

Irish Tax Institute and Large Corporates Division (LCD) Branch Network Meeting

13 October 2025

Irish Tax Institute, Longboat Quay, Dublin 2

1. Overview

Update on staffing and structure and LCD entry threshold

An [organisation chart](#) was circulated in advance of the meeting. Revenue confirmed a change process was underway relating to the threshold for inclusion in the LCD case-base. The entry threshold has changed from groups with turnover in excess of €190 million to groups with turnover in excess of €350 million. LCD will also deal with all Pillar Two issues irrespective of the Revenue division which manages the underlying case.

Revenue confirmed that the second criterion for participation in LCD (i.e. annual tax payments in excess of €18 million) has been removed. Following examination of cases, Revenue identified that applying the €18 million threshold meant that groups with large PREM and/or VAT liabilities were brought within the remit of LCD, when they were not cases within the normal profile of the LCD case-base.

Cases that are marginal in relation to the €350 million threshold may move out of LCD, but some may not. There is no change to the sectors who are automatically within the LCD case-base e.g. Real Estate Investment Trusts (REIT).

Practitioners queried the relevance of the change in the LCD threshold for participants in the Cooperative Compliance Framework (CCF). Groups that are leaving LCD but currently participate in the CCF will be exited on a phased basis.

The change process is currently underway, and the relevant Tax and Duty Manual (TDM) will be updated to confirm the changes. Revenue expects the transition process to be concluded by the end of 2025. Similar to the approach adopted by other divisions, Revenue will not be communicating with taxpayers that are moving out of LCD (unless these taxpayers participate in the CCF). With regard to CCF taxpayers, a phased transition period may apply where appropriate.

2. LCD Branches – priority areas of focus

ICT Branch 2

ICT Branch 2 initiates Level 2 interventions across all tax heads, under the Compliance Intervention Framework (CIF). Interventions for participants in the CCF framework are mainly at Level 1 in accordance with the CCF TDM. Branch activity relating to OSS and IOSS will continue into 2026 with a focus on testing controls.

The Branch adopts a risk-based approach to checking R&D Tax Credit claims with areas of review including staff cost allocation and capital apportionment. Section 291A claims also continue to be an area of focus.

The Branch is also examining the filing of Forms 46G. Revenue has identified a poor compliance rate with the filing requirement. The Branch contacted some taxpayers about this, and compliance rates have since improved. Revenue reiterated that filing a Form 46G is a statutory obligation and companies should be aware of and comply with their filing obligations.

Life Sciences Branch

There are 13 groups in the CCF in the Life Sciences Branch. Generally, the groups participating in the CCF are the larger more complex groups in the sector. The Branch has a good working relationship with participants. The number of groups in the branch constantly changes due to ongoing M&A activity e.g. spin outs, acquisitions etc.

For non-CCF cases, Level 2 interventions are instigated. Revenue noted that it is important that Level 2 interventions are opened in respect of non-CCF cases to adopt a fair approach and demonstrate the distinction in treatment when compared to CCF participants.

In relation to section 291A, the Branch examines capital allowance claims in CCF and non-CCF cases, together with new and complex risks particularly relating to disposals and capital losses. The Branch will always review capital losses. Remuneration models

also drive activity. The Branch has intense engagement with the sector considering the current geo-political uncertainty and the sector's desire for certainty.

Practitioners had raised LCD response time on the agenda. From the perspective of the Branch, it will respond as soon as possible, subject to available resources. The Branch wishes to close out queries in an efficient manner. The Branch expects more audits to be conducted next year and is open to scheduling a meeting to assist in the conclusion of open level 2 risk reviews, in appropriate cases.

Revenue noted that a number of key vacancies in LCD which arose last year have now been filled. This increase in resources should help minimise delays in response time. If delays arise in specific cases, contact can be made with the relevant Branch Manager to ask when a response may be received. Resource challenges may arise at certain times of the year, but LCD will endeavour to respond as soon as possible.

Alcohol, Tobacco and Multiples Branch

The case-base of this Branch is very diverse and, therefore, it does not generally lend itself to project-based work. Interventions are risk-based. There is a keen focus on Excise Duty risks considering the make-up of the case-base. The Branch also examines VAT and PREM tax risks relating to business travellers and assignees, risks in relation to property including CGT and VAT on property.

The Sugar Sweetened Drinks Tax (SSDT) is also an area of focus, together with the plastic bag levy. Additionally, the new E-Liquid Products Tax introduced in Finance Act 2024, which will apply from 1 November 2025, will be a focus for the Branch.

Transfer Pricing Branch 2

The role of the Branch is to identify transfer pricing risks and examine suitable cases. As part of the risk assessment process, transfer pricing documentation may be requested. These documentation requests are generally conducted as Level 1 interventions under the CIF and the adequacy of the local file and/or the master file provided is tested. The TDM [Requests for Transfer Pricing Documentation](#) outlines the documentation requirements and the process for TP documents requests. The quality of TP documentation is important as Revenue uses the documentation to determine whether a risk exists.

Response time to Revenue has improved. However, issues continue to arise with the quality and completeness of the documentation supplied in response to Revenue's requests.

Revenue expects all in-scope transactions to be covered in the documentation supplied to Revenue and all relevant documentation to be supplied. In some cases, the Branch finds that certain information is missing from the documentation initially supplied, such as linking documents, calculations, and intercompany agreements.

Also, any separate TP analyses, such as loans for the valuation of IP acquisitions, must be provided in response to a TP documentation request but these are not always supplied upfront to Revenue.

In some responses, Revenue is advised that information is not available or it is 'available on request' when the relevant documentation has been requested. Revenue warned of the risk of losing the protection available against tax-geared penalties if the documentation is not supplied or the calculations required have not been performed.

Revenue noted the size of the files to be provided can exceed the MyEnquiries limit. The documentation can be supplied through the Revenue File Transfer Service (RFTS). However, this must be set up by Revenue. Therefore, it is advisable to contact Revenue early to set up the RFTS considering the 30-day time limit to supply the documentation to Revenue.

Revenue expects that the quality of the documentation supplied will continue to improve as taxpayers become more familiar with the request process.

The TP audit program will include a focus on financial transactions. Revenue noted that the quantum of debt will always be examined in an audit, especially on larger arrangements. Revenue noted that in some cases, the quantum has not been documented at all. Revenue noted that the loan interest rate must also be supported.

In a cash pool, where the balance deposited into the cash pool has remained largely unchanged and not moved over several years, the character of the arrangement on such a loan may be longer term than on a normal cash pool deposit which is intended to be short term in nature. Revenue noted that if the interest on such an arrangement is non-

trading income, any adjustment would be taxed at the higher rate. Revenue expects cooperation in response to interventions otherwise protection against penalties may be compromised.

Transfer Pricing Branch 1

This Branch conducts the same activity as Transfer Pricing Branch 2. In addition, it is also involved in DAC7 simultaneous controls. Provision for joint audits was transposed into Irish law from 1 January 2024. Revenue is already involved with Member States and learning from these experiences. There has been an increased growth in activity including joint audits. Financial transactions are a key area of focus including valuation of IP.

According to Revenue's statistics in relation to TP activity from 2015 to 2024, the TP Branches conducted 65 compliance interventions. 46 of these interventions were concluded, yielding €788 million in tax and €243 million in interest and penalties. €1 billion in trading losses were restricted. €21 million in underpaid tax has been raised in assessments, most of which is under appeal.

Practitioners queried interaction between TP and the interest limitation rule (ILR). Revenue has not seen any adjustments yet. The TP Branches will be examining the application of the ILR as will the Medium Enterprises Division (MED) to identify risk indicators.

Divisional Office

The Divisional Office is involved in workforce planning, management of the case-base, ensuring the right coverage and mix of staff and supporting the reduction of response timelines.

Overall, there are 255 officers in LCD including 3 new Principal Officers (PO). LCD is based in seven geographical locations: Dublin, Limerick, Cork and Galway as main hubs, with satellite offices in Thurles, Sligo and Navan. Training and data management is an essential part of the Divisional Office.

Revenue noted the significant quantum of tax paid by the LCD case-base. For example, LCD is responsible for 26% of the PREM net receipts, 22% of VAT net receipts and 72%

of Corporation Tax net receipts. The case-base includes the majority of the top 10 corporate taxpayers that pay 57% of the total net tax receipts.

The Divisional Office also has a customer service role and centrally manages VAT refunds, letters of residence, and PAYE Exclusion Orders. 80% of customer service queries are responded to within 20 working days/25 working days at peak periods.

LCD is introducing an Estimated Response Time (ERT) which is being rolled out across Revenue. LCD expects to have this feature in place by the end of November. The ERT will be unique to the type of query. The Division anticipates there may be some teething issues as the ERT beds in, and a more nuanced approach may be required considering LCD has a different volume and nature of queries than other divisions. Its bedding down will be an iterative process as LCD learns and adapts its usage.

Should the ERT presented in MyEnquiries in response to a query be excessive, contact can be made with the Divisional Office. The aim of the ERT is to provide a realistic timeframe for a response, bearing in mind available resources.

Revenue has received positive feedback to date from customers on the ERT. LCD requested that agents do not tag new queries on to older queries as this will cause difficulties with the ERT and in monitoring its performance.

Practitioners highlighted instances where the timeframe for receipt of responses from LCD or closure letters in respect of interventions can be quite lengthy and this can result in uncertainty for taxpayers. Improvements to response time would be appreciated.

Regarding tax appeals, there were 59 open appeals from the LCD case-base of which 22 were closed in 2024. 8 new appeals have been lodged leaving a total of 45 open appeals currently.

Provision of indicative timeframe for replies from RLS

Practitioners noted the recent confirmation at Main TALC that where a query is escalated to Revenue Legislation Services (RLS) by the Revenue Technical Service (RTS) Branch, RLS will provide an indicative timeframe for a response so that the taxpayer/agent who raised the query can be informed. Practitioners queried whether RLS will adopt a similar approach to queries escalated from LCD.

Revenue confirmed the same process will apply for escalated LCD queries. The aim will be to provide a realistic timeframe and address the concerns previously raised about a lack of communication with the taxpayer/agent on expected response time.

A large proportion of technical queries/opinions sought from LCD are escalated to RLS. Considering the nature of the case-base and the transactions undertaken, queries can be particularly complex, relate to several taxheads and involve significant risk i.e. the quantum of tax at stake. The main driver of referrals to RLS is the complexity involved in the query. Revenue confirmed the Form RTS1A must be used as it allows for a structured approach to outline the query covering all pertinent points and technical analysis.

Pillar Two Update

A new Pillar Two Hub has been added to Revenue's website. It includes key dates, updates and information. LCD has issued a TDM which includes screenshots of ROS to assist taxpayers register for Pillar Two taxes.

In August, Revenue issued Phase 1 letters to Irish Ultimate Parent Entities (UPEs) of Multinational Enterprise (MNE) groups that may be in scope of Pillar Two top-up taxes, outlining the registration requirements. Revenue identified these taxpayers based on a review of Revenue's records and Country-by-Country Reporting.

The letter which issued to the ROS Inbox of the taxpayer advised the taxpayer that the registration functionality was live on ROS and encouraged registration or contact with Revenue, via MyEnquiries, if the entity is not in scope of Pillar Two taxes setting out the reason for its exclusion.

At the end of September, Revenue issued Phase 2 letters to the Constituent Entities (CEs) of those Irish UPEs. The Phase 2 letter was similar to the Phase 1 letter and includes a reminder that to form a UTPR Group or QD TT Group, all entities electing into a group must be registered for the appropriate tax before a group can be formed.

All constituent entities received a letter with approximately 2,000 letters issuing. Those that were only registered for DWT or DAC received a letter in the post rather than

through ROS. The next phase of the letter issue will be informed by the uptake to the letters already issued.

Revenue is currently testing the return which is in development. There is a separate return for each Pillar Two top-up tax. It is likely to be January 2026 before the returns are made available.

The number of registrations to date is quite low. So far, less than 20 are registered for the IIR top-up tax, 151 registered for the Domestic Top-up Tax (QD TT), 16 registered for the UTPR top-up tax and 166 registered for the GloBE Information Return (GIR/TIR). Based on the completed registrations, it would appear in some cases every member of the group registered for the IIR top-up tax which appears to be a mistake.

The functionality to allow agents to register clients for Pillar Two Taxes is available using a sub-certificate. Where a non-Irish UPE is the TIR filer, the system would not accept the non-Irish entity, and this is being fixed.

Revenue can establish that the 'read rate' on the letters issued to the ROS Inboxes is quite low and encouraged practitioners to engage with clients about registration. It was not possible to copy agents on the letters issuing as they are not yet agent-linked for Pillar Two taxes. Revenue included copies of the letters on the Pillar Two Hub and supplied them to the Institute for inclusion in TaxFax to increase awareness of their release.

Of the 68 Phase 2 UPE letters issued, 24 have been read and only 3 registered. Of the 1,750 Phase 2 Constituent Entity letters issued, only 149 have been read.

The Institute agreed to remind practitioners of the registration requirements and the upcoming 31 December 2025 registration deadline. Revenue encouraged early registration considering absences during the Christmas holiday period if taxpayers /agents experience difficulties registering in the latter half of December. While the outcome of the G7 discussions may currently be uncertain, Revenue advised that if in doubt, it is preferable to register. There is no deadline to set up a group.

Revenue is working on preparing six short webinars to include on the Pillar Two Hub.

Many queries have been raised regarding multi-parented groups and Revenue noted not to select this option when registering for Pillar Two taxes if the entity is not multi-parented. One of the webinars will explain this issue.

Queries relating to Pillar Two can be submitted via the specific MyEnquiries option. Queries in relation to registrations will be prioritised over technical queries. LCD will follow the RTS model once Pillar Two is live with updates to the TDM.

A meeting will be held in the OECD in two weeks to discuss functionality for the GIR, which needs a whole group perspective. A risk handbook is awaited from the OECD. Practitioners queried the format of engagement between Member States to ensure consistency in application e.g. whether a working group will be established like for DAC7. This may be helpful, but the engagement model at the OECD is to be determined.

The Institute has supplied a list of outstanding queries to the Department of Finance via the Business Tax Stakeholder Forum, which have previously been raised with Revenue at the TALC BEPS Sub-committee, but require input from the OECD in terms of Administrative Guidance.

Revenue has received queries from entities asking whether they are in scope of Pillar Two taxes. It is necessary for the entities to set out their view to Revenue as to why they believe they are not in scope of Pillar Two for Revenue to be able to respond to such requests for clarification.

Revenue is prepared for queries and adopting a modified RTS query model mapping and layering questions onto a data base. The extent of the queries will determine resourcing.

In response to queries about whether companies currently dealt with by Business Division or MED within scope of Pillar Two will move to LCD, Revenue clarified that LCD will deal with all the Pillar Two related matters. Also, for example, if an audit is undertaken, Revenue may adopt a joint approach if LCD wishes to review Pillar Two compliance and the other Division is examining another taxhead. Compliance with the registration requirement will be the first area of focus for LCD.

The Institute raised a number of specific IT-related queries which Revenue addressed:

- Practitioners had requested the option to print screen/produce a pdf of the return for sign-off. Revenue has asked for this development internally and advised a print function will be provided by the OECD. This is expected to be available in H1 2026 before the filing date. The system will be integrated with ROS i.e. not a new build on ROS.
- Practitioners queried whether an XML style sheet will be produced similar to that available for Form CT1. An XML style sheet will not be released. The GIR TIR will be human readable version which will be developed by the OECD but there is no time commitment on the delivery of this development.
- Regarding queries whether the GIR validation model has been received from the OECD, Revenue clarified that the GIR validation model is expected to be released by 15 December. This will delay the XML schema which must be launched by year end.

Practitioners also queried how to deal with pay and filing obligations for past and future liquidated groups. Revenue has discussed the matter with other tax authorities, however, other tax authorities are not experiencing the same concerns. Practitioners considered Ireland has more SPVs in the Financial Services (FS) sector which may be the reason why the issue is arising more frequently here. Revenue is unable to answer the question at this stage, but the matter is under active consideration. Letters of no objection will be part of the consideration. It may come down to the individual case facts and circumstances.

ICT1 Branch

ICT1 Branch focuses on similar cases and risks as ICT Branch 2 as both Branches have the same sectoral profile of cases. Corporation tax audits are conducted as Level 2 interventions for non-CCF cases with CT risks examined including (but not limited to) R&D Tax credits, foreign income streams /foreign tax credits and claims under section 291A TCA 1997. The Branch also focuses on compliance with the iXBRL and Form 46G filing requirements. For relevant cases, the Branch has also commenced a programme

to ensure compliance with the annual reporting requirements specified as part of any APA concluded.

VAT in the telecommunications sector and software sector are sectoral areas of focus for 2025 and 2026. Like ICT2 Branch, ICT1 Branch's activity relating to OSS and IOSS will continue into 2026 with a focus on control procedures.

The Branch also examines stamp duty, for example, compliance with the conditions of the relief and / or exemptions from stamp duty in accordance with the provisions of sections 79 and 80 and section 101 SDCA 1999.

Motor, Oils and Transport Branch

Areas of focus for the Branch include, corporation tax, payroll taxes, VAT, Customs, Excise Duty controls, newer fuels alternative e.g. biofuels and the Branch is working with RLS in this regard.

13 groups in the Branch participate in the CCF which is a sizeable number. These groups have a significant global footprint. Queries can be niche and complex considering the nature of the case-base. For non-CCF cases, where a risk is identified a Level 2 intervention is initiated.

In examining corporation tax compliance, Revenue reviews group losses including losses forward, capital allowances, R&D Tax Credit claims, classification of income, iXBRL and Form 46G compliance, the ILR and application of the close company rules.

Reviews of payroll taxes include share schemes, international assignees, misclassification of employment and travel and subsistence expenses.

In relation to VAT, the Branch looks at VAT postponed accounting, applicable rates in the sector and VAT recovery rates.

Considering the nature of the Branch, Mineral Oil Tax is an area of focus. This includes the examination of MOT returns and ROM1 compliance, licence and warehouse applications and oil sampling arrangements. VRT is also an area of focus in respect of the motors trade.

Property, Construction and General Manufacturing Branch

The remit of this Branch includes property and general manufacturing. Property includes Real Estate Investment Trusts (REIT). General Manufacturing, in essence, is any manufacturing that does not neatly fit within the ambit of the other Branches. The Branch is also responsible for the largest construction groups, mainly residential and commercial construction, and large engineering groups. There is a low participation in CCF within the Branch.

The Branch is risk profiling for compliance with the Enhanced Reporting Requirements (ERR) with a particular focus on 'country money' given the nature of the case-base. Taxpayers should expect to be asked about the controls they have in place to ensure the 'country money' rules are applied correctly.

In addition, significant work will be conducted towards the end of 2025 and into 2026 in relation to misclassification of employment. The Branch works closely with MED's Construction Branch considering tax risks are spread across supply chains. Risks expected to be examined through 2026 also include a shift from VAT repayables to VAT payables.

Natural Resources, Food and Leisure Branch

The case-base of this Branch is mixed, for example, including food, dairy, media, warehouse controls. Approximately 26% of the case-base participates in the CCF. Resourcing of the Branch has increased, and Revenue hopes to reduce the response time for responding to CCF and non-CCF queries and reduce instances of delays on both sides.

Areas of focus include RCT (for large energy projects and the food sector), 46G compliance, PREM, misclassification of employment, the use of ERR data, VAT rates, R&D Tax Credit claims, corporation tax refunds and VAT refunds.

E-Audit, Customs and PREM Branch

This Branch leads the LCD Customs team with a focus on customs controls and audits. The e-Audit PREM team is also lead by this Branch. It conducts PREM e-Audits on a referral basis.

Regarding ERR, Revenue noted the service for compliance approach adopted in 2024 and the extensive outreach project conducted with the introduction of ERR. The Division will be reviewing the ERR data next year and it will form part of the risk assessment of cases. E-Audit is a national function that supports the branches. Level 2 interventions will be conducted on non-CCF cases.

Practitioners sought an update on ERR compliance and any observations by the Division. LCD has seen a reasonable uptake so far as ERR has bedded down. A risk-based approach to interventions will be adopted and ERR compliance will form part of and inform the risk profile of a group.

In response to queries on PREM Audit activity and observations, the Division noted that audits focus on a range of issues, for example, entertainment expenses, professional subscriptions, travel and subsistence expenses, share-based pay, and international assignee issues.

Practitioners raised the recent publication of an updated TDM on the *Tax Treatment of the Provision of Staff Meals* which clarified the position of meals employers provide for all staff held on the premises and working lunches/dinners held on the premises from 1 October 2025. Practitioners noted that Revenue's interpretation in the TDM was quite narrow considering the normal staff expenditure businesses incur and queried Revenue's approach to scenarios covered in the Manual that arose prior to 1 October 2025.

Revenue noted that the interpretation outlined in the TDM is a policy matter for RLS. Revenue will adopt a case-by-case basis to expenditure covered in the TDM guidance which is incurred before 1 October 2025.

ILR and Anti-hybrid Rules

Revenue advised that ILR, anti-hybrid and reverse hybrid rules form part of its standardised risk profiling of cases and/or testing as part of an intervention (where appropriate). Where a risk is identified in a non-CCF case a Level 2 intervention will be initiated, while a Level 1 intervention will be initiated for CCF cases.

3. Update on Automatic Information Exchange

DAC7: The provisions relating to the reporting obligations placed on platform operators by DAC7 applied from 1 January 2023.

Platform operators were required to file a return by 31 January in respect of the previous calendar year. The first reporting information under DAC7 was received in respect of the calendar year 2023 (filed by 31 January 2024). LCD will be focusing on ensuring adherence with the compliance obligations for the Platform Operators within the Division.

DAC6: LCD examines DAC6 filings for cases within its case base by means of its risk profiling programme, CCF and non-CCF interventions.

AOB

A practitioner raised an example of a case whereby interest on the late payment of preliminary tax was not due as a result of the application of a specific legislative section. However, the practitioner noted that payment demands continued to issue in this case. The Division advised the practitioner to contact Revenue if such an issue arose in the future.