galway, Letterkenny	BMW2ndtier@revenue.ie

#### **Item 6 – Revenue response time to practitioner queries**

- Practitioners noted that whilst they are experiencing quick turnaround times on the vast majority of taxpayer queries, they also noted certain delays in response time to complex or technical practitioner queries.
- Revenue's internal MyEnquiries statistics confirm that 93% of tax agent queries are actioned within 25 days. It was acknowledged that queries to the Large Cases Division take longer due to their generally more complex nature but 96% are actioned within 40 days. No comparable statistics are available where agents email Revenue contacts directly as this is outside of the MyEnquiries system.
- Practitioners suggested that delays in response to queries are confined to a relatively small number of technical or administrative areas. It was agreed that the recurring technical matters that might be usefully addressed through updates to published guidance should be raised via the TALC Direct Taxes/Technical sub-committee. Equally recurring administrative issues should be raised either via the TALC Collection sub-committee or the TALC Audit sub-committee, as appropriate. This should help to ease many of the delays experienced by practitioners. In addition, Revenue confirmed that under its Customer Engagement Strategy programme of work, response times are being examined.

#### **Item 7 – Update on Revenue's new Statement of Strategy**

- Revenue provided an update on the status of Revenue's new Statement of Strategy following the formation of the new Government which was followed by a 'questions and answers' session.
- Revenue is expected to have a new Statement of Strategy within 6 months of the formation of the new Government, i.e. 6 November 2016.
- In line with previous Government formations, Revenue will engage in an internal and external consultation process. It is expected that practitioners and their representative bodies will be invited via the Revenue website to provide their strategic ideas regarding Revenue's focus over the next 3 years.

#### **Item 8 – Update on Revenue Services and Customer Engagement Strategy**

- Revenue provided an update on the significant and ongoing work undertaken by Revenue on improvements to its services in the context of Revenue Services and its Customer Engagement Strategy.
- *New IT Developments:* Revenue reported on a number of new IT developments which included the development of an enhanced facility for low-risk, non-resident taxpayers to register online; the introduction of eRepayments for VAT and corporation tax; the roll out of enhancements to the VAT return, PSWT returns, Form CT1 (with new features for KDB and petroleum tax and pre-populated RCT fields), Form 11 (with updates in respect of 2016).

A new Form e12A called the “Jobs and Pensions” Form should be available by September 2016 and will eventually be made available to tax agents. RevPay will be available shortly which is a method for individuals to make tax payments online similar to the current methods available to business taxpayers through ROS. The payment facility will be provided via a link for MyAccount customers. At present, EFTs and cheques can cause administrative burden for Revenue in linking a payment to the appropriate taxpayer and also to the relevant taxhead and period. RevPay will allow payments via Debit / Credit card or setting up a Single Debit Authority.

- *CRO data:* Revenue is integrating CRO data to better match registration details to the data supplied to the CRO e.g. company name change, strike off, change to DAC etc. The technology for such integration is currently being put in place. In particular, where companies are registered with CRO and not registered for tax, Revenue will be able to query why this is the case through such integration. Over the next month, Revenue intends to issue letters under Section 882 TCA 1997 in order to gain a clearer picture of companies registered with the CRO but which have failed to deliver a statement under Section 882 TCA 1997.
- *MyEnquiries:* Revenue confirmed that there is currently no plan for either automatic acknowledgements or manual confirmations to be sent from MyEnquiries once a query is submitted. If the query has been submitted correctly then it should appear as an item in the customer’s MyEnquiries inbox where it will remain in ‘bold’ font until it has been read by a Revenue official. Revenue advised that the archiving of old enquiries is available as a ‘tick box’ if customers wish to declutter their inbox.

Revenue confirmed that there is currently no plan to increase the 2,000 character limit for queries in MyEnquiries. However, for long and detailed queries, these can be submitted through MyEnquiries in the form of an attachment.

- *VAT Registrations:* Revenue acknowledged that some taxpayers are experiencing delays in VAT registrations. Revenue stated that this is not a backlog or resource issue but an EU compliance issue. All VAT registrations must be critically reviewed as it is an EU-wide tax and such registrations are valid in other Member States. Very careful review is required especially in instances where the applicant has a low physical footprint in Ireland. Revenue is working on a range of initiatives that it is expected will address issues raised by practitioners including developing a standard list of specific supporting information that is provided on application for a VAT registration and making more fields on the online eRegistration form mandatory to minimise follow up requests for information. Revenue will report on this matter via the TALC Collections sub-committee.
- *Digest of Tips:* Revenue plan to issue a ‘Digest of Tips’ to assist customers with their interactions with MyEnquiries and ROS and raise awareness of the facilities available on these systems.
- *Phone Systems Update:* A new 1890 phone system is already established in LCD, South-West and BMW Regions and recently went live in the East & South-East Region. The system is due to go live in the Dublin Region during the summer. This is the same type of phone system in operation for the Collector-General’s office, which has been very effective.

### **Item 9 – Tax Agent Survey**

- Revenue announced, by way of an information item, that it is preparing to shortly issue a survey to small and medium sized agents, specifically those with greater than 10 and less than 500 clients according to Revenue records.
- The purpose of the survey is to gain a better understanding of agents' contacts with Revenue, the reasons for contacts and the levels of satisfaction with various aspects of Revenue's service.
- Revenue will send an email to the email address on record for the agent (as opposed to an email via ROS inbox). The email will contain a link to a survey which should take approximately 10 minutes to complete. The survey must be completed by agents before 31 July 2016.
- Revenue is keen to hear agents' views and this survey represents an opportunity for agents to help Revenue improve the quality of the service it provides to agents and their clients. Revenue hopes that the representative bodies will encourage their members selected for the survey to respond.

### **Item 10 – AOB**

- Practitioners representing the Law Society advised that as a result of eBrief numbers 105/15 and 43/16 '*Clarification of circumstances where CGT clearance certificate not required*', purchasers of loans secured on land (and potentially loans secured on loans which are themselves secured over land in the State) are now seeking CGT clearance certificates from vendors of such loans and that this is potentially having an impact on the loan markets. It was agreed that this matter could be included on the agenda for the TALC Direct Taxes/Technical sub-committee which is meeting next on 28 June 2016.
- Practitioners requested whether a reasonable view would be taken by Revenue in the administration of the RCT penalty regime introduced in Finance Act 2015 in cases of genuine errors. It was pointed out that this matter is currently under discussion at the TALC Audit sub-committee.
- The next meeting is the annual Post Budget Conference Call and will be scheduled as soon as details of the Budget are announced.

Action Points	Responsible	Timescale
1. Update on Cooperative Compliance relaunch	Revenue	By year end

Approved by Main TALC Committee Members

Attendees at the meeting of 10 June 2016

CCAB-I	Paul Dillon Sharon Burke Enda Faughnan Julie Herlihy Crona Brady
ITI	Mark Barrett Sandra Clarke Mary Healy
Law Society	Pat Bradley James Somerville Caroline Devlin
Revenue	Eugene Creighton – Chair Declan Rigney Brian Boyle Céire Moynihan

Apologies

CCAB-I	Brian Keegan Brian Purcell
ITI	David Fennell Kieran Twomey Tim Lynch Cora O'Brien
Revenue	Michael Gladney