

LCD Co-Operative Compliance Framework Review – Supplementary Paper: Survey Results and Additional Information.

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1. CCF Review Terms of Reference

1. To ensure that the CCF program is delivered in line with the recently published TDM.
2. To ensure the effective and consistent administration of CCF across the LCD Branches.
3. To ensure that there is a clear difference in the management and treatment of cases that are in CCF as compared to those not in CCF.
4. To determine if CCF delivers on the objectives of improving voluntary tax compliance.
5. To document and assess the types of interventions recorded in RCM for CCF companies and to track their origin for appropriateness.
6. To review a sample of annual risk review meetings to ensure that guidelines are being followed and that there is consistency in the conduct and reporting of the review.
 - a. Sampling of meetings to ensure quality and consistency
7. To identify areas of improvement in the delivery and administration of the framework.
8. To identify reasons why certain businesses that would be eligible to join the framework do not join.
9. To measure the number of self-reviews conducted by CCF cases and to produce statistics on the results of those reviews including the value of disclosures arising.
10. To review the recommendations of the internal review conducted in 2016 to ensure that those recommendations have been implemented or where not implemented document the reasons why and consider if steps should be taken to implement them.

In order to meet the terms of reference it was decided that the review would involve:

- Obtaining statistics on the number of self-corrections, self-reviews and Unprompted Voluntary Disclosures received from CCF cases and compare this to that for non CCF cases
 - Conduct analysis of the above to identify trends.
- Analyse the procedures for implementing CCF in the various Branches to ensure it is in line with the TDM and to check that a consistent approach is taken.
- Measuring the resources allocated to CCF in the Branches and reporting on the adequacy of those resources including the tax technical and sectoral knowledge of the staff.
- Issuing a questionnaire to selected sample of Groups currently in CCF to identify reasons for participation and any possible areas for improvement.
- Issuing a questionnaire to a selected sample of agents to gain insights into the CCF program from their perspective.
- Issuing a questionnaire to a selected sample of eligible LCD cases that have not applied to be in CCF.
- Obtain input from Branch and Case Managers on the findings and recommendations of the review and to incorporate any suggested alterations in the final draft.

2 Recommendations arising from 2016 CCF Review

| Recommendation No. 1 | Notes regarding Implementation |
|--|--|
| It is recommended that, as a matter of strategic direction, a reformed Co-Operative Compliance Framework (CCF) should be part of Revenue's offering to Groups managed by LCD. | Yes. |
| Recommendation No. 2 | |
| It is recommended that application for entry to the reformed CCF will be on a voluntary basis. Should a Group not apply, or apply but fail to meet the criteria, the Normal Revenue Standards as outlined at 2.2 will apply. | Yes |
| Recommendation No. 3 | |
| It is recommended that entry to the reformed CCF will be governed by an application process that operates by way of a self review based on a set of criteria and followed by an evaluation of the application by Revenue. | Yes |
| District Managers will write to all Groups, whether they are currently in Co-Operative Compliance or not. The Group will be informed of the self review criteria to be met for application to participate in CCF. Subject to meeting the criteria the Group may apply by completing the Application Form and submitting it, and the additional documentation required as part of the application process, to their District Manager. | This process was undertaken in 2017 following the relaunch of the framework. |
| Recommendation No. 4 | |
| It is recommended that there will be a formal acceptance of the application to enter the CCF where the Case Manager has reviewed the application and verified that the criteria set out in the Application Form are met. The formal acceptance letter will be issued by the District Manager. | Yes |
| Recommendation No. 5 | |
| It is recommended that a formal refusal letter will issue where the Case Manager has reviewed the application and established that the criteria set out in the Application Form are not met. The formal refusal ¹ letter will be issued by the District Manager and will outline the criteria not met. | Yes |
| Recommendation No. 6 | |

¹ The Revenue Complaints and Review Procedures will apply should an applicant wish to complain against the District Manager's decision.

| | |
|---|--|
| It is recommended that an Annual Co-Operative Compliance Meeting must be held between the Group and the District/Case Manager in order to confirm that the Group is meeting its obligations and commitments under the CCF and to develop and build relationships. Where relevant a specialist in transfer pricing and/or Customs will attend. | Yes, though analysis undertaken as part of this review has noted some exceptions to the ARR being held every year. |
| This meeting will have a risk based focus where the District/Case Manager and the Group agree a Risk Review Plan for the relevant year. | Yes |
| LCD Business Plans should reflect this commitment. | Yes |
| Where the Group no longer meets the criteria or does not fulfil its commitments and obligations under the CCF, as set out at 2.4, the District Manager will issue a formal letter ² advising the Group that its continued participation in CCF is withdrawn and the basis for this decision. | Yes |
| Recommendation No. 7 | |
| It is expected that a reduced level of compliance interventions will be applied to those Groups who participate in the new CCF. | Yes |
| This reduced level of compliance interventions is to be complemented by regular self reviews and a specific CCF Verification Programme to verify that the Group has robust internal controls and a strong corporate governance structure in place. | Yes |
| Those selected under the CCF Verification Programme will be advised that the intervention is under the CCF Verification Programme and is an integral part of the governance process underpinning CCF. This CCF Verification should take the form of aspect queries or profile interviews and only escalate to audit if the findings of the initial intervention indicate audit is required. | Yes |
| Recommendation No. 8 | |
| It is recommended that the following treatment apply to Groups in the CCF: | |
| <ul style="list-style-type: none"> Each Group will have a dedicated Case Manager to provide a higher priority level of service than will be given to a Group not in the CCF. | <ul style="list-style-type: none"> Yes |

² The Revenue Complaints and Review Procedures will apply should an applicant wish to complain against the District Manager's decision.

| | |
|---|--|
| <ul style="list-style-type: none"> • There would be an annual “face-to-face” meeting with the Group. (see Recommendation 6) • At this meeting an Annual Risk Review Plan will be agreed. • Where relevant, a specialist in transfer pricing and/or Customs will attend this meeting. • A specific CCF Verification Programme will apply (see Recommendation 7) • A streamlined process for approval of Corporation Tax and VAT refund claims will apply to Groups in CCF. The streamline process will not include Correlative Relief claims. • In the main, a self review disclosure will be reviewed by way of aspect query or profile interview. An audit will only arise should the findings of the initial intervention indicate that it is required. | <ul style="list-style-type: none"> • Yes • Yes • Yes • Yes • Yes • Yes |
| Recommendation No. 9 | |
| It is recommended that in launching the new CCF, LCD will update TALC and meet with the large accountancy, tax and legal firms to advise them about the new CCF and to outline the distinction in treatment between those Groups in the CCF and those not in CCF. | Yes |
| Recommendation No. 10 | |
| It is recommended that LCD, to the greatest extent possible, centralise all routine customer service functions, both for those in CCF and not in CCF, in the Customer Service (CS) Branch of LCD. | Yes |
| Recommendation No. 11 | |
| It is recommended that the CCF will be a standing item at each LCD Divisional Management Meeting (DMM) and that each District Manager, in rotation, will report on the way he or she is administering the new CCF. Where any serious deviation from the new CCF is evident, the Divisional Management Team [DMT] will agree the remedial action necessary. | Yes but has not been occurring recently since the implementation of the TDM. |
| Recommendation No. 12 | |
| It is recommended that a small CCF Quality Assurance [QA] team is established to have oversight of the implementation and administration of CCF within LCD and to report periodically at the DMM. | Yes, QA review carried out in 2019 |
| The CCF QA team, comprised of three Assistant Principals from Corporate Districts and the Assistant Principal of the Divisional Office, will draft: | Yes |

| | |
|--|---------------------------------------|
| <p>1. Guidelines for the formal Annual Risk Review Meeting with Groups under CCF so as to ensure a consistent approach is taken at these meetings.</p> <ul style="list-style-type: none"> a. These Guidelines should include criteria to be reviewed in advance of the meeting e.g. compliance status, outcome of any interventions etc. b. The Guidelines should outline the key features of a Risk Review Plan to be adapted and enhanced, as relevant, for each company. <p>2. Quality Assurance criteria to be monitored so as to ensure that the distinction in service and interventions as between those in and not in CCF is being applied consistently across the Districts.</p> <ul style="list-style-type: none"> a. The QA criteria will include a review of the number and nature of interventions, time taken to reply to queries, nature of a Case Manager's engagement with the Group, time frame for processing and refund of VAT and CT claims etc. Companies for QA will be selected randomly from all corporate Districts and will include those in and not in CCF for comparison purposes. b. A QA review will be undertaken annually by the CCF QA team. A report on the QA review will be presented to the Divisional Management Team. Where inconsistencies are identified remedial action will be agreed and implemented. | <p>Incorporated in TDM</p> <p>Yes</p> |
| <p>Recommendation No. 13</p> <p>It is recommended that, at this stage, a formal Tax Control Framework is not required from a Group before acceptance into the new Co-Operative Compliance Framework. However, the Group will be required to confirm to Revenue, as part of the application process, that it has the broad principles of a tax control framework in place in respect of:</p> <ul style="list-style-type: none"> A. Tax Strategy Established: This should be clearly documented and owned by the senior management of the Group. | <p>Yes see TDM</p> |

- B. **Applied Comprehensively:** The tax strategy needs to govern the full range of the Group's activities.
- C. **Responsibility Assigned:** The role of the Group's tax department and its responsibility for the implementation of the tax strategy should be clearly recognised and properly resourced.
- D. **Governance Documented:** Rules and reporting that ensure transactions and events are compared with the expected norms and that potential risks of non-compliance are identified and managed. The governance process within the Group should be documented and its effectiveness reviewed periodically.
- E. **Testing Performed:** Compliance with the policies and processes of the tax strategy, its application and the governance of the process are regularly monitored, tested and maintained.
- F. **Assurance Provided:** The Corporate governance, responsibilities, communications strategy and overall risk management strategies are such that they can be outlined to Revenue, as required, to satisfy Revenue that the Group has the principles of a tax control framework in place.

Aspects of these principles may be explored with the Group at the Annual Risk Review Meeting.

3 Overview of Large Corporates Division

High-Level Description of the Role of Large Corporates Division [LCD]

LCD was established in 2003 to:

- Carry out customer service and compliance functions in respect of the tax and duty affairs of the State's largest corporate businesses and particular complete business sectors, including the financial and pensions sectors.
- Ensure LCD customers understand their tax and duty obligations and entitlements.

Short Description of Key Responsibilities

To fulfil this role LCD is responsible for:

- Providing a range of services to our customers in a timely and efficient manner, including a co-operative compliance framework for participating customers.
- Conducting targeted compliance interventions, including audit and risk management checks.
- Managing a co-operative relationship with the RLS Divisions to ensure that LCD's experience contributes to and informs policy and legislative developments, in particular on issues that could impact significantly on tax yield.
- Managing and maintaining co-operative relationships with other Regions and Divisions, in particular the Collector Generals Division, Accountant General and Strategic Planning Division, Revenue Solicitor's Division and the Revenue Legislative Services Divisions.
- Strengthening the knowledge, capabilities, performance management, leadership and skills of our staff.

What is a Large Corporate?

Since October 2015, Groups with annual turnover greater than €190m or tax payments greater than €18m per annum are dealt with in Large Corporates Division.

In addition, some economic sectors are assigned in their entirety (i.e. regardless of turnover or size of tax payments) to LCD. These include all regulated banks/financial institutions, all insurance underwriters, all securitisation companies, all aircraft leasing companies, all regulated investment funds, all REITs and all stockbroking firms.

Structure of Large Corporates Division

LCD is sectoral based, the idea being that Case Managers, mainly at Assistant Principal and AO/HEO level, develop knowledge of how a sector works in order to build technical capability and an appreciation of the commercial imperatives applying in the particular sector.

Sectoral based Districts

LCD has 10 sectoral based Revenue Branches:

- **Alcohol, Tobacco and Multiples (ATM)**
- **Natural Resources, Food and Leisure (NFL)**
- **Financial Services, Banking (FSB)**

- **Financial Services, Insurance (FSI)**
- **Financial Services, Financing and Investment Funds (FIF)**
- **2 x Information, Communication and Technology (ICT1&2)**
- **Life Sciences (Biotechnology, Pharmaceutical and Medical Devices)(LS)**
- **Property, Construction and General Manufacturing (PCGM)**
- **Motor, Oils and Transport (MOT)**

Central Audit Branches

LCD has 5 central audit Branches which are used as a Divisional-wide resource:

- **E-Audit (unit also provides a national function as a “centre of excellence”)**
- **Customs Audit (unit also provides a national function as a “centre of excellence” for Customs valuation issues)**
- **PREM Audit**
- **2 x Transfer Pricing Audit**

In addition, LCD has a centralised Customs Control Unit which monitors, reviews and approves Customs authorisations, such as Authorised Economic Operator (AEO), issued to LCD cases.

Support Branches

LCD has two support Branches:

- **Divisional Office**
- **Customer Service Branch**

Corporate Roles

LCD has a number of national roles within Revenue.

E-Audit

The E-Audit unit develops capability in the use of E-Audit techniques across Revenue. The Branch also develops and supports the implementation of new strategies to enhance the use of E-Audit.

Customs Valuation

The Customs Unit has corporate responsibility to provide support as a “centre of excellence” for Customs Valuations.

Transfer Pricing

The Transfer Pricing Audit Branches carry out all TP audits for the entire Revenue case base. The Transfer Pricing Audit Branches also provide support to LCD and MED sectoral Branches on non-audit TP issues such as correlative relief claims.

It should be noted that issues to do with Mutual Agreement Procedures (MAPs) and Advance Pricing Arrangements (APAs) are the responsibility of International Tax Division.

Case Base Criteria and Resources

| <i>Year</i> | <i>Criteria</i> | <i>Case Base Size</i> | <i>Staffing Resources</i> |
|--|---|----------------------------|--|
| 2003 (on set up) | Groups Turnover > €150m or Tax Paid > €13m Individual Net Worth > €50m | 350 Groups 360 HWIs | 240 FTE (3.7% of Revenue Resources) |
| 2007 (following index-linking in 2007) | Groups Turnover > €162m or Tax Paid > €16m Individual Net Worth > €50m | 630 Groups 485 HWIs | 238.85 FTE (3.7% of Revenue Resources) Allocation 239 |
| 2015 (following index-linking in Oct 2015) | Groups Turnover > €190m or Tax Paid > €18m Individual Net Worth > €50m | 689 Groups 465 HWIs | 221.9 FTE (3.7% of Revenue Resources) Allocation 239 |
| 2021 | Groups Turnover > €190m or Tax Paid > €18m In 2018 the HWI section of LCD was split from the corporates and a separate LCHWI Division was created. | 923 Groups | 284 FTE Allocation |

LCD Case Base

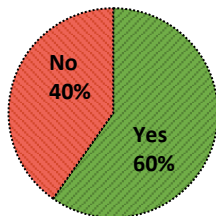
| <i>Cases managed in LCD</i> | | <i>Numbers</i> | <i>Notes</i> |
|-----------------------------|---|--|----------------------|
| 1 | Large Groups with turnover greater than €190m or total tax paid greater than €18m IDA supported companies with >300 employees (with flexibility to take in companies with <300 employees but with substantial potential to grow) | 923 Groups 17,458 companies 11 approx. | |
| 2* | All regulated financial institutions | 817 financial companies | Except Credit Unions |
| 3* | All Securitization companies | 4,245 companies | |
| 4* | All aircraft leasing companies | 5,666 companies | |
| 5* | All stockbroking firms | 4 firms | |
| 6* | All insurance companies | 522 companies | |
| 7* | All regulated investment funds (including investment managers and service providers to the funds) | 1,736 companies | |
| 8* | All REITs (Real Estate Investment Trusts) | 4 REITS | |

* Figures quoted in categories 3 to 10 are included in 17,458 in category 1.

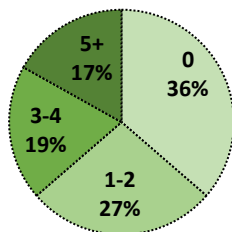
4 CCF Groups Survey Results

The respondents were first asked to provide some information on their tax presence in Ireland as well as any CCF programme the Groups were engaged in in other jurisdictions. The following responses were received:

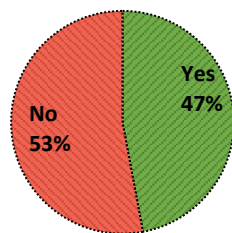
Does your Group have a dedicated tax team based in Ireland?



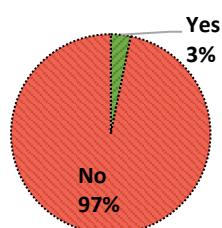
How many fulltime equivalents, working exclusively in the area of tax, does your Group have based in Ireland?



Has your Group joined a CCF programme in another jurisdiction?



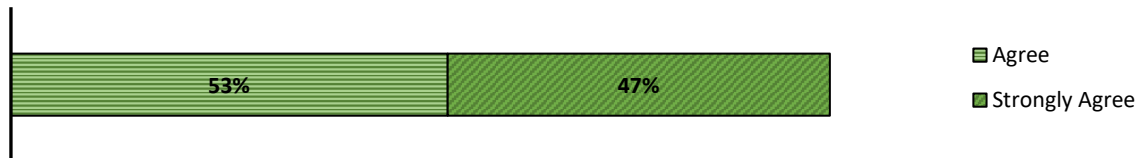
Has your Group declined an invitation/chosen not to join a CCF programme where offered, in another jurisdiction?



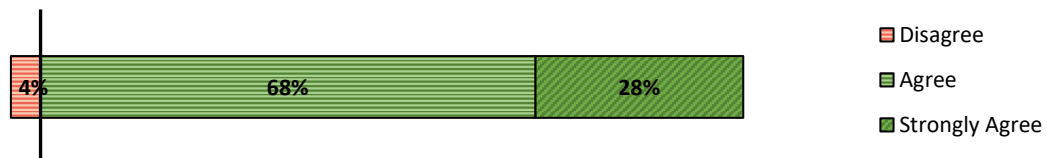
Benefits of the CCF programme

The respondents were then asked to select from the following options, to describe how best it described their experience of the CCF programme.

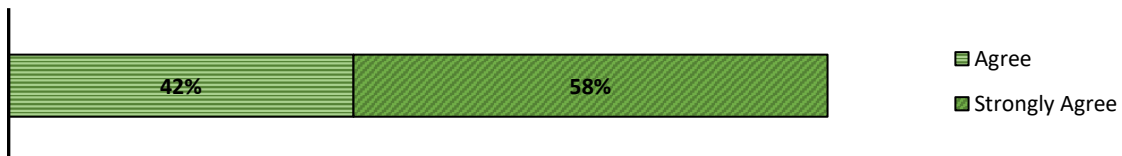
Revenue better understands how our business works.



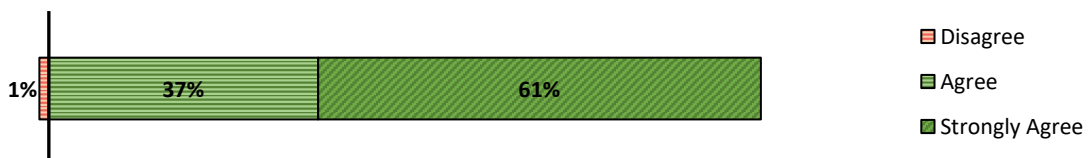
Revenue recognises the difference between business-driven and tax-driven decisions, thereby minimising possible misunderstandings.



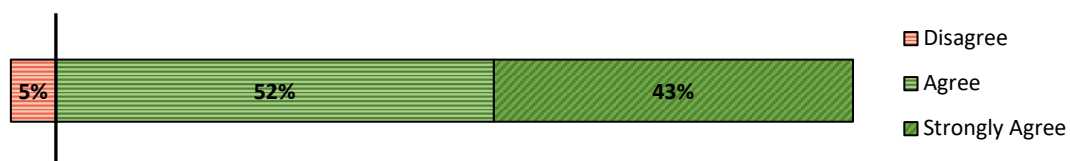
We believe that our relationship with Revenue is based on trust, mutual understanding, accessibility, openness and transparency which is beneficial for our business, and the framework fosters this relationship.



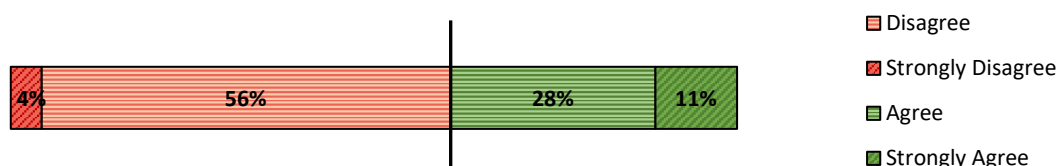
Having access to a dedicated Case Manager resolves misunderstandings or progresses major and/or urgent issues.



Having an open communications channel with Revenue facilitates obtaining Revenue's view in relation to specific tax related matters.



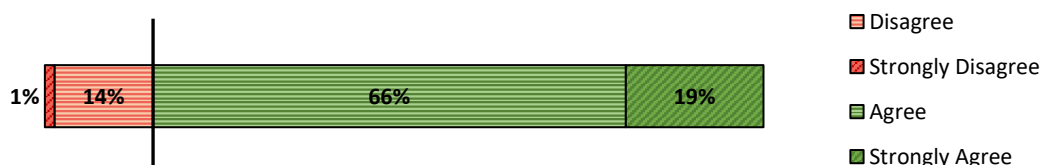
There are reduced compliance costs.



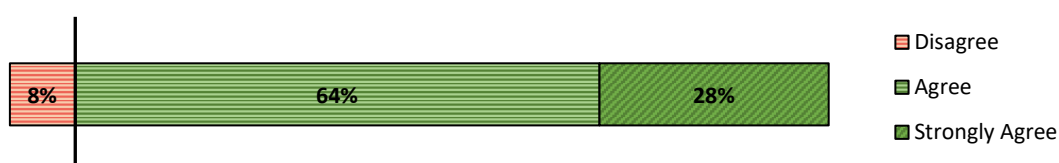
There is a reduced risk of audit and compliance interventions from Revenue.



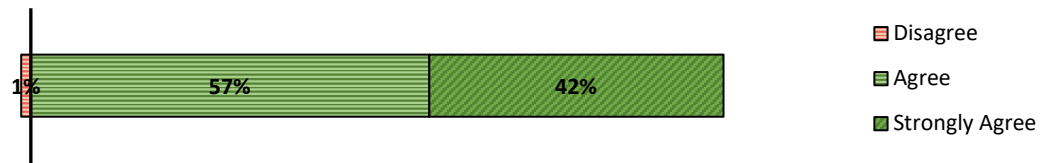
There is greater certainty in relation to tax exposure.



The Group is able to highlight problems with the tax code or its administration that is affecting it.



The Group benefits from the streamlined process for approval of Corporation Tax and VAT refund claims.



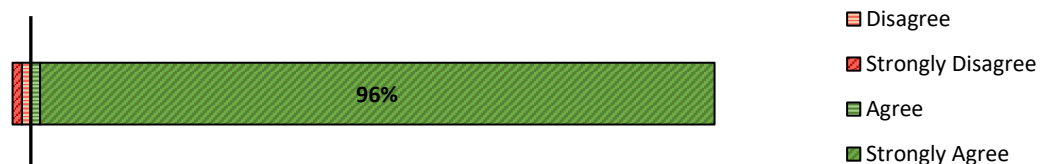
Importance of having a Case Manager

The respondents were then asked to provide their view on the importance of having a dedicated Case Manager in relation to each of the following scenarios:

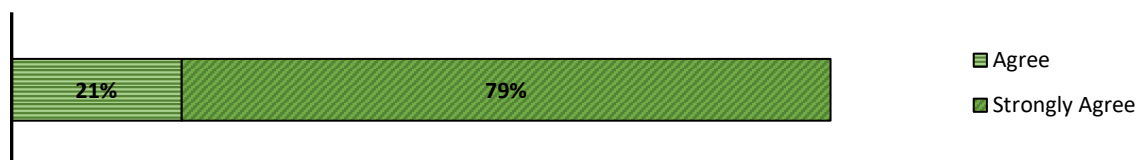
Ease of communication. Not being routed through an 1890 number/general customer services mail.



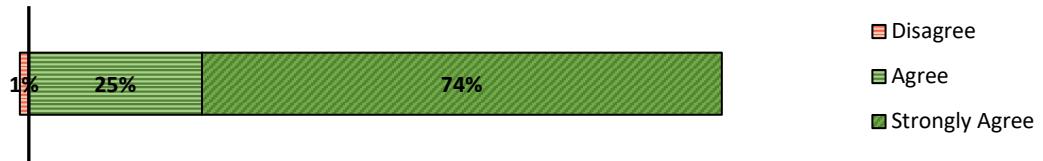
Consistency in dealing with a familiar contact.



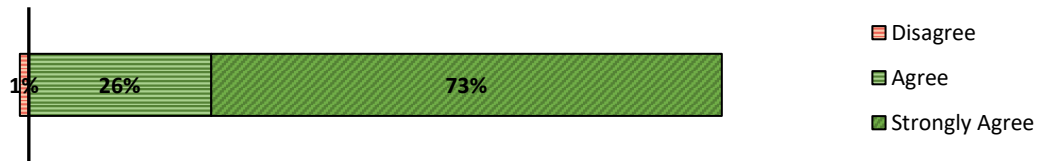
A faster response to a general query, e.g. filing issues



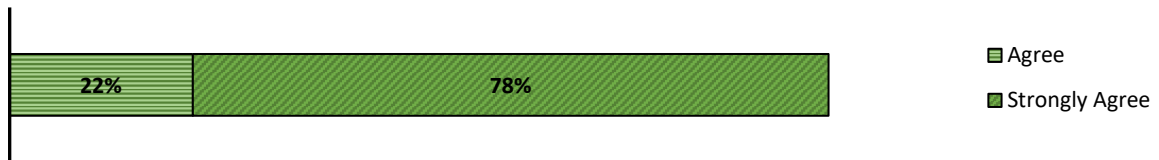
A matter relating to a repayment being resolved



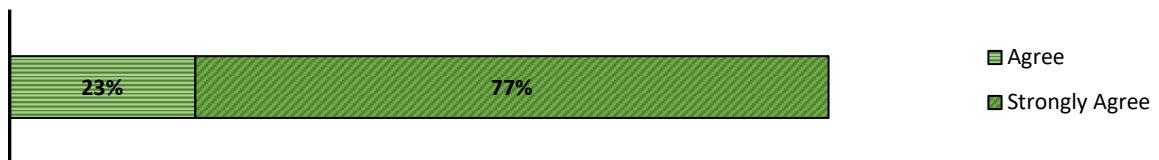
A technical matter or business change discussed



A contact to expedite a matter being dealt with by another area of Revenue



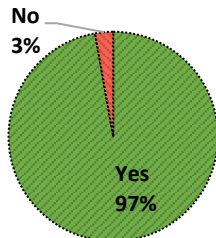
A discussion of a risk/concern/issue or error



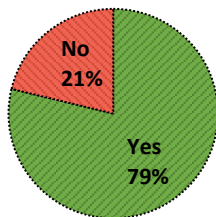
Benefits experienced from access to a dedicated Case Manager

The respondents were then asked whether having access to a dedicated Case Manager had resulted in the Group benefiting from one of the following:

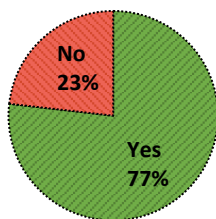
A faster response to a general query, e.g. filing issues.



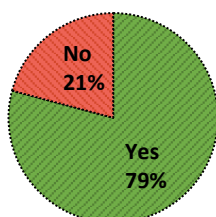
A matter relating to a repayment being resolved.



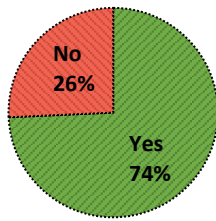
A technical matter or business change discussed.



A contact to expedite a matter being dealt with by another area of Revenue.



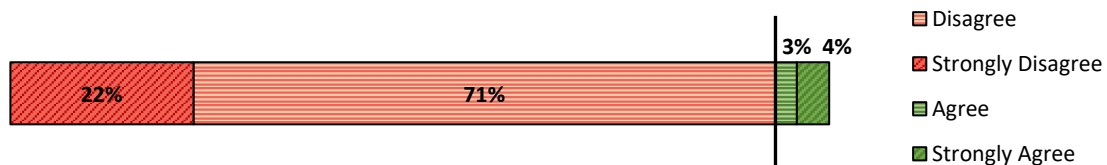
A discussion of a risk/concern/issue or error.



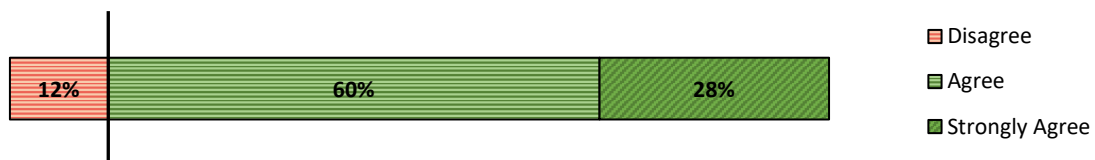
Potential changes to the ARR meetings

The respondents were asked whether the current format of the ARR meeting could be modified to improve efficiency and effectiveness. The following proposals were suggested to the respondents to gauge their views:

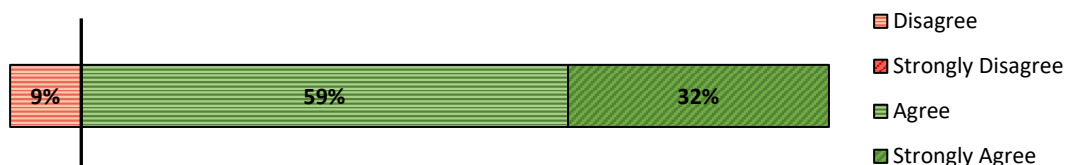
More than one risk review meeting to take place in a year.



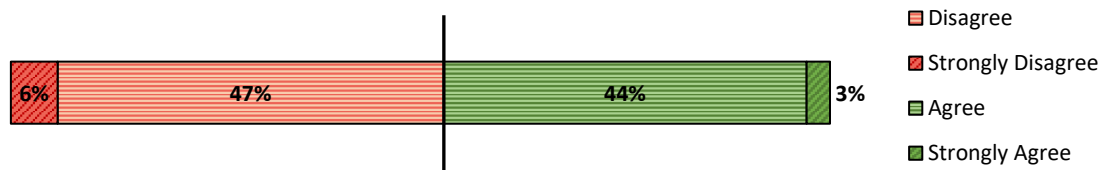
A formal timeline for issuing the risk review agenda in advance of the meeting in order to allow time for taxpayers/agents to adequately prepare for the meeting.



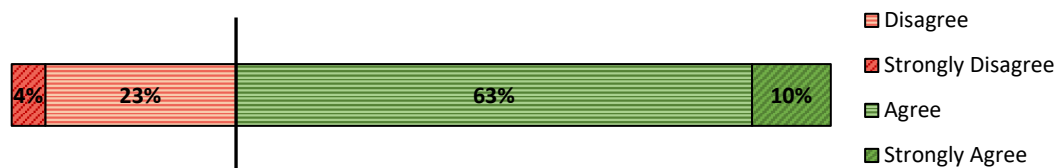
The move to virtual meetings, in response to Covid19 restrictions, has had a minimal impact on the annual CCF meeting.



In the post Covid19 pandemic period, would taxpayers/agents prefer the meetings to be conducted virtually?



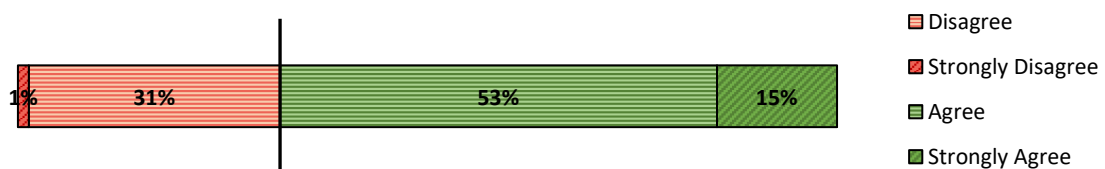
In the post Covid19 pandemic period, would taxpayers/agents prefer the meetings to be conducted in a blended manner? i.e. some attendance in person and others attend on virtual platform.



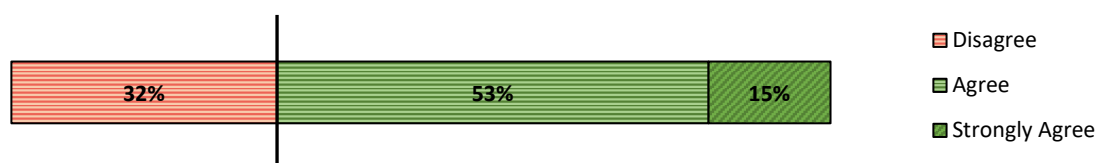
Impact of the ARR meetings

The respondents were asked to assess the impact of preparing for the CCF ARR meeting and follow on queries for CCF Groups:

Significant additional time/resources are spent preparing for CCF meetings.



Significant additional time/resources are spent dealing with CCF meeting queries/issues.



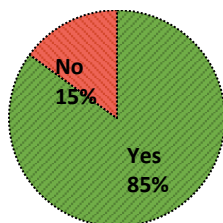
Any additional time spent on addressing CCF queries and attendance at risk review meetings add value.



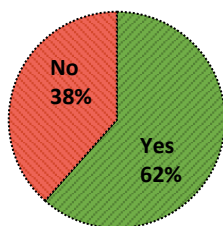
5 Non-CCF Groups Survey Results

The respondents were first asked to provide some information on their knowledge of the CCF programme as well as information on their tax presence in Ireland. The following responses were received:

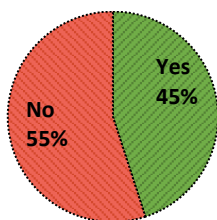
Are you aware of the Co-operative Compliance Framework programme which currently operates in LCD?



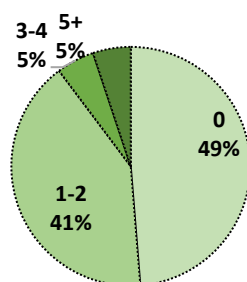
Has your Group been invited to participate in the Co-operative Compliance Framework("CCF") programme operated by LCD previously?



Does your Group have a dedicated tax team based in Ireland?



How many fulltime equivalents, working exclusively in the area of tax, does your Group have based in Ireland?



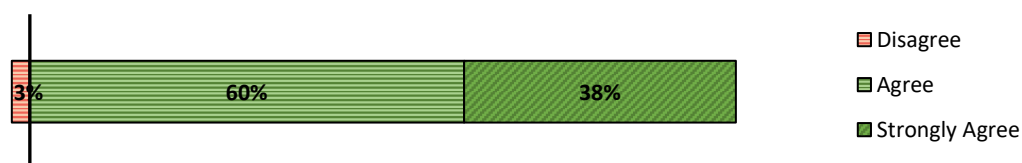
Benefits of the CCF programme

The respondents were then asked to evaluate the importance of the following intended benefits of the CCF programme which might incentivise the Group to consider joining the programme:

Revenue having a better understanding of how the business works and recognising the difference between business driven and tax driven decisions and thereby minimising possible misunderstandings.



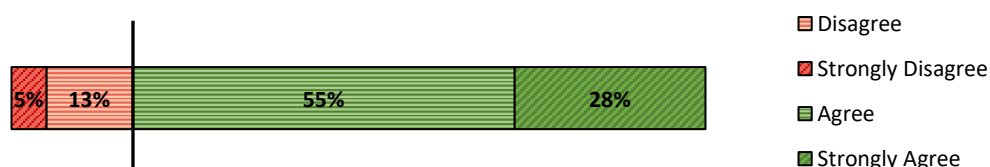
Having a relationship with Revenue that is based on trust, mutual understanding, accessibility, openness and transparency.



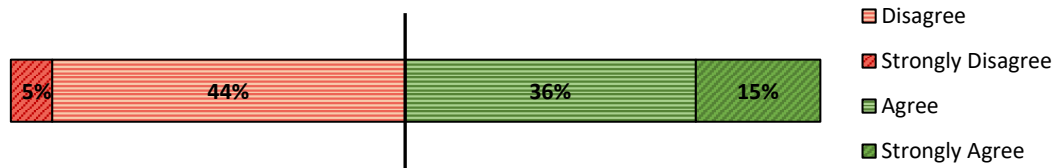
Ease of access to Dedicated Tax Inspector (Case Manager) to resolve misunderstandings or progress major and/or urgent issues.



Providing taxpayers with an open communications channel in order to engage with Revenue to obtain Revenue's view in relation to specific tax related matters.



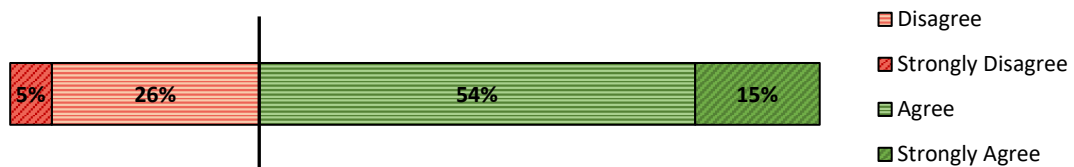
The possibility for reduced compliance costs.



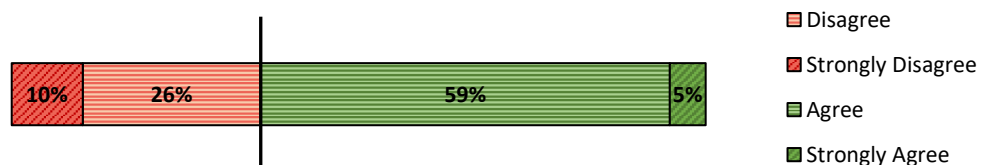
Reduced level of audit and compliance interventions by Revenue.



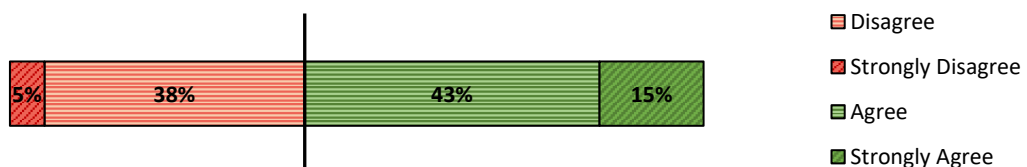
Greater certainty in relation to tax exposure.



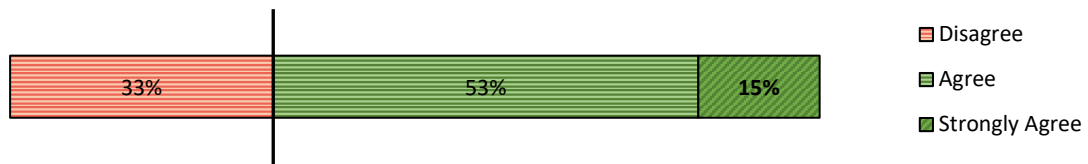
Having the opportunity to highlight problems with the tax code or its administration that is affecting the Group.



A streamlined process for approval of Corporation Tax refund claims.



A streamlined process for approval of VAT refund claims.



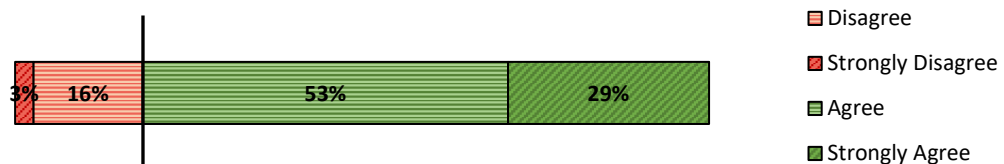
Reasons Groups have not or would not join CCF

The respondents were then asked to provide some context on their reason for not joining CCF:

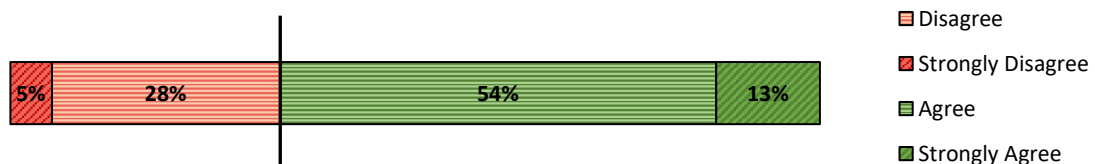
A Dedicated Tax Inspector (Case Manager) may be of limited value.



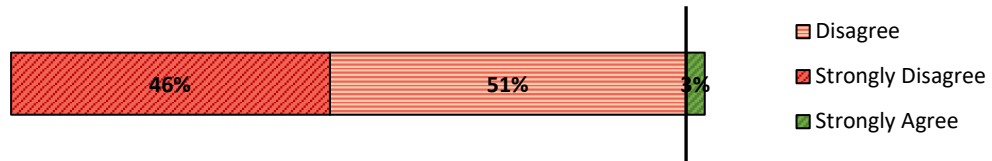
The Group's existing Internal Tax Control Process should ensure the current level of Revenue Interventions across the Group are kept to a minimum.



The Group considers the likely costs of participating in the CCF programme outweigh any benefits.



The Group has a policy not to operate within any CCF type programme regardless of the tax jurisdiction.



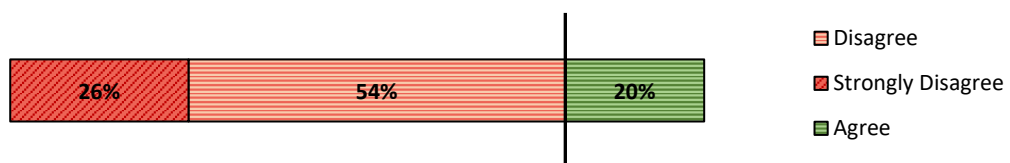
The Group had a poor experience/outcome(s) with a similar programme in the past, in other tax jurisdictions.



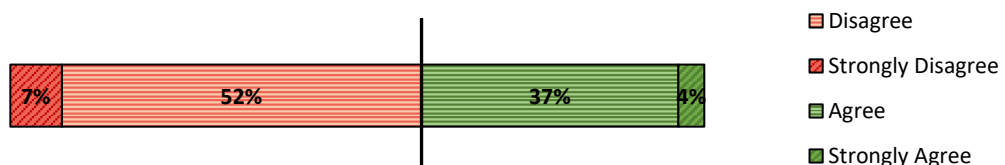
The Group has not experienced significant delays in processing refunds of Corporation Tax or VAT outside of CCF.



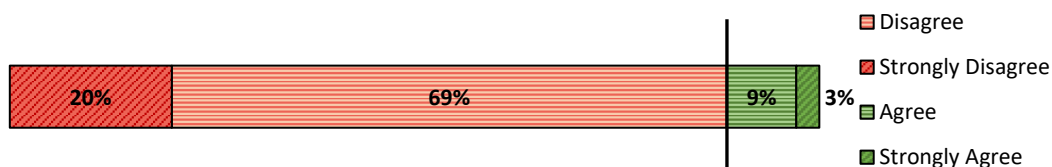
Our Tax Agent(s) does not promote the CCF programme.



Our Industry generally has a low participation in the CCF programme



The Group does not believe that the perceived sharing of information under CCF protocols is appropriate when one considers the sensitivity of Group information.

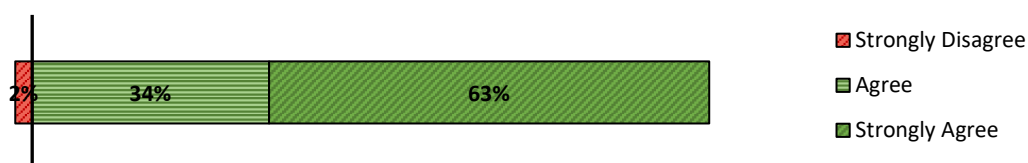


Other insights

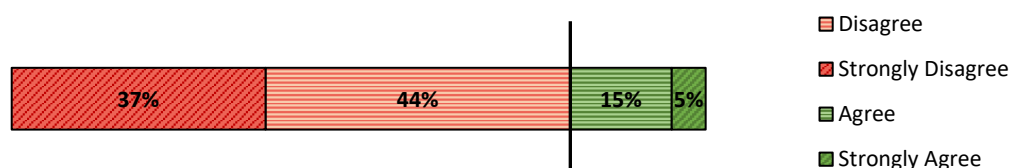
The respondents were then asked a series of questions on the operation of the CCF programme and the Groups' experiences in other jurisdictions:

Currently CCF operates on a voluntary basis. Taxpayers can opt out and Revenue can also discontinue CCF with taxpayers it believes are not compliant with the guidelines of the programme.

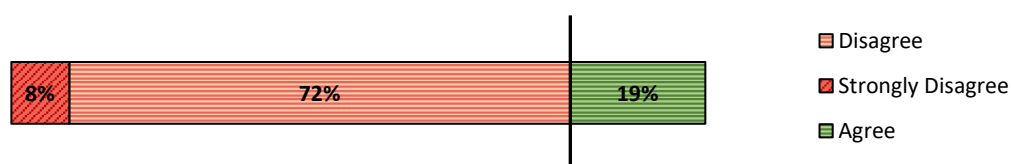
The voluntary nature of Co-operative Compliance is appropriate:



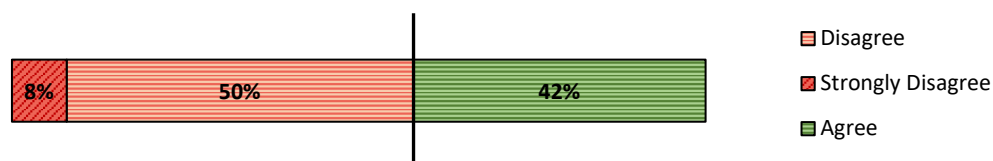
Currently there are no formal or legal agreements between Revenue and taxpayers who are in CCF. The model is based on trust. CCF should change to a more formal basis, for example, using either legislation or written agreements:



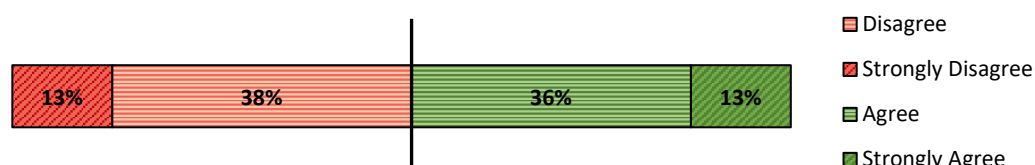
The current entry criteria to be met prior to joining the CCF programme are too restrictive:



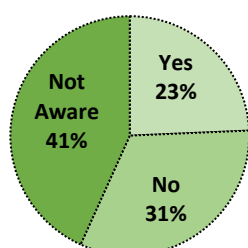
Currently a Group can only join CCF on an all Group basis. The all Group basis is too restrictive and is a disincentive to participation by our Group.



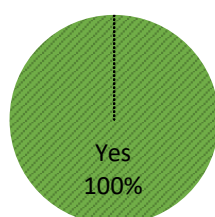
Revenue has inadequately promoted the CCF programme to LCD taxpayers and should launch a new campaign to increase awareness.



Has your Group participated in a co-operative compliance model, in other foreign tax jurisdictions?



Are you satisfied with the CCF model in the foreign tax jurisdiction?



5.1 Survey Responder Comments Analysis

Common Themes

- Positive

The majority of the Non CCF Groups did not highlight any required changes to the CCF model to offer additional benefits over and above those outlined in section 5. There were however two outliers; one suggested Transfer Pricing Audits should not be outside the general provision that "Audits will

not happen under CCF”, the other suggested the resolution of minor issues under CCF should operate outside the Code of Practice.

In addition, in certain cases the lack of participation in CCF is linked to issues likely to be resolved in the future, without any required changes to the CCF Model. These include:

- reorganisation of the corporate tax function,
- recent transfer to LCD with time required to align themselves to the new LCD environment and opportunities
- precluded from joining pending the resolution of open interventions.

Finally, there is no evidence of significant “CCF program bias” across tax jurisdictions. The non CCF companies are not choosing to join programs in other jurisdictions, at the expense of the CCF program. The majority of non CCF companies are not aware of programs in other jurisdictions and/or have not been approached by other jurisdictions to join them.

- Negative

The investment required to participate in the CCF program is a significant barrier to entry and for one responder, it was noted that the COVID 19 pandemic has only made this position worse as available resources have been significantly curtailed. Many comments pointed to either the lack of available resources or the decision not to invest resources in the program, as the benefits gained were not sufficient.

There also appears to be a lack of awareness of the CCF joining process, even though the majority are familiar with other aspects of the program. Some non CCF companies believe one needs to be invited to join CCF, others believe it is a one time invitation and if you fail to join at that point for whatever reason, the opportunity is lost.

- General

There was strong support for a CCF awareness campaign to be launch via a Revenue Webinar to increase its visibility across all LCD Groups.

6 Agents Survey Analysis

6.1 Response Rates to survey

Survey's sent to 8 Tax Advisory firms as part of the CCF review. These included the "Big 4" and other firms who were agents for a number of CCF and Non CCF Groups dealt with by LCD. Only 1 firm provided a fully completed response while others outlined that due to the diversity in type, size and sector of their clients, that it would not be possible to provide a written reply at this time. However, some verbal feedback was provided.

6.2 Numeric Analysis

A. Sectoral CCF Participation Information

Based on those you represent, please indicate CCF participation as **High, Medium or Low** in respect of different industry sectors (as per LCD criteria) below.

| Sector | Participation Rate |
|--|--------------------|
| Property, Construction & General Manufacturing | Low |
| Alcohol, Tobacco & Multiples | Low |
| Natural Resources, Food & Leisure | Low |
| Financial Services | Low |
| Information, Communications & Technology | Medium |
| Motor, Oils & Transport | Low |
| Life Sciences | Low |

In determining the participation levels across the sectoral branches, the agents advised that they had used the following parameters:

Low: <30% of clients

Medium: 30%-70% of clients

High: >70% of clients

Based on the information available to them, they estimate that less than 30% of their clients in most of these sectors (except ICT) are participating in CCF. Relatively speaking, they would see higher participation rates in the ICT, Natural Resources, Multiples and Banking sectors.

They do not believe that there are sector-wide factors that are impacting participation rates in any particular industry. Rather, any decision taken by clients not to participate in CCF is made by reference to their own specific profile and reasoning (details of which are listed in Section D below).

B. Benefits of participation in CCF

1. Awareness of the [CCF Tax and Duty Manual](#) (December 2020) which contains general information on the procedures and operation of CCF by LCD?

The agents were aware of the new TDM.

2. Promoting awareness of CCF.

The agents agreed that Revenue has adequately promoted awareness of the benefits of CCF among taxpayers and agents.

From an Agents perspective, they believe that Revenue has adequately promoted awareness of the benefits of CCF. The initial engagement they had with Revenue on CCF back in 2017, together with the material produced at the time, provided them with sufficient information to have informed discussions with their clients. More recently, Revenue's CCF TDM has been helpful in reaffirming those benefits and clarifying certain points as regards the operation of CCF.

They also agreed that Revenue should launch a campaign to increase awareness of CCF.

For a taxpayer perspective, they are aware that a number of corporate Groups have been re-assigned from MED to LCD in the past 12 months. Based on their discussions with these companies, it appears that they are not aware that entry into LCD affords them an opportunity to join CCF. If Revenue would like to increase awareness of CCF, it would be beneficial if Revenue formally corresponds with these companies by letter/email and invites them to join CCF (subject to CCF entry criteria being satisfied).

3. Have the following benefits materialised for agents?

The agents agreed that the following benefits have materialised for agents,

- i. Revenue has a better understanding of how a taxpayer's business works and recognises the difference between business-driven and tax-driven decisions, thereby minimising possible misunderstandings.
- ii. There is an open communication channel available to engage with Revenue in order to gain its view on specific tax related matters.
- iii. Having the opportunity to highlight problems with the operation of tax legislation.
- iv. A streamlined process for approval of Corporation Tax and VAT refund claims.

The agents strongly agreed that there was a reduced risk of audit and compliance interventions from Revenue.

However, the agents did not feel that the following benefits materialised,

- v. Ease of access to a dedicated Case Manager to resolve misunderstandings or progress major and/or urgent issues.
- vi. Greater certainty in relation to tax positions adopted/to be adopted by taxpayers.

They further explained that their clients value certainty, clarity and transparency as regards their tax position. CCF has provided participants with ease of access to a dedicated Case Manager and this has proved most beneficial when participants are seeking clarity on routine tax matters or enquiring as to the status of a tax refund. Furthermore, the annual risk review meetings typically provide a greater degree of closure as regards the most recently filed tax returns. In this regard, these benefits have materialised.

Feedback from clients is that it can be more difficult to get clarity on more complex tax matters, particularly those that are time sensitive. The agent noted that they do appreciate that, in some instances, Case Managers do require input from RLS which can impede responsiveness.

4. Have the following benefits materialised for taxpayers?

The agents agreed that the following benefits have materialised for taxpayers,

- i. There is an open communication channel available to engage with Revenue in order to gain its view on specific tax related matters.
- ii. Having the opportunity to highlight problems with the operation of tax legislation.
- iii. A streamlined process for approval of Corporation Tax and VAT refund claims.

They also agreed that,

- iv. Revenue has a better understanding of how a taxpayer's business works and recognises the difference between business-driven and tax-driven decisions, thereby minimising possible misunderstandings.

They noted that in order to maximise Revenue's understanding of a participant's business and tax profile, it would be helpful to ensure that there is continuity as regards the Case Manager involved. However, the agents did not feel that the following benefits materialised, for the same reasons as outlined above at point 3 v and vi.

- v. Ease of access to a dedicated Case Manager to resolve misunderstandings or progress major and/or urgent issues.
- vi. Greater certainty in relation to tax positions adopted/to be adopted by taxpayers.

5. Are there other benefits, not listed above, which you believe arise from participation in CCF?

For many companies, maintaining a transparent and open relationship with tax authorities (including Revenue) is a core pillar of their tax strategy. CCF provides participants with a platform to fulfil this objective. In particular, the ARR meeting is a useful forum to update Revenue on future business developments, discuss changes to their tax profile and proactively address and queries that Revenue has on recent tax filings.

6. Are there any other benefits which Revenue should offer CCF participants, such as benefits provided in other tax jurisdictions which operate a similar programme?

Agents clients value certainty as regards their tax position and that they recognise that Revenue requires all taxpayers, including CCF participants, seeking an opinion/confirmation do so through the formal channels. They suggested that Revenue should prioritise the requests/applications by CCF participants and clarity as regards the process for ensuring same, would be welcomed by both existing and potential CCF participants.

7. Are there are other benefits, not already in place, which you think Revenue should consider applying to encourage LCD taxpayers who are not currently in CCF to join?

The agents suggested that CCF customers should have faster access to some Revenue resources/departments, as outlined in their reply to Question 6 above.

C. Barriers to joining CCF

8. Agents were asked to indicate whether any the following statements apply which would prevent your clients from joining CCF?

The agents agreed strongly that,

- i. A dedicated Case Manager may be of limited value if they do not have sufficient tax technical expertise and/or knowledge of the commercial considerations which taxpayers face.

The agents agreed that,

- ii. The resources to prepare for the annual CCF risk review meetings are significant and outweigh the benefits of CCF.
- iii. The taxpayer has a policy not to participate in any CCF type programme regardless of the tax jurisdiction, due to poor outcomes in the past.

The agents disagreed that,

- iv. Revenue sets the agenda for the CCF meeting and insufficient input is afforded to the taxpayer/agent in relation to setting the agenda.
- v. The Group has not experienced significant delays in processing refunds of Corporation Tax or VAT outside of CCF.
- vi. Taxpayers do not believe that the sharing of information as required under CCF is appropriate given the sensitivity of that information.

The agents disagreed strongly that,

- vii. Taxpayer's industry generally has a low participation in CCF.

D. Operation of CCF

- 9. Benefits of having a dedicated Case Manager.

The agents agreed that having a dedicated Case Manager resulted in,

- i. Ease of communication. Not being routed through an 1890 number/general customer services mail.
- ii. Consistency in dealing with a single contact.
- iii. A faster response to general queries, e.g. filing issues.
- iv. A matter relating to a repayment being resolved.
- v. Increased knowledge of commercial issues facing the taxpayer.

However, they felt that having a Case Manager was of less benefit in respect of,

- vi. Expediting a matter being dealt with by another area of Revenue.
- vii. Legislative matters can be discussed in advance of the RTS1A process.

E. ARR Meeting

- 10. The agents were asked whether the current format of the ARR meeting could be modified to improve efficiency and effectiveness.

The agents agreed that,

- i. In the post Covid19 pandemic period, would taxpayers/agents prefer the meetings to be conducted in a blended manner? i.e. some attendance in person and others attend on virtual platform.
- ii. Has the move to virtual meetings, in response to Covid19 restrictions impacted the CCF meeting?

They strongly agreed that,

- iii. A formal timeline for issuing the risk review agenda in advance of the meeting in order to allow time for taxpayers/agents to adequately prepare for the meeting.

They disagreed that,

- iv. More than one risk review meeting to take place in a year.
- v. In the post Covid19 pandemic period, agents would prefer the meetings to be conducted virtually, but that taxpayers/clients are likely to have different preferences in this regard based on the working location/arrangements of their tax team.

11. Impact of preparation for CCF risk review meeting and follow on queries on agents.

They agreed that,

- i. Taxpayers view additional time spent by their agents on addressing CCF queries and attendance at risk review meeting as value adding.

They disagreed that,

- ii. Significant additional time/resources are spent by agents on preparing for CCF meeting on behalf of taxpayers.
- iii. Significant additional time/resources are spent by agents in dealing with CCF meeting queries/issues.

They did note that the extent of their role in supporting clients through the annual CCF cycle varies. This is typically dependant on (i) the scope of the agenda (ii) whether we attend the meeting (iii) the nature of any queries raised by Revenue and (iv) our client's in-house resources and capacity.

7 Sample Check of ARR Meetings

A random sample of CCF ARR meetings was selected to review/measure the consistency in the conduct and reporting of the annual CCF meeting. The results of the review are given in the table on the following page.

It was noted that the appraisals conducted as part of the annual CCF review were attached to the intervention space in RCM in 55% of cases. All interventions were subsequently escalated to Profile Interview in line with CCF guidelines.

The appraisals conducted consisted of a full and detailed review of the Group in advance of the CCF meeting. The appraisals covered numerous tax heads, duties, Customs, Transfer Pricing (where applicable) using internally available information. External data e.g. press releases, industry notices were also reviewed and included in the appraisals conducted.

Draft agendas were circulated in all cases, although 1 intervention did not attach the draft agenda to the RCM intervention. In 64% of cases the Group were asked/invited to suggest items that they required to be included/discussed at the ARR meeting when the draft agenda was circulated.

In all cases, ARR meeting minutes were completed and attached to the RCM intervention. It is noteworthy that the detail and range of topics addressed at the ARR meeting that were included/noted in the meeting minutes is proof that detailed appraisals must have been completed prior to the ARR meeting, although these appraisals were not always documented/attached on RCM, as outlined above.

The ARR meeting checklist was completed and attached in 72% of cases.

In all cases the PI intervention was promptly closed and Aspect Queries per tax head opened to work the identified queries and/or self-reviews that arose from ARR meeting. There were also instances of Aspect Queries being opened as a result of discussions during the ARR meeting.

7.1 Results of review of random selection of CCF ARR Meetings

| | LCD - 1 | LCD - 2 | LCD - 3 | LCD - 4 | LCD - 5 | LCD - 6 | LCD - 7 | LCD - 8 | LCD - 9 | LCD - 10 | LCD - 11 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|
| Open a Profile Interview on RCM to record the annual risk review meeting with the Group. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Origin of IV | App | App | App | App | App | App | AQ | App | AQ | App | App |
| Tagged correctly? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Appraisal of group conducted? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Appraisal of group attached on RCM? | No | Yes | No | No | Yes | Yes | Yes | Yes | No | No | Yes |
| The Irish Group Structure is reviewed. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Establishing how the structure fits within the global group structure. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| An updated Group Structure is requested each year as part of the risk review process. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Returns Compliance is reviewed on Revenue Systems (ITP) to ensure all returns have been filed. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| CT Computations and Financial Statements are | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| A full review of financial statements and computations takes place for each Group company within the Irish | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| A review of Revenue Systems takes place to ensure all tax payments are up to date. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| All returns are reviewed | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Financial statements reviewed. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Analysis of any fluctuations and variances. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Tax heads reviewed – CT, VAT, PREM, Customs, Excise, Stamp Duty, other. This may lead to further questions and self reviews for the Group. Look for any unusual items on the profit & loss, Statement of Unrealised Gains/losses. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Review remuneration models within the Group, for example, Intellectual Property. | Yes | Yes | Yes | Yes | Yes | N/A | Yes | Yes | Yes | Yes | Yes |
| Consider Transfer Pricing - need for referral to the Transfer Pricing Branch? | Yes | Yes | Yes | Yes | Yes | N/A | Yes | Yes | Yes | Yes | Yes |
| Consider developments in the sector. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Finalisation of meeting queries/self-reviews. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Issue draft agenda based on your findings. | Yes | NE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Request input into agenda from group. | No | NE | Yes | Yes | Yes | Yes | Yes | Yes | NE | NE | Yes |
| Conduct the Annual CCF meeting. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Record and attach meeting minutes. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Complete and attach Checklist | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | No | Yes |
| Close PI intervention. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Open AQ's per taxhead for queries/self-reviews | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Issue follow up communications – to open AQ's | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Other queries may come out of this meeting. | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

8 Co-Operative Compliance Interventions

8.1 CCF Intervention Results 2020

| Co-Operative Compliance interventions 2020 | | | | | | | | | | | | | | | | | | |
|--|------------|--------|-------|----------------|--------|-------|--------------------------------|----------------------------------|-------------|------|--------------------|-------|-------------|------|--------|-------|---------|--|
| | Appraisals | | | Aspect Queries | | | | | | | Profile Interviews | | | | Audits | | | |
| | Open | Closed | Total | Open | Closed | Total | Risk Review Meeting Issue Open | Risk Review Meeting Issue Closed | Yield | Open | Closed | Total | Yield | Open | Closed | Total | Yield | |
| ATM | 3 | 37 | 40 | 61 | 243 | 304 | 40 | 49 | €2,428,108 | 2 | 17 | 19 | €0 | 0 | 0 | 0 | €0 | |
| Banking | 24 | 50 | 74 | 40 | 29 | 69 | 1 | 0 | €1,733,983 | 17 | 6 | 23 | €19,494,938 | 0 | 1 | 1 | €12,745 | |
| FIF | 0 | 10 | 10 | 5 | 5 | 10 | 0 | 0 | €243,496 | 3 | 1 | 4 | €0 | 0 | 0 | 0 | €0 | |
| ICT 1 | 2 | 7 | 9 | 25 | 45 | 70 | 16 | 14 | €29,474,585 | 2 | 12 | 14 | €0 | 0 | 0 | 0 | €0 | |
| ICT 2 | 3 | 13 | 16 | 65 | 151 | 216 | 9 | 7 | €2,073,781 | 4 | 13 | 17 | €0 | 0 | 0 | 0 | €0 | |
| Insurance | 18 | 4 | 22 | 42 | 18 | 60 | 21 | 5 | €456,313 | 7 | 6 | 13 | €0 | 0 | 0 | 0 | €0 | |
| LS | 14 | 24 | 38 | 39 | 30 | 69 | 11 | 4 | €104,885 | 4 | 4 | 8 | €0 | 0 | 0 | 0 | €0 | |
| MOT | 3 | 44 | 47 | 18 | 83 | 101 | 2 | 7 | €125,531 | 0 | 17 | 17 | €0 | 0 | 0 | 0 | €0 | |
| NFL | 2 | 165 | 167 | 19 | 47 | 66 | 11 | 11 | €246,579 | 2 | 8 | 10 | €0 | 1 | 0 | 1 | €0 | |
| PCGM | 0 | 14 | 14 | 4 | 6 | 10 | 3 | 1 | €30,703 | 2 | 3 | 5 | €270,949 | 0 | 0 | 0 | €0 | |
| CSB | 40 | 382 | 422 | 0 | 0 | 0 | 0 | 0 | €0 | 0 | 0 | 0 | €0 | 0 | 0 | 0 | €0 | |
| CUSTOMS | 15 | 50 | 65 | 26 | 106 | 132 | 0 | 0 | €838 | 2 | 11 | 13 | €998 | 0 | 0 | 0 | €0 | |
| TP 1 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | €0 | 0 | 0 | 0 | €0 | 1 | 0 | 1 | €0 | |
| TP 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | €0 | 0 | 0 | 0 | €0 | 0 | 0 | 0 | €0 | |
| Total | 124 | 800 | 924 | 345 | 763 | 1,108 | 114 | 98 | €36,918,804 | 45 | 98 | 143 | €19,766,885 | 2 | 1 | 3 | €12,745 | |

The one audit appearing in the Financial Services Banking Branch was opened prior to the Group joining CCF.

9 CCF Eligibility Criteria (as per TDM)

Application and Self Review Criteria for entry to the Co-Operative Compliance Framework (CCF) for Groups

| Self-Review Criteria for entry into CCF. The Self Review period covers the Tax returns filed in the last three years. | | | |
|---|--|-----|----|
| Part A | Compliance record for each company within your Group in respect of tax and duty obligations to the Revenue Commissioners. | Yes | No |
| 1 | For each company in your Group, have returns been filed in respect of each tax and duty for which the company has an obligation to submit a return to the Revenue Commissioners i.e. would each company meet Revenue's criteria to obtain Tax Clearance? | | |
| 2 | For each company in your Group, are all tax and duty liabilities paid up to date to the Revenue Commissioners i.e. would each company meet Revenue's criteria to obtain Tax Clearance? | | |
| 3 | Can you confirm that, within the last three years, no company within your Group has had a settlement ³ with the Revenue Commissioners under the Code of Practice for Revenue Audit and other Compliance Interventions which attracted a penalty of 15% or more. To recognise the materiality of the settlement in the context of the overall Group if a penalty of 15% or more formed part of a settlement but the full payment (i.e. tax, interest and penalty) to Revenue under the settlement did not exceed 1% of the Group's payment of Irish taxes and duties in the calendar year in which the payment under the settlement arose, you may answer yes to this question. | | |
| 4 | Where any company within your Group, within the last three years, has had a settlement with the Revenue Commissioners can you confirm that new procedural controls have been implemented to identify and prevent future occurrences of the same or similar issues? | | |

³ A settlement which includes a tax avoidance surcharge of 15% or more will disqualify a Group from the CCF. This footnote relates to all references of a 'settlement' in this document.

| | | | |
|---|---|--|--|
| 5 | Can you confirm that, within the last three years, no company within your Group has been found to be non-compliant with a Customs or Excise authorisation or licence administered by the Revenue Commissioners? | | |
| 6 | <p>Can you confirm that the Group has the broad principles of a tax control framework in place⁴ in respect of each of the following:</p> <ul style="list-style-type: none"> A. Tax Strategy Established: This should be clearly documented and owned by the senior management of the Group. B. Applied Comprehensively: The tax strategy needs to govern the full range of the Group's activities. C. Responsibility Assigned: The role of the Group's tax department and its responsibility for the implementation of the tax strategy should be clearly recognised and properly resourced. D. Governance Documented: Rules and reporting that ensure transactions and events are compared with the expected norms and that potential risks of non-compliance are identified and managed. The governance process within the Group should be documented and its effectiveness reviewed periodically. E. Testing Performed: Compliance with the policies and processes of the tax strategy, its application and the governance of the process are regularly monitored, tested and maintained. F. Assurance Provided: The Corporate governance, responsibilities, communications strategy and overall risk management strategies are such that they can be outlined to Revenue, as required, to satisfy Revenue that the Group has the principles of a tax control framework in place. | | |

If you have answered "Yes" to all the questions in the Compliance Self Review, please continue to complete the Application Form and return all completed parts of this Form to your Branch Manager.

Where the answer to any Compliance Self Review question is "No", you do not meet the criteria for entry into the CCF at this time.

To assist the Revenue Commissioners in understanding your Group please provide the following Group Profile details;

⁴ No documentation relating to the controls is required as part of your application. Aspects of these principles may be explored with the Group at the Annual Risk Review Meeting.

| | | |
|---|-------------------|--|
| Part B | | |
| Global Group Information | | |
| Name of Group | | |
| Official Address | | |
| Country in which Group Parent is registered and resident for tax purposes | | |
| Irish Group Information | | |
| Name of Group | | |
| Official Address | | |
| Website Address | | |
| Number of employees for Irish tax purposes. | | |
| Details of the person(s) responsible for all tax, Customs and Excise matters in your Group. | Name | |
| | Position in Group | |
| | Email address | |
| | Phone number | |
| | Taxhead | |
| | Name | |
| | Position in Group | |
| | Email address | |
| | Phone number | |
| | Taxhead | |
| | Name | |
| | Position in Group | |
| | Email address | |
| | Phone number | |
| | Taxhead | |

| Part C | |
|---|-----------|
| Additional Documentation that must be provided as part of your application | Checklist |
| <p>1. Listing of</p> <p>(i) (a) Irish resident companies</p> <p>(b) Non-resident companies operating an Irish Branch</p> <p>(ii) Group entities that engage in business with companies and Branches at (i)</p> <p>(iii) Group structure should provide details of the chain from the main holding company to those entities listed at (i) and (ii). Point 5 and 6 below refer.</p> <p>The above listings are to include;</p> <ul style="list-style-type: none"> • registered name, • trading name [if different], • registered address, • trading address [if different], • Irish Tax registration number [if any], • Irish CRO number [if any] or the equivalent if registered in another country, • details of commercial activity - for (ii) the nature of the business and the Irish operations with which it is carried on, and • jurisdiction of tax residence of company, if operating in Ireland through a non-resident branch. | |

| | |
|---|--|
| <p>2. In respect of a close company list, in respect of each participant/director;</p> <ul style="list-style-type: none"> • Name • Address • PPSN • percentage shareholding held | |
| <p>3. Listing of members [Head of Function level] of the board of directors and/or senior executive team to include;</p> <ul style="list-style-type: none"> • Name • Address • PPSN | |
| <p>4. Listing of advisory board (if any) to include;</p> <ul style="list-style-type: none"> • Name • Address • Personal Identification Number (i.e. Identity Card Number, Tax Identification Number [TIN] or PPSN) • Mandate of the advisory board. | |
| <p>5. Group Structure [world-wide if relevant]</p> | |
| <p>6. Group Structure for Irish tax purposes</p> | |
| <p>7. The internal organisational structure of the Irish segment of the Group and the tasks and responsibilities of each department</p> | |

| | | |
|---|-------|--|
| Part D | | |
| Responsibility of Participants | | |
| Continued participation in the Co-Operative Compliance Framework requires the participant to; | | |
| <ul style="list-style-type: none"> ➤ Meet all tax obligations in accordance with legal requirements. ➤ Commit to self-reviews and where risks, under-declarations, or errors are identified, to inform Revenue. ➤ Conduct an Annual Risk Review Meeting with Revenue. ➤ Undertake risk reviews, as agreed at the Annual Risk Review Meeting, within the agreed timeframes. ➤ Advise and consult with Revenue in advance of undertaking restructuring, reorganisations or major transactions. ➤ Keep Revenue informed of economic and sectoral changes/insights. | | |
| Application completed by | | |
| Position in Group | | |
| Contact Details | Email | |
| | Phone | |
| Date | | |

This completed and signed Application Form, including the Compliance Self Review section, and all additional documentation requested should be forwarded to your Branch Manager.

10 CCF Benefits and Obligations

The table below outlines the benefits of participation in CCF and provides details of the difference between participation and non-participation.

| <i>Benefits of participation in Co-Operative Compliance Framework</i> | <i>Normal Revenue standards</i> |
|--|---|
| Revenue recognition that the Group has met the compliance criteria for entrance into CCF. | Not applicable |
| Dedicated Case Manager. | No dedicated Case Manager. Customer Service team with Case Manager involvement mainly for risk interventions. |
| A reduced level of compliance interventions for Groups in CCF. | Normal Audit and Intervention Programme |
| A Verification Programme to verify, compliance with the obligations and commitments under the CCF. | Normal Audit Programme |
| Interventions mainly profile interview and aspect query if required. Audit only in exceptional cases e.g. transfer pricing. | Normal Audit and Intervention Programme. |
| Annual face to face meeting. Customs and transfer pricing staff at annual meetings, as relevant. | No formal meeting Programme. |
| Annual Risk Review Plan agreed by both parties. | Not applicable |
| A streamlined process for approval of Corporation Tax and VAT refund claims to apply to Groups in CCF. | Normal customer service levels |
| In the main, self review disclosure will be reviewed by way of aspect query or profile interview. An audit will only arise should the findings of the initial intervention indicate that it is required. | Normal Review Programme including the possibility of audit. |

10.1 What does Revenue offer participants in the Co-Operative Compliance Framework?

| |
|---|
| Assign a dedicated Case Manager to the Group |
| Verification of a self-review disclosure by Profile Interview or Aspect Query. No audit will be undertaken except in exceptional circumstances. |
| Conduct an Annual Risk Review Meeting with your Group |
| Customs and transfer pricing staff to attend Annual Risk Review Meeting as required. |
| Operate a streamlined process to refund CT and VAT claims for CCF participants. |
| Operate a Verification Programme for CCF participants as part of our Governance of CCF. |

10.2 What are participant's obligations under the Co-Operative Compliance Framework?

| |
|---|
| Meet all tax obligations in accordance with legal requirements. |
| Commit to self reviews and where risks, under-declarations, or errors are identified to inform Revenue. |
| Conduct an Annual Risk Review Meeting with Revenue. Undertake risk reviews, as agreed at the Risk Review Meeting, within the agreed timeframes. |
| Advise and consult with Revenue in advance of undertaking any restructurings, reorganisations, or major transactions. |
| Keep Revenue informed of economic and sectoral changes/insights. |

10.3 Mutual Benefits

Benefits from engaging in the CCF process accrue to both taxpayers and Revenue.

The benefits for the taxpayer include:

- Revenue having a better understanding of how the business works and recognising the difference between business driven and tax driven decisions and thereby minimising possible misunderstandings,
- having a relationship with Revenue that is based on trust, mutual understanding, accessibility, openness, and transparency,
- ease of access to Dedicated Case Manager to resolve misunderstandings or progress major and/or urgent issues,
- providing taxpayers with an open communications channel in order to engage with Revenue to obtain Revenue's view in relation to specific tax-related matters,
- the possibility for reduced compliance costs,
- fewer audit and compliance interventions from Revenue,

- greater certainty in relation to tax exposure,
- having the opportunity to highlight problems with the tax code or its administration that is affecting the Group.

The benefits for Revenue include:

- having a relationship with the Group based on trust, mutual understanding, accessibility, openness and transparency,
- being able to predict with confidence what position the Group will take regarding tax issues,
- having a better understanding of the business of the Group and ease of access to decision makers within the Group to progress urgent matters,
- greater certainty when forecasting tax yield,
- gaining business insights to inform discussions on the tax code and its administration,
- CCF Groups show by their engagement with Revenue that audits/investigations are unnecessary, except in exceptional circumstances. This allows Revenue to focus more on audits/investigations/enforcement for the riskiest cases,
- confidence in the accuracy and timeliness of tax returns and tax payments,
- reduced administration costs.

11 To identify areas of improvement in the delivery and administration of the framework

1. Six CCF Groups suggested that Revenue introduce a risk rating for participants in CCF with a view to reduced compliance requirements for those with the highest ratings. It is interesting to note from the surveys issued to the CCF Groups that 40% of participants were of the view that a benefit of the CCF programme is reduced compliance costs. It is not clear how any such risk rating system could be maintained once the initial risk rating was established. In order to maintain an appropriate risk rating for each participating Group, this might require a quite detailed “deep dive” into each such participant in order to maintain confidence in any given risk rating. It is not clear that any such system is justified or, indeed, would deliver the anticipated benefits in terms of reduced compliance costs.

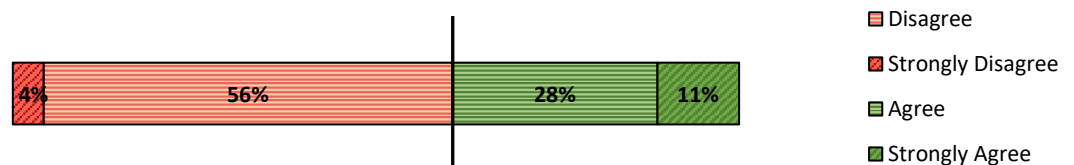


Figure 1. Benefit of CCF - Reduced Compliance Cost

2. Five CCF Groups also suggested that quarterly meetings / workshops with Revenue to discuss trends/topical tax risks/changes within Revenue. This can be contrasted with the fact

that when CCF Groups were asked if they would prefer more than one risk review meeting to take place in a year only 7% of respondents agreed.

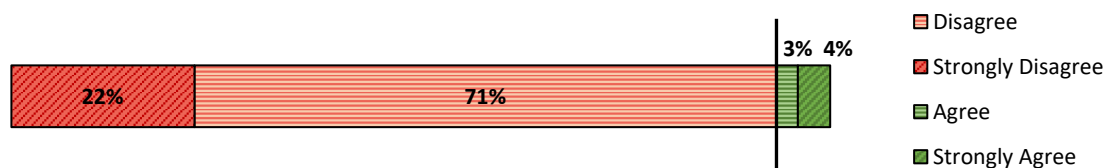


Figure 2. More than one risk review meeting to take place in a year

- Four CCF Groups have suggested that Revenue accelerate review of the tax returns to give tax certainty. However, this can be contrasted with the fact that the surveys issued to the CCF Groups show that 85% are of the view that the CCF programme provided greater certainty in relation to tax exposure. Implementation of this suggestion would require greater resources to be allocated to LCD.



Figure 3. CCF Benefit - greater certainty in relation to tax exposure

- Three respondents suggested that a reduced penalty regime should apply for CCF participants. However, whilst the feedback from the respondents to the CCF surveys is noted, Revenue's Customer Service Charter specifically states that 'Revenue will administer the law fairly, reasonably and consistently' and as such a beneficial penalty regime for CCF Groups cannot be adopted.
- Three CCF participants suggested that specialists such as Payroll, R&D and Transfer Pricing should attend the CCF meetings. As noted in section 8.2.1 of the [LCD CCF Review Framework Report 2021](#) of the LCD CCF review Report Transfer Pricing specialists do attend ARR meetings where requested to do so by the Case Manager. Again, this suggestion if it were to be fully implemented would require the allocation of more resources to LCD. In the context of the proposed changes to the international tax rules this is an area Revenue may need to give some consideration to in order to ensure that taxpayers are aware of their responsibilities under these new rules when implemented.
- Three CCF participants sought direct consultation with RLS. However, this can be contrasted with 99% of respondents confirming that one of the benefits of having a Case Manager was assistance with a technical matter or a business change. It is not considered appropriate for taxpayers in CCF to be able to engage directly with RLS without the involvement of the LCD Case Manager.

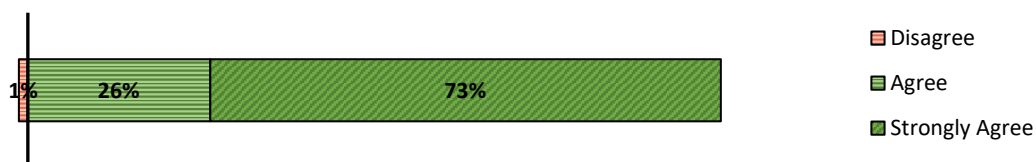


Figure 4. Benefit of Case Manager – technical matter or business change discussed

7. Two CCF Groups wanted fixed timelines to be put in place for interactions with Revenue. However, this should be contrasted with the fact that 100% of respondents to the CCF surveys confirmed that a benefit of the CCF programme is faster responses to a general query, e.g. filing issues.

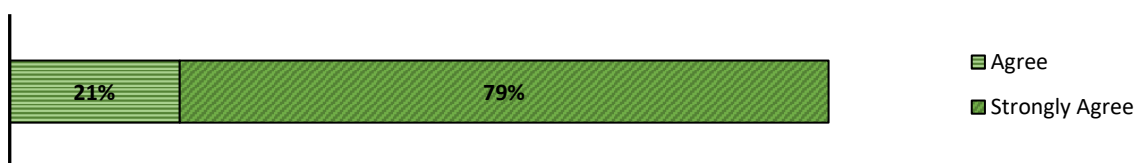


Figure 5. Benefit to having a Case Manager - faster responses to a general query

8. One Group asked for greater engagement with Revenue when changes were being made to ROS. However, 92% of respondents to the CCF surveys confirmed that a benefit of the CCF programme is that the Group is able to highlight problems with the tax code or its administration that is affecting it.

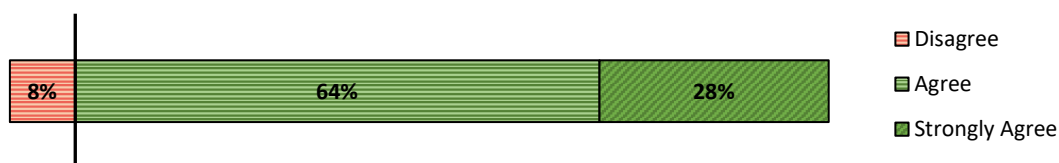


Figure 6. Benefit of CCF - ability to highlight problems with the tax code or its administration.

9. One Group advised that Revenue could have a better and clearer appreciation of the business model and commercial challenges. This can be contrasted with the fact that 100% of respondents to the Survey confirmed that Revenue had a better understanding of how their business works.

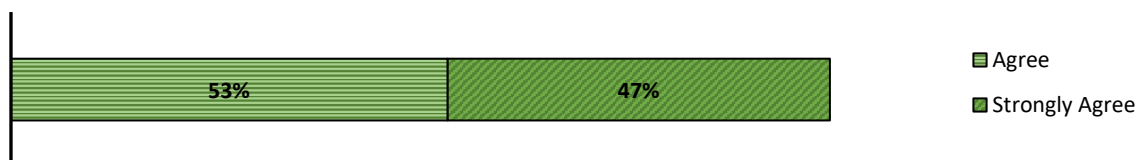


Figure 7. Benefit to CCF - Revenue understands how are business works