

TALC AUDIT Sub-Committee Meeting Minutes

Wednesday 8 March 2023 – 10.00am
Revenue Office Bishop's Square and MS Teams

Attendees:

Revenue:	Brian Boyle	Revenue
	Sarah Waters	Revenue
	Eoin Gibson	Revenue
	Patricia Lee	Revenue
	Miriam Scahill	Revenue
	Aisling McDaid	Revenue
	Emma Murphy (Secretary)	Revenue
	Mick O'Connor (Presenter)	Revenue

Practitioners:	Jim Kelly (Chair)	Irish Tax Institute
	Mary Healy	Irish Tax Institute
	Julie Burke	Irish Tax Institute
	Sandra Brennan	Irish Tax Institute
	Liam Grimes	Irish Tax Institute
	Gerry Higgins	CCAB-I
	Grainne McDermott	CCAB-I
	Ruth Higgins	Law Society

Apologies:	Gearóid O'Sullivan	CCAB-I
	Aidan Lucey	Irish Tax Institute
	Fergal Kenzie	Irish Tax Institute
	Tom Martyn	Law Society

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Item 1 – Minutes of meeting held on 30 November 2022

The chair opened the meeting by thanking Sarah Waters for chairing the previous year. The minutes of the previous meeting were agreed with no amendments.

Item 2 – Matters arising from the previous minutes

- i) It had been agreed that representatives from each of Revenue's operational divisions would attend the meetings on a rotation basis. See Personal Division update below.
- ii) Practitioners to continue highlighting issues encountered in practice. This is ongoing.

Item 3 – Update from Revenue's Personal Division

Mick O'Connor attended on behalf of Personal Division. He presented an overview of the areas of focus for his division.

Mick confirmed that the area of share schemes was a current area of focus the Division. He noted that the Division has contacted many employers who were operating various share schemes to remind them of their reporting obligations and to alert them to the fact Revenue would be reviewing their employees to ensure that any relevant income and/or gains has been correctly reported.

He then provided an update on the Employee's End of Year Returns programme. He confirmed that Revenue had written to a large number of employees requesting that they file a return.

A brief update was provided in relation to the Agent compliance programme which has been largely positive.

Capital Taxes relief claims were also discussed with a reminder that reliance on "technical adjustment" must meet the conditions as set out in the Code – i.e., there must be a genuine technical doubt or uncertainty involved.

Mick also spoke about certain trends emerging in the rental income sector particularly in relation to situations where taxpayers/ their agents were not preparing rental income computations on an individual property basis thereby leading to risks as regards calculation of liability.

An update was also provided in relation to the Register of Beneficial Ownership of Trusts.

Item 4 – Compliance Intervention Framework Update

Practitioners provided some examples of intervention notification letters that their members had received which included incorrect or incomplete information. Revenue agreed to liaise with the relevant teams involved. It was also confirmed that Revenue are continuing to review the letter templates that are available to caseworkers to ensure that they contain all of the correct and relevant information.

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The practitioners queried the fact that the Code does not automatically provide for an opening meeting for Level 2 Risk Reviews. The possibility of having the option for an opening meeting for Risk Reviews was discussed and Revenue agreed to consider further. The practitioners advised that there appears to be some confusion between a desk audit and a field audit which was being conducted remotely, particularly with respect to opening meetings. Revenue confirmed that the current position is that all “field audits” (i.e., audits other than those specifically described as desk audits) should have an opening meeting. This can be held via Microsoft Teams if being conducted remotely. Practitioner queried Revenue’s overall approach to meetings in relation to interventions and Revenue advised that its general position is that officials should always be available for a meeting with the taxpayer and/or their agent if requested of if useful to progress issues.

Revenue informed the practitioners that they expect to issue an updated version of the code towards the middle of the year. Changes to the Code will be notified by way of e-Brief. The practitioners asked whether an appendix could be included in order to track changes. Revenue agreed to consider further.

It was agreed that the new framework is still bedding in but that overall, things are going well.

Item 5 – PMOD Compliance

CPEB advised there was no significant update regarding PMOD compliance.

A discussion took place about the requirement to “regross” untaxed income in certain circumstances. Revenue confirmed that an employer would be considered to have failed to operate PAYE where they had failed to operate PAYE for a single employee notwithstanding that they had operated PAYE correctly for all other employees. The income of any such employee would be subject to the regrossing provisions of s.986A TCA.

Revenue confirmed that work is ongoing around the requirement to notify Revenue in cases of self-correction without penalty. It is expected to issue an update to the policy in this area shortly.

Item 5 – AOB

I. DWS Disclosure Scheme

Revenue provided an update on the uptake for this scheme. Overall, uptake was modest, and Revenue is working through the cases received. The practitioners queried the insolvency risk with the delayed PPA. Revenue confirmed that the CG’s are managing the debt part of this initiative.

II. DAC 7

It was agreed that this would be put onto the agenda for the next meeting and will be discussed further. CPEB are engaging with our legislative services with regard to likely legislation and the Code will need to be updated to provide for joint audits.

III. RCT bulk review

The practitioners had raised this issue prior to the meeting, Revenue confirmed that this is done on a monthly rolling basis by GCD so any queries should go to the relevant Branch.

It was agreed to continue with the practice of inviting representatives from operational Divisions to attend the sub-committee.

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Action Points from this meeting	Responsible	Deadline
Revenue to invite a representative from an operational Division to attend the next meeting	Revenue	Throughout 2023
Practitioners to continue to provide Revenue with examples of any issues arising with the operation of the CIF.	Practitioners	Ongoing

The date for the next meeting is June 21 2023.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee