

# **Guidelines for Approved Intermediaries (AIs) and Personal Insolvency Practitioners (PIPs) with regard to arrangements as laid down in the Personal Insolvency Act 2012 and the Personal Insolvency (Amendment) Act 2015**

The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

**May 2020**

RPC014074\_EN\_WB\_L\_1

## Introduction

The Personal Insolvency Act, which was signed into law on 26 December 2012, introduced fundamental reforms to Ireland's insolvency and bankruptcy laws. It brought concepts to Irish law in the form of three debt resolution processes including Debt Relief Notices (DRN), Debt Settlement Arrangements (DSA) and Personal Insolvency Arrangements (PIA). This guidance note has been prepared to ensure a streamlined and efficient process between Revenue and insolvency practitioners operating in this environment.

## Background

Revenue already has well-developed procedures to deal with taxpayers who do not or cannot meet their tax obligations. These procedures include assigning designated Caseworkers to individual cases with tax debts and applying escalatory interventions where necessary to ensure compliance, including Phased Payment Arrangements, the charging of interest, and where necessary debt recovery through enforcement. The application of the various strategies are deployed depending on the level of engagement encountered and the level of tax debt at risk. These procedures have been modified to take account of Personal Insolvency Applications, with a particular focus on ensuring efficient communications between Revenue Caseworkers and practitioners.

Please follow the links for further guidance on **Debt Management** and **Enforcement**

## Procedures

To ensure clear and streamlined engagement between Revenue and key stakeholders operating in the personal insolvency environment, including the Insolvency Service of Ireland (ISI), Authorised Intermediaries (AI) for DRN, and Personal Insolvency Practitioners (PIP) for DSA/PIA, the Personal Insolvency Unit in the Collector-General's Division will act as the first point of contact for all queries. The Unit can be contacted through **MyEnquiries**, [personalinsolvency@revenue.ie](mailto:personalinsolvency@revenue.ie) or by telephone at 061 488 579.

For data protection and security purposes, all e-mails to Revenue should be submitted via "**MyEnquiries**" within Revenue.ie as this is a secure enquiry facility.

Where an AI or PIP contacts the Personal Insolvency Unit in regard to a specific taxpayer, the Caseworker will discuss the relevant issues with the practitioner. The Personal Insolvency Unit will also monitor progress on all cases from a Revenue perspective to ensure that statutory deadlines are adhered to. Decisions regarding whether to opt in / opt out of any proposed arrangement will be made by the Personal Insolvency Unit in conjunction with their management stream where necessary.

Revenue would welcome and encourage AIs and PIPs to engage as early as possible during the preparatory stage of Personal Insolvency submissions, in circumstances where there is any doubt about the level of information required. Such communication will assist in clarifying the requirement and help increase the possibility of Revenue opting into any arrangement.

Attached in the **Appendices** are an outline of the information that the Revenue Caseworker will require, to be in a position to make a decision on whether to "opt in" or "opt out" of a DRN, DSA, or PIA. It is important to note that in circumstances where there is failure by the practitioner to provide the required level of information, the Caseworker will have no option but to "opt out". This information can be in addition to the documentation the PIP is obliged to provide under either Section 71 or Section 107 of the Act.

Revenue also reserves the right to request further relevant information in relation to any proposed arrangement where it is deemed necessary before deciding to accept / reject a proposal. Revenue has 21 days to reply failing which it will be deemed to have opted in. 'Opt in', in the case of a DRN, means consenting to the issue of a DRN in respect of the Revenue in any proposed arrangement. With regard to DRNs, Revenue will apply the same 70-day protective period to this arrangement type, as is provided for in the Act in regard to DSA's and PIA's. As a consequence, the Caseworker will not initiate any enforcement action for 70 days from the date that formal notification of a debtor's intention to seek a DRN is received.

## **Dividend Payment**

The arrangement must be in line with current procedures.

All payments should be made by way of Electronic Funds Transfer (EFT).

Details for making EFT / Giro payments to the Revenue Commissioners are as follows.

**Account name:** Office of the Revenue Commissioners – UTD EFT – Public Bank Account.

**Bank:** Danske Bank, International House, 3 Harbourmaster Place, Dublin 1.

**BIC:** DABAIE2D

**IBAN:** IE37DABA95159920003514

**NOTE:** You must include the customer name, registration number and tax type, with your payment to ensure correct and prompt allocation of funds.

Once payment is made, to ensure the payment is correctly brought to account, you are required to send, through "**MyEnquiries**" within [www.revenue.ie](http://www.revenue.ie), the following details to: [moneytrans@revenue.ie](mailto:moneytrans@revenue.ie)

### **Details required by Revenue Commissioners:**

- IBAN and BIC to which payment was sent (from the list above)
- Date payment was made
- PPSN of your client and the tax period to which the payment relates
- Amount in Euro which was transferred

## **Current Taxes**

In regard to the payment of current taxes, Section 100(3) of the Finance Act 2013 amends Section 65(2)(e) and Section 99(2)(f) of the Personal Insolvency Act 2012 to provide that a DSA or PIA agreement must make provision for the payment of all current tax liabilities incurred by the debtor as they become due during the course of the arrangement. As such, Revenue can only consider a proposed arrangement that includes this mandatory requirement.

## **Revenue Audits / Interventions**

Where audits, profile interviews or aspect queries are ongoing or scheduled to commence in a case applying for Personal Insolvency, the AI / PIP should contact the Personal Insolvency Unit who will in turn contact the auditor to discuss the financial circumstances of the person in question. The key issue in the case of an open audit will be whether Revenue should 'opt in' or 'opt out' of the formal arrangement. Where the auditor is of the opinion that the audit should proceed because he / she feels that there are significant issues that merit investigation such as evidence of hidden assets or profits, then Revenue will have no choice but to 'opt out' of any arrangement until the audit is concluded.

## **Tax Appeals**

In circumstances where the person applying for Personal Insolvency has an outstanding Appeal listed for hearing, Revenue will have no choice but to 'opt out' until that Appeal is concluded or withdrawn because the debt cannot be fully quantified.

## **Section 115A Appeals**

Where an application is made under Section 115A of the Personal Insolvency Act 2012 – 2015 and a decision is made by the Court the practitioner should notify Revenue of the outcome as early as possible.

## **Quality Assurance**

Revenue has noted the regulations published by the ISI in regard to AIs and PIPs and has agreed with the ISI that it will report back any circumstances of inadequate or incomplete submissions.

## APPENDIX 1

Details required by Revenue from AI / PIP in 'opt in' / 'opt out' of DRN, DSA, PIA submissions

Taxpayer details to include name, address, PPSN

Confirmation from taxpayer that PIP / AI can act on their behalf

All tax returns up-to-date

For DRN

The information set out in the PFS (Prescribed Financial Statement)

For DSA/PIA

The information set out in the PFS (Prescribed Financial Statement)

Approximate cost of PIP

## APPENDIX 2

Details required by Revenue from PIPs in proposed DSA or PIA arrangement submissions	
<b>DSAs / PIAs with Revenue debts &gt; €20,000</b>	Details and supporting Schedule of Assets (including any charges) and Liabilities (inc. PIP fees)
	Details of measures taken to address debt leading up to current situation
	Details and supporting documentation of any future projections included in the submission
	Details of any gifts / other income incorporated in the arrangement
<b>DSAs / PIAs with Revenue debt &lt; 20,000</b>	Details of any debt not included in the arrangement that will continue to be paid outside of the DSA / PIA
	Details and supporting Schedule of Assets (including any charges) and Liabilities (inc. PIP fees)
	Details of measures taken to address debt leading up to current situation
	Details and supporting documentation of any future projections included in the submission
	Details of any gifts / other income incorporated in arrangement

## **APPENDIX 3**

### **The following information should be clear from the application:**

- The expected contribution that the taxpayer will be making to his creditors in the arrangement.
- The expected contribution that the taxpayer will be making to the Revenue Commissioners in the arrangement.
- The duration of the arrangement.
- The projected Reasonable Living Expenses of the applicant over the course of the arrangement.
- The proportion of those Reasonable Living Expenses that the applicant will be seeking to claim.
- The costs likely to be incurred by the applicant by remaining in occupation of his/her current accommodation.
- Details of how the secured debt will be treated in the arrangement
- A breakdown of the second car allowance / special circumstances etc

### **Information which Revenue generally request to enable a decision:**

- All bank account details (both within and outside the jurisdiction), and the last 6 months statements
- An up to date mortgage statement for all properties
- Details of any pension schemes/endowment policies/prize bonds/insurance policies etc.
- How the applicant proposes to address LPT arrears arising prior to the commencement of the arrangement. Please note arrears of LPT are a charge on the property and cannot be written down in any Personal Insolvency arrangement. Such arrears must be addressed in the proposal. Please contact [LPT\\_Register\\_Team@revenue.ie](mailto:LPT_Register_Team@revenue.ie) to discuss payment options.