

Minutes
TALC *Indirect Meeting*
1st June 2016
Basement Conference Room
Stamping Building
Dublin Castle

- The Chair expressed thanks to John Farrell for his contributions to the Committee

Item 1 – Minutes of the last meeting

- The minutes were approved without amendment.

Item 2 – Larentia and Minerva

- Revenue acknowledged receipt of a submission from the ITI on their view of the scope of VAT recovery following the judgment and invited input from the other representative bodies.
- Revenue will review the submission and reply before the next meeting.

Item 3 – NEC and Bookit

- Revenue will consider the judgments and if considered required would welcome a submission from practitioners on what they see as the consequences and how applicable the judgments are to business models in Ireland.

Item 4 - Property subject to legacy leases

- Humphrey O’Sullivan will be taking up this issue following John Farrell’s departure.
- The point was raised that the minutes of the last meeting seem to confirm a view that deductibility is available in the circumstances under issue but it was clarified that the confirmation did not relate to the supply of property subject to legacy leases. Practitioners made the point that the matter entirely relates to such property.
- This issue was initially raised by the ITI in December and following that representations were made by an industry body separately, directly to Revenue. Revenue will respond to the representation directly and, following that, will issue general communication on the issues addressed.
- Practitioners reminded Revenue that both the vendor and purchaser sides be considered as there are differences.

Item 5 – Education Services

- Revenue thanked the ITI for their submission including a proposed legislative amendment to include a “catch all” provision for the education exemption. Revenue is currently considering options to improve the legislative formula of the provisions as they currently stand.
- Revenue recognised its responsibility to publish guidelines which they continue to work on and which will be published as soon as possible.
- Revenue requested that in cases of doubt that the individual cases be sent to the local district and they will be dealt with on a case by case basis. These submissions will be used to assist Revenue with the guidance notes and any possible legislative change.

Item 6 – VAT and RCT

- Brian Butler will revert to the ITI to confirm if there are any issues still outstanding following the publication of the Boards of Management VAT and RCT guidance.
- It was pointed out that a paragraph of the guidance that was confusing, Revenue will follow up with the authors of the guidance and suggest an amendment.

Item 7 – VAT on the supply of developed residential property which has been let

- A number of issues have been raised with respect to the application of Section 94(8) VATCA 2010.
- Revenue understands the issues and has sympathy for the specific instances which have been brought to their attention. They acknowledge that there are specific issues with second and subsequent sales by a developer and pre 2005 cases which are the result of quirks in the legislation which arise due to legacy issues. Revenue requested that any specific cases be sent to VAT interpretation for consideration.
- Practitioners stated that property cases are often time sensitive and it may not be feasible to send them in for consideration. Revenue acknowledged this but would prefer to deal with the issues involved by interpretation on a case by case basis.
- Revenue sought to clarify the relationship between Section 94(7)(e) and Section 94(8) where a receiver is disposing of residential property which had been developed by a party connected to the owner. A discussion followed around who is a developer within the context of the legislation and Revenue will revert on this issue with further clarification.

Item 8 – Buildings in disrepair

- Revenue confirmed that where a building has been completed, it cannot become incomplete even where badly damaged by fire or vandalism.

Item 9 – Registration and Agent links

- A number of issues were raised with regard to VAT registrations and difficulties being encountered by agents.
- Practitioners are experiencing frequent delays in VAT registrations, it was noted that this is also being discussed at TALC collections.
- Agents are experiencing difficulties where they wish to be agent for VAT registration only and are not involved in the filing of returns. It was suggested that a box should be added to the registration form so an agent can select to be linked to a case for registration only.
- The point was made that secure emails for registration require a registration number so cannot be used for queries in the pre-registration stage.
- The point was made that Revenue are concerned about VAT registrations and it was stated that some gate keeping is necessary to prevent fraud. However, where the bona fides of a registration request can be confirmed, the process should be efficient. Revenue will pursue the issues raised internally and will revert to the committee.

Item 10 – Transfer of Business (TOB)

- Revenue acknowledged receipt of a submission from Michael O'Connor on TOB and require time to review it before replying.
- Some specific issues were raised regarding TOB – the practitioner's view is that Revenue's interpretation and guidance, which states that in specific cases vacant property comes within TOB, is a step too far.
- While it was acknowledged that the TOB guidance has helped with consistency there are still instances of inconsistency in TOB interpretation across Revenue districts.
- It was requested that Revenue review the guidance relating to stock in trade which practitioners stated is contradictory. It was also suggested that further examples be added to provide clarity.
- Revenue will review the issues raised and requested that practitioners provide further feedback by the end of June.

Item 11 – EU Update

- The recent Aspiro judgment (C-40/15) may have significant consequences for the financial services sector in Ireland and needs to be carefully considered. Revenue would appreciate input from practitioners on how they view the judgment and how it applies to Irish businesses in this sector.
- VAT action plan – the European Court of Auditors report has been published which will contribute to the VAT action plan.
- It is expected that VAT proposals will be published and a definitive, destination based VAT regime, utilising MOSS is planned. It is estimated that this change will see a reduction in fraud of up to 80%. Revenue is in favour of the current proposals and continues to engage with the

Commission in support.

- The pilot on VAT Groups initiated by the Commission to examine Ireland's VAT grouping regime has now been lifted.

Item 12 – AOB

- An issue was raised with regard to the onerous nature of some aspect queries which practitioners suggested are too detailed, too frequent and are essentially an audit by another name. VAT repayments are a particular issue and are frequently queried.
- Revenue will bring the issues raised to the Audit Committee for their consideration.
- The next meeting will take place on Wednesday 5th October 2016

Action Points	Responsible	Timescale
Practitioners to make submissions on TOB		30/06/2016
Revenue to reply on property subject to legacy leases	H O'S	By next meeting
Revenue to reply on Larentia and Minerva	M O'M	By next meeting

Submitted for approval by Secretary – Fiona Mongan (Revenue)

Approved by TALC Committee Members

Chair

Brian Butler (ITI)

Revenue

Gerard Moran (Designated Public Official)

Dermot Donegan

Maeve O'Malley

Donal Barry

Humphrey O'Sullivan

Shay Meehan

CCABI

Kevin Elliott

Norah Collender

ITI

Breen Cassidy

Tom O'Reilly

Law Society

Donal Kennedy

David Lawless

Michael O'Connor