

## Update on Direct Debit Modernisation

As previously advised, Revenue is currently modernising its Direct Debit system to bring it into line with standard industry practice. This is in preparation for a wider modernisation of its payment and banking processes on a phased basis over the coming years.

Phase 1 of the project includes the cessation of Fixed Direct Debit (FDD) as a payment option, the expansion of Variable Direct Debit (VDD) to pay current liabilities for VAT and the introduction of a new Payment Hub on ROS to set up and manage Direct Debit payment arrangements and Bank Account details.

### 1. Phase 1 – Go Live

Phase 1 of Direct Debit modernisation is now complete. From **Monday 11 August 2025**, the following changes have been introduced on ROS:

- New functionality to set up a Variable Direct Debit (VDD) to pay current VAT liabilities.
- New screens to set up and manage Direct Debit for Preliminary Income Tax.
- New Payment activity dashboard which will display the status of Direct Debit payments for VAT and Preliminary Income Tax once submitted for processing.
- New screens to set up and manage bank account details for tax payments and tax refunds.
- New banner message on ROS to advise of the availability of Variable Direct Debit (VDD) for payment of current VAT liabilities. A similar message will appear when filing a VAT return with a link to the VDD set up screen.

The new functionality and screens can be accessed through the existing 'Payments and Refunds' panel on the ROS home page (to be renamed the 'Payments Hub') as shown here.

The screenshot displays the 'Payments & Refunds' section of the ROS interface. It features a teal header bar with the text 'Payments & Refunds'. Below this, there are two main sections: 'Submit a Payment' and 'Manage Bank Accounts'. The 'Manage Bank Accounts' section is expanded, showing a list of four new functionality boxes, each with a red border and a blue button:

- ROS Debit Instruction**: Set up a ROS Debit Instruction (RDI) to allow fast one off payments directly from your bank account when filing a return or payment. Button: [Manage RDIs](#)
- Direct Debit Management**: Set up a direct debit and manage your existing mandate. Button: [Manage Direct Debits](#)
- Payments activity**: Dashboard for payment activity, including historical payments and future scheduled payments. Button: [Payments Activity](#)
- Bank Account Management**: Manage bank account details for payments and refunds. Button: [Manage Bank accounts](#)

The relevant TDMs for Direct Debit are currently being updated and will be available shortly, providing details of the new functionality and screen flows.

The relevant Direct Debit pages on [www.revenue.ie](http://www.revenue.ie) are currently being updated and will include 'How to' videos for management of Direct Debit and Bank Accounts.

The following should be noted:

- Existing functionality to set up and manage a Variable Direct Debit (VDD) for Employers' Income Tax remains unchanged in Phase 1.
- Existing functionality to set up and manage a ROS Debit Instruction (RDI) for a tax remains unchanged in Phase 1.
- The previous online facility for managing Direct Debits for VAT and IT (Direct Debit online) is no longer available and has been replaced with the new functionality.

## **2. Ongoing communication to VAT customers and their linked agents**

As previously advised, as part of DD modernisation, Revenue is ceasing its Fixed Direct Debit (FDD) scheme for VAT customers and now offering a Variable Direct Debit (VDD) option for payment of VAT liabilities. This requires a change in filing frequency of the VAT return with customers moving from an annual to a bi-monthly filing frequency.

A correspondence campaign, highlighting the planned changes for VAT customers, commenced in April 2025. This has been followed by tailored letters to VAT customers using Fixed Direct Debit, as they approach the end of their annual VAT period. The mailshot sets out the actions that Revenue and the customer need to take to ensure a smooth transition from FDD and annual filing to VAT VDD and standard bi-monthly filing. In tandem with the customer mailshots, their linked agents also receive a copy of the mailshot that has been issued to their client(s).

These monthly mailshots will continue on a rolling basis up to April 2026 at which stage the Fixed Direct Debit scheme will cease fully.

Following discussion at TALC Collection meeting in June 2025, a listing of clients currently on FDD was sent to all linked agents on 28 July. In this regard, Revenue appreciates the engagement from tax agents at this time in managing the transition to Variable Direct Debit for their clients. We look forward to continuing this engagement with agents as the Banking Modernisation programme progresses in future phases.

## **3. Communication to IT customers paying Preliminary Income Tax via Direct Debit**

As part of Phase 1, all existing arrangements for IT customers using Direct Debit for the payment of Preliminary Income tax have been migrated in full to the new Direct Debit facility on ROS.

Revenue will shortly write to the affected 23,000 IT customers to advise of this migration with a notification of a new Direct Debit mandate number. An update will also be sent to their linked agent on ROS to advise of the migration. **No action is required by either the IT customer or their linked agent at this time.** The migration ensures that the payment arrangement will continue uninterrupted, and the monthly Direct Debit amount will continue to be collected from the customer's nominated bank account on or around the 9<sup>th</sup> day of each month.

However, should the customer wish to make changes to their Direct Debit i.e. change the monthly DD amount, update bank details, or to cancel the Direct Debit, this can be done using the new online facility on ROS as mentioned in Section 1 above.

Notwithstanding these changes, customers must continue to ensure that their monthly DD amount is sufficient to meet their Preliminary Income tax obligations for the year which must be equal to, or more than, the lowest amount of the following:

- 90% of the tax due for that tax year,
- 100% of the tax due for the immediately previous tax year or
- 105% of the tax due for the tax year preceding the immediately previous tax year (often called the 'pre-preceding year'). This option only applies where you pay by direct debit. It does not apply if the tax due for the pre-preceding year was nil.

#### **4. For Queries and Contacts**

For queries and customer contacts on the above, you can contact us via:

- My Enquiries by selecting: Category – Collector Generals / Sub-category – Direct Debit or,
- By phone on 01 738 3663.

**Collector General's Division**

**8 August 2025**