

Minutes of Main TALC Meeting

5 April 2016

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

Item 1 – Approval of minutes of meeting held 2 February 2016

- The minutes were approved.

Item 2 – Matters arising

1. Publication of TALC minutes

- Revenue agreed to circulate a note to the other Main TALC representative bodies regarding the procedures for the publication of Main TALC and TALC sub-committee minutes on the Revenue website.

2. Update on Consultations

- Consultation on *“The use of Intermediary-Type Structures and Self-employment Arrangements”*: The Department of Finance and the Department of Social Protection launched a joint-publication on 28 January 2016. The closing date for receipt of submissions was 31 March 2016. In total, 23 submissions were received by The Department of Finance. The Department of Finance intends to share the details of the list of submitters after it has engaged with the Department of Social Protection. Revenue did not make a submission to the consultation.
- Consultation on *“4th EU Anti-Money Laundering Directive and Funds Transfer Regulation”*: The Department of Finance and the Department of Justice and Equality launched a joint-publication in relation to member state discretions contained in the Directive (EU) 2015/849. The closing date for receipt of submissions was 4 March 2016. Revenue will provide an update on the progress of this consultation at the next meeting.
- Consultation on *“Appropriate Treatment for Tax Purposes of Trade Union Subscriptions and Professional Body Fees”*: this review was announced in the budget papers. The Department of Finance confirmed that it does not expect progress to be made on this consultation until the new Government is formed.

3. Companies Act 2014 (required tax legislation)

- A sub-group of the TALC Direct and Capital Taxes sub-committee has been established in order to assess the impact of the Companies Act 2014 on tax law and identify any necessary legislative amendments that may be required.
- The practitioner members of the sub-group are Kimberley Rowan (Chartered Accountants Ireland), David Fennell (EY), Sharon Burke (KPMG), Fiona Carney (PwC), Sonya Manzor (William Fry) and Barbara Kenny (William Fry). The Revenue members of the sub-group are Jeanette Doonan, Alan Kelly, Michael Brennan, Michael Buckley, John McGorry and Maresa Hemenstall.

- The first meeting will be held on 6 April 2016.

Item 3 – Pay and File Extension

- The Pay and File deadline for self-assessed income tax payers is 31 October. By using ROS to both pay and file online, taxpayers benefit from an extended deadline. To date, each year Revenue announces the extended deadline.
- Revenue intends to propose an item for inclusion in the Finance Bill 2016 to the Department of Finance which would provide a statutory basis for the extended deadline. The Committee agreed that an extended deadline date of 14 November would be appropriate.
- The Committee agreed that this matter would be referred to the TALC Collection sub-committee for future updates.
- Practitioners raised concerns regarding the impracticality of the Capital Gains Tax ('CGT') payment dates. The due date for paying CGT is determined by the date of disposal of the asset, i.e. 15 December for disposals between 1 January and 30 November ('initial period') and 31 January in the following year for disposals between 1 December and 31 December ('later period'). Revenue advised that this is a tax policy matter and any concerns should be addressed by way of submission to the Department of Finance.

Item 4 – BEPS Implementation – update re sub-committee

- The TALC BEPS Implementation sub-committee had its first meeting on 9 February 2016 and intends to convene next on 27 April 2016.
- Revenue is currently drafting a new Tax and Duty Manual outlining Revenue's implementation of the new exchange of information requirements in respect of cross-border rulings. These new requirements arise from two sources - Council Directive (EU) 2015/2376 and Action 5 of the OECD/G20 BEPS project.
- Revenue will consult with practitioners via the TALC BEPS Implementation sub-committee on the draft Manual prior to publication. Revenue is currently finalising the draft Manual and intends to circulate it to the sub-committee members prior to the sub-committee meeting of 27 April 2016.
- Practitioners requested circulation of the draft Manual 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.
- Practitioners requested that the second draft of the KDB Guidance and the first draft of the CBC Guidance be circulated to BEPS Implementation sub-committee representatives in advance of the meeting of 27 April 2016 so that practitioners would have time to consider the draft Guidance in detail.

Item 5 – Cooperative Compliance relaunch

- The Board of the Revenue Commissioners is currently considering this matter.
- Revenue intends to have an update on this item for the next meeting.

Item 6 – 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, the case management of certain sectors 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 industry firms will be managed in future by Revenue's East & South East Region.
- Practitioners advised that some taxpayers are confused and/or concerned in cases where they have received notification that their cases will be managed by a different division or region and requested Revenue to issue a communication in an eBrief to clarify the changes in operational responsibilities in Revenue.

Item 7 – Presentation on Revenue Services and Customer Engagement Strategy

- Revenue made a presentation on the Revenue Services and Customer Engagement Strategy which was followed by a 'questions and answers' session.
- Practitioners representing the Law Society highlighted that, in cases where the solicitors are not the registered Agent of the taxpayer, the solicitor can encounter challenges in engaging with the 'MyEnquiries' function on the Revenue website. Revenue advised that it would investigate this matter.
- Practitioners encounter challenges with VAT registration. Revenue agreed to investigate this matter and revert to practitioners via the TALC Collections sub-committee.
- Practitioners suggested that it would be beneficial for Revenue to make a technical presentation on the recent customer engagement enhancements and demonstrate the online services available as there was concern that the full range of functionality available from the online services was not widely known by practitioners. Revenue agreed to make a presentation at the next meeting and at other appropriate fora to broaden the awareness amongst practitioners in general.
- It was agreed that this matter would remain an item on Main TALC agenda for regular updates.

Item 8 – Update on Tax Appeals Commission processes and procedures

- Joe Cullen of the Tax Appeals Commission ('TAC') made a presentation on the TAC processes and procedures which was followed by a 'questions and answers' session.
- The TAC were asked whether a body of precedents in the form of the determinations of the former Appeal Commissioners was available for use as precedents by the new Appeal Commissioners, and if so, whether such precedents would be made publically available. TAC agreed to consider this and revert.
- The TAC were asked whether there is any published practice or guidance in respect of the timing of exchange of Appellant and Respondent submissions in advance of an Appeal hearing, in particular whether the Appellant must provide their submissions to the Respondent prior to the Respondent drafting their submissions. TAC agreed to consider this matter and revert.
- Revenue advised that, in accordance with section 31 of the Finance (Tax Appeals) Act 2015, it 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 it intends to write to such taxpayers (and the Agent on record) by 30 April 2016 offering them 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. If a taxpayer indicates the wish to have the appeal referred to the TAC, this will take place after 1 June 2016. If Revenue does not hear from the taxpayer or Agent within 30 days of issuing the letter, Revenue will assume that the taxpayer does not wish to enter into settlement discussions and transfer the appeal. If a taxpayer indicates the wish to enter into such settlement discussions Revenue will allow a period of 3 months for such discussions to take place.

Item 9 – AOB

- Revenue advised that it would issue an eBrief clarifying the procedure for companies to pay interest without the deduction of withholding tax in cases where a bank has assigned or novated a loan to a non-banking entity.
- The next Main TALC meeting will be at 12pm on Friday, 10 June 2016 in Dublin Castle.

Action Points	Responsible	Timescale
1. Revenue to provide an update from the Department of Finance on the Consultation on “4 th EU Anti-Money Laundering Directive and Funds Transfer Regulation”	Revenue	By 10 June 2016
2. Revenue to provide an update on Cooperative Compliance review	Revenue	By 10 June 2016
3. Seek an update from the TAC on the matters of publication of precedents and the timing of the exchange of submissions	TAC	By 10 June 2016

Approved by Main TALC Committee Members

Attendees at the meeting of 5 April 2016

CCAB-I Paul Dillon
Sharon Burke
Enda Faughnan
Brian Purcell
Kimberley Rowan

ITI David Fennell
Kieran Twomey
Tom Maguire
Mary Healy
Cora O'Brien

Law Society Pat Bradley
James Somerville
Caroline Devlin

Revenue Eugene Creighton – Chair
Michael Gladney
Declan Rigney
Brian Boyle
Céire Moynihan

Apologies

CCAB-I Brian Keegan
Julie Herlihy