

Annual Branch meeting - ITI & Collector General's Division

27 November 2023

Agenda



Divisional overview

Debt Warehousing

Debt Collection

TBESS/CRSS

Engagement with CGs

Agent/Customer contacts

Tax Clearance

IT developments

Collector-General's Division

Joe Howley
Collector General

Paddy Purtill
Principal

Davena Lyons
Principal

**Catriona
O'Connor**
Principal

**Geraldine
Hegarty**
Principal

Liam Keogh
Principal

**Maureen
Murray**
Principal

Insolvency
Specialised
Enforcement

Services &
Transactions
Taxes
Divisional Hub
Listowel

DM

Management
Information
Systems
VAT Repayments
Call Contact
Centre
Support
Schemes

DM

HR and
Divisional
support

CGs Training

Divisional Hub
Newcastle West

DM

Enforcement
Management
Technical
Guidance
Tax Relief at
Source

Divisional Hub
Kilrush (includes
Direct Debit unit)

DM

Crest unit
Customer
correspondence
Processing Services

Tax Clearance

Divisional Hub
Nenagh

DM

ROS Banking &
Payment Services
Cheque & EFT
processing
Card payment
phone service
ICT Business
Developments

DM

Debt Collection – October 2023



Full case base coverage - 1.5m cases



Returns and payment compliance

- ☐ Payment Requests, Estimates, Final Demands
- ☐ Non-Filer Programmes for IT & CT - DMS



- ☐ Early engagement is key for best outcome

October 2023	Return / Payment Compliance	Due Month	Due Month + 1
		YTD	YTD +1
Large Cases		96%	99%
Medium Cases		92%	98%
Other Cases		81%	90%

Enforcement Landscape

Non compliance

- Escalate to Enforcement
- Exemplary Enforcement
- Risk tax clearance
- Risk Debt Warehouse facility
- PPA payment option not available
- Risk Compliance Intervention
- Interest Charges on Late Payment (Sept 2023)

	2019			2022			Jan - Oct 2023		
Enforcement	No. of Referrals	Value of Referrals (€m)	Yield (€m)	No. of Referrals	Value of Referrals (€m)	Yield (€m)	No. of Referrals	Value of Referrals (€m)	Yield (€m)
Solicitor	8,511	139.9	41.5	1,988	81.9	15.4	4,288	120.5	22.2
Sheriff	72,697	420.9	190.2	30,419	411.6	90.4	34,131	307.8	145.7
Attachment	7,574	135.0	42.5	641	39.0	3.9	2,085	133.9	17.5

Debt Warehousing - October 2023



- 67% of businesses have debt balance < €5,000, of which
 - 19,804 (34%) – debt less than €100
 - 8,777 (15%) – debt between €101 - €1,000
 - 10,181 (18%) – debt between €1,001 - €5,000
- Bulk of debt (€1.56bn) – 5,589 businesses with debt >€50,000
- Top 3 sectors – Wholesale & Retail, Accommodation & Food Services, Construction
- September 2023 - Publication of Divisional and Sectoral breakdowns on website

Debt Warehousing - Roadmap

- ✓ Continue phone-based outreach campaign to highest debt customers
-
- ✓ December 2023 - Set up of dedicated Debt Management unit for cases > €50k
-
- ✓ January 2024 – commence targeted events/webinars to business/sectoral groups
-
- ✓ Q1 2024 – Issue reminders to make arrangements to pay, including schedule of debt
-
- ✓ Q3 2024 – Warehouse completion process, debt not paid/in a PPA, subject to standard debt collection

Debt Warehousing - Key messages

- ✓ Key repayment date **1 May 2024**
- ✓ Consider payment plans now - pay in full, offset refunds, or flexible PPA option
- ✓ Interest rate of 3% accruing since 1 January 2023 - reduce interest costs
- ✓ Payments outside of a PPA - 3% interest will be charged separately (from Sept 2023)
- ✓ Maintain warehouse benefits- keep current taxes up to date

Phased Payment Arrangements

Apply online

- Apply online & upload PPA1 form
- Option to include Warehoused debt until 1 May 2024
- Additional documents required if debt above €50k

Negotiation & Agreement

- Additional documents may be requested
- Terms agreed will consider compliance history, current taxes, viability, engagement
- Prioritise PPA correspondence in ROS inbox (October 23)

Maintain PPA

- Keep current tax up to date
- Amend if necessary – payment breaks, deferrals, changes to payment dates
- Short *How to* videos on website for guidance on how to apply and amend PPA
- Quick easy to use interest calculator for Warehouse Debt in a PPA – on website shortly

Tax Clearance



Retain tax clearance - keep tax affairs in order



To August 2023, 110,000 applications approved



Periodic review every 6 months – rescinded where compliance issues exist



Review ongoing of assessment rules and system - completed by end 2023



Welcome further proposals from representative bodies

- Advance notice of expiry of tax clearance
- Prioritise eTC notifications in ROS inbox

TBESS & CRSS



TBESS Scheme closed 30 September 2023. **€150.5m** paid to **25k** businesses, small number of claims on hand (received pre 01/10/2023)



Recipient list published on website - 21 November 2023

<https://www.revenue.ie/en/starting-a-business/tbess/index.aspx>



CRSS Appeals near completion



Minor balances outstanding on both schemes, case by case review

SCARP

The Basis for Revenue's approach to SCARP

- Revenue's Mission / Maximising outcomes / C&AG
- Monitor all cases / Level playing field for all
- Enforcement is a compliance tool
- Constructive participant – balance fairness with maximising revenue outcomes

SCARP & Revenue

- PA approaches Revenue – Excludable Debt, 14 days to opt out
- Communications / Early engagement
- PA must consider all tax implications
- Other required Information per PA Report etc.

Considerations

- Trust
- Appropriate restructuring / reasonable prospect of survival
- Expected dividend may assist decision / Verify source of funds for investment
- Other matters
- Forms / TDM – feedback welcome

SCARP Stats	
SCARP cases received to date	48
Rescue Plans agreed to date	28
Revenue voted against	1
Revenue opted out*	7
Withdrawn by PA	2
PA unable to formulate a plan	9
Revenue vote against plan	1
Objections from other creditors	2

Sectors	
Advertising	2
Construction	3
Consultants	2
Engineering	7
Graphic Design	1
Property Maintenance	1
IT / Software	3
Haulage	1
Car Sales	1
Hospitality	10
Retail	7
Online Retail	4
Accountancy	1
Nursing Home/Health	2
Misc	3
	48

SCARP - Expectations

- Preferential status – better outcome than liquidation
- Reasonable prospect of survival
- Payment of current taxes during processes
- Fully compliant after process
- Views on insolvency increases post pandemic/energy cost crisis

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