

Minutes of Main TALC meeting

12 December 2018

Irish Tax Institute, Longboat Quay, Grand Canal Harbour, Dublin 2 at 3pm

Item 1: Minutes of Meeting held on 29 November

The minutes of the Main TALC meeting on the Revenue realignment were agreed. The presentation slides circulated to committee members can be published with the minutes. An updated organisational chart will be made available in due course.

Item 2: Matters Arising

Deduction of LPT in advance of payment date

Due to a technical glitch, Annual Debit payments were taken prematurely from approximately 1,500 taxpayers who filed their LPT payments on Sunday and Monday, 25 and 26 November. The payments were not due to be deducted from the taxpayers' bank accounts until 21 March 2019.

By 12 December, payments had been refunded to more than 1,000 taxpayers and the remainder requested that Revenue retain the payments. Contact has been made with most taxpayers at this stage except for approximately 100 taxpayers who could not be reached by phone /email – Revenue will issue letters to this cohort.

The Revenue Press Office issued a press bulletin on the matter, which was published in local and national media.

Share scheme contact arrangements

Revenue responded to a query on Revenue contact points on share schemes and views expressed on recent difficulties accessing personnel to discuss technical queries.

Revenue recognise the need for comprehensive guidance material to be provided in relation to share schemes for taxpayers, their advisors and Revenue staff. To this end, significant effort was put into publishing a consolidated Share Schemes Tax and Duty Manual (TDM) in April 2018, which consists of 12 chapters in total. An e-Brief issued in April 2018 highlighting this new guidance material which can be accessed [here](#).

The customer service channels for share related queries are set out in the TDM and were discussed at TALC meetings during the year in the context of discussions pertaining to the Key Employee Engagement Programme (KEEP). Queries relating to existing or prospective approved share schemes can be sent to shareschemessection@revenue.ie and all other case specific share related technical queries should be directed to Revenue through the Revenue Technical Service. Comprehensive guidance notes regarding submitting technical queries through the RTS can be found in Tax and Duty Manual [Part 37-00-00a](#).

The vast majority of queries being received by the Share Schemes Unit in RLS are being dealt with within the published customer service standard of 20 days. Instances in which unjustified delays in response time arise can be brought to Revenue's attention.

Practitioners noted the importance of direct engagement with an expert in some instances, as guidance may not adequately address all queries.

Revenue encourage practitioners to examine the published information, before engaging with RLS experts. Should practitioners find it necessary to engage with Revenue and consider the responses received do not satisfactorily address their query, this can be brought to Revenue's attention.

Item 3: Customs Brexit seminars

Celine O'Neill from Revenue Customs Division provided an update on Revenue's seminars. Customs Brexit seminars have taken place in Dublin and Cork to date. The events have been well attended and further seminars are being scheduled in various locations countrywide.

The purpose of the seminars is to provide businesses with a general overview of Customs and the compliance requirements, for example, Customs declarations, Customs simplification procedures and information about Government supports. The seminars are being conducted in association with the Department of Agriculture, Food and the Marine.

Revenue also participates in the Customs Consultative Committee and has engaged with IBEC and the Irish Exporters Association. Revenue has also targeted its communication at larger operators who have trading operations with the UK. Revenue will write to smaller companies on Brexit preparations in due course.

Enterprise Ireland has prepared an online training module on Customs, which is available on their "Prepare for Brexit" webpage. Further work is planned to ensure micro companies understand the potential issues for their business.

Work has been underway on a cross-departmental basis to identify the potential consequences of Brexit. This has included the identification of legislative amendments that may be required.

In addition, Revenue will be recruiting additional Customs staff and will redeploy existing staff, as required.

4. Save as You Earn (SAYE)

Practitioners raised concerns about the potential implications of Brexit on tax relief available on save as you earn (SAYE) schemes, due to the rules governing the transfer of funds between financial institutions. Practitioners queried whether tax relief would continue to be available on the money invested in SAYE in the event of a transfer of funds to another financial institution.

Revenue is aware of the concerns raised. It is a regulatory rather than a tax matter. The "Specification – SAYE Certified Contractual Savings Scheme" issued by the Department of Finance will apply if the scheme is transferred from a qualifying savings institution to another qualifying savings institution and therefore, any transfer should take place before 29 March. As this is a banking regulatory matter, it would be important that representations are made to the Department of Finance.

5. MLI – monitoring post-ratification

Ireland is expected to deposit its instrument of ratification for the MLI by the end of January 2019. The MLI will take effect from the first day of the month following three calendar months from when Ireland deposited its ratification instrument.

Practitioners asked about Revenue's plans to provide information on updates to double tax treaties as they arise. Information on the Revenue website will be updated on an ongoing basis to reflect ratification by Ireland's treaty partners. Revenue is examining whether to illustrate the impact of the MLI through a "synthesized text" on an article by article basis, rather than by using a non-statutory consolidation basis.

Practitioners suggested reviewing the UK model, which reflects a number of conclusions for each article and uses standard wording for each tax treaty. The UK also adopts a tie breaker test to reduce the risk of companies becoming dual resident for an interim period and it would be useful to consider this approach in an Irish context.

6. Cooperative Compliance Framework (CCF)

111 groups have joined the CCF. This represents circa 25% of the LCD case base and circa 45/50 groups per LCD District. All CCF participants have had an annual meeting with their case managers. A significant number of disclosures have also been made to date. From Revenue's perspective, the CCF appears to work reasonably well. Several applications to join the CCF are in progress.

Practitioners noted that feedback on participants' experiences has been mixed. The dedicated case manager and quick turnaround time on refunds for CCF cases was welcome. However, some groups considered that they are subject to greater scrutiny as a result of opting into the CCF. Some had questioned their decision to participate in the framework.

Revenue do not agree that groups within the CCF are subject to greater scrutiny than those outside the framework. As the CCF has been in operation for over two years, Revenue intend to review its effectiveness and quality assurance in 2019. It was agreed that it would be useful to discuss the various perspectives of CCF in 2019.

7. Tax Clearance letters/Letters of "no audit"

Practitioners referred to the TALC sub-group meeting on letters of "no audit"/tax clearance letter and subsequent correspondence requesting an update on developments.

Revenue will reactivate the group and schedule a meeting in early 2019 to progress matters. The core issue is the need for a form of clearance for solicitors who have secondary liability for CAT and CGT in non-resident cases and for executors arising from the administration of estates.

Revenue is reviewing the procedure and open to developing a practical solution, underpinned by objective criteria and guidance. Re-labelling of any clearance procedure will be necessary to clarify that the issue only relates to any liability attaching to a representative with respect to a specific transaction or event and does not preclude an audit of the relevant taxpayer at a future date.

8. VAT compensation scheme for charities

Work has been underway on the development of this new scheme since it was announced in Budget 2018. The scheme is intended to compensate charities for a proportion of their VAT input costs on expenditure incurred for charitable purposes. Claims will be based on the level of privately-sourced income raised by a charity as a proportion of its total income.

The scheme fund is capped at €5m per annum for the first 3 years and will then be reviewed. Where the total claims in a year exceed €5m, refunds will be made on a pro-rata basis.

Claims for 2018 can be submitted to Revenue from 1 January to 30 June 2019. Certain checks will be carried out to verify the validity of the claims and Revenue may seek supporting information, for example, audited accounts for 2018.

Revenue guidance will set out the qualifying criteria to be met. A Ministerial order will also be required to commence the scheme.

9. Chair for 2019 (CCABI)

The Chair for 2019 will be Sharon Burke, CCABI. The committee congratulated the Chair on her appointment.

AOB

Practitioners queried Revenue's policy on civil service mileage rates applicable to electric cars, as the published rates do not distinguish between diesel/petrol and electric cars. Revenue clarified that there was no change in policy as regards civil service rates for electric cars.

The committee discussed some initial feedback on the operation of PAYE modernisation. Some teething issues had been identified by practitioners, for example, slowness in drawing down RPN for large payrolls and uncertainty whether a second payroll run could be made in a single month.

The next Bulk Rate Review for eRCT will take account of subcontractors' compliance with the VAT return of trading details (RTD) filing requirement.

The committee discussed the procedures for sharing draft guidance with TALC committees. It was agreed that the opportunity to provide views in advance of publication was beneficial and that draft guidance could not be cited as Revenue's position on an issue. At times it can be unclear whether the guidance circulated is a draft or the final position. Revenue agreed to consider the feedback.

The committee thanked Sandra Clarke for chairing Main TALC for the ITI in 2018. The Chair thanked the ITI for their assistance and support throughout the year.

Attendees

CCABI

Brid Heffernan
Crona Clohisey
Sharon Burke

ITI

Sandra Clarke (Chair)
Kieran Twomey
David Fennell
Pat Mahon
Anne Gunnell
Mary Healy
Samantha Feely-Lenehan (Secretary)

Law Society

Caroline Devin

Revenue

Brian Boyle
Eugene Creighton
Philip Brennan
Celine O'Neill
Mary Finnegan

Apologies

Joe Howley, Revenue
Pat Bradley, Law Society
James Somerville, Law Society
Mark Barrett, ITI
Tom Maguire, ITI
Enda Faughnan, CCABI