

1. Who are you:

Individual/Business

2. Are you making a submission in relation to the proposals for a:

Designated Withholder (DW)

3. Please tick the sectors that apply to you:

Platform economy

4. After reading about the proposed new eWHT system, how would you describe your overall reaction?

Somewhat negative - I have some concerns about aspects of the proposal

5. What aspects of the proposed model appeal most to you, and why?

Full details are provided in our answer to the final question of this survey.

6. What concerns or reservations do you have about the proposed approach?

Full details are provided in our answer to the final question of this survey.

7. The proposed eWHT model seeks to expand withholding tax to payments to service providers where a suitable withholder exists. How do you feel generally about this type of expansion?

8. In relation to PSWT specifically, this currently applies to payments made by state and semi-state bodies for certain services. Do you have a view on how it is targeted and if the types of payments it applies to should be reviewed?

- 9. Please indicate if you currently operate:**
- 10. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?**
- 11. If you are a Platform Operator, does your organisation have any experience of applying taxes to transactions, for services operating on your platform, in other jurisdictions? If yes, please provide information of the jurisdiction and details of the tax.**
- 12. From the perspective of a DW, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 13. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 14. The proposal aims to embed eWHT processes directly into accounting, payroll, or other business management systems. How beneficial do you think this would be for your business?**
- 15. In your view, what opportunities could embedding eWHT within natural business systems create for your business or the wider industry?**
- 16. What challenges do you think your business might face in adopting this embedded within natural systems approach?**
- 17. What is the estimated number of payments that you make to SPs each month?**

- 18. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?**
- 19. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**
- 20. Please indicate if you currently receive payments which are subject to deduction of:**
- 21. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**
- 22. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 23. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 24. Where you are an SP operating as a corporate/partnership or other entity, do the current rates that apply to PSWT and RCT reflect your actual liability on the income received?**
- 25. The proposal aims to embed taxation directly into how you get paid by the DW. How beneficial do you think this would be for your business?**
- 26. Where you are an SP operating as an individual worker, the proposal aims to implement personalised deduction rates (PDR), which means you will pay tax on your income as you go, similar to how employees are taxed under PAYE. What impact do you think PDR will have on your cashflow and financial management?**

27. Do you think this new regime, including the PDR will have a positive effect on your end of year Income Tax return filing and preliminary tax payment obligations?

28. The accuracy of PDR is improved by the regular reporting by you to Revenue of your income and business expenses. How likely are you to report your income and expenses to improve the accuracy of your PDR?

29. What changes do you expect to have to implement in your business in order to be ready for the proposed eWHT regime?

Full details are provided in our answer to the final question of this survey.

30. What benefits do you expect the new regime to have on your business processes, costs and delivery of your business services?

Full details are provided in our answer to the final question of this survey.

31. What would you consider a reasonable timeframe for your business to adapt to the proposed new system?

Full details are provided in our answer to the final question of this survey.

32. How confident are you that your business could adapt to the new system within a reasonable timeframe?

Full details are provided in our answer to the final question of this survey.

33. In terms of the management of your business, which outcomes from this new regime are the most important for you? (Select a maximum of 3)

Compliance and implementation simplification and balance of compliance costs with respective benefit for businesses, government and platforms.

34. What supports from Revenue would be of most benefit to you in transitioning to the new regime? (Select a maximum of 3)

Helpdesk or dedicated Revenue contact

Industry/professional body support

Clear guidance for software providers and a testing environment

35. Is there anything else you'd like to share about how the proposed eWHT system could best meet the needs of your business or sector?

Booking.com is one of the world's largest online travel agencies (OTAs). Headquartered in Amsterdam, where it was founded almost 30 years ago, Booking.com offers lodging reservation services for more than 4 million properties across 220 countries in over 40 languages. We also offer flights in 54 markets and attractions in more than 1,200 cities. By leveraging technology, we have created a truly global market for accommodations and businesses of all sizes that provides consumers with increased choice, transparency, value for money, and trusted reviews. We empower local accommodation partners in Ireland to market themselves professionally and efficiently to a global audience. Booking.com has an established business presence in Ireland with our Local Partner Services operation in Cuffe Street, Dublin 2, building strong local partnerships across Ireland with accommodation providers. We play an important role in bringing international visitors to Ireland as well as facilitating Irish visitors who wish to holiday at home. We offer a wide range of accommodation options through our local partners, including self catering properties covered by the eWHT proposal. We want to help Irish businesses grow, succeed and create a competitive and prosperous Irish business environment. We look forward to working with the Irish Government to provide our insights on effective tax legislation which is fair, proportionate, and protects the Irish economy and small Irish businesses.

Executive Summary

We welcome the opportunity to contribute to the public consultation on the proposed eWHT in Ireland and have responded to the online survey as well as provided a full written submission separately. While we support the Department of Finance and Revenue Commissioners' (the Government) objective to ensure tax compliance within the digital economy, we do not consider that the introduction of a broad eWHT regime would be a suitable response to this objective. An eWHT regime as proposed would be disproportionately burdensome on platforms, create cashflow burdens for small businesses and would duplicate recent efforts in light of the existing reporting frameworks (DAC7) and potentially VAT in the Digital Age (ViDA). Furthermore, we are concerned that the proposal would create an advantage to non-compliant non-EU platforms similar to those currently

experienced under DAC7. We therefore recommend that the Government reconsiders this proposal and instead continues to utilise current data reporting by platforms to ensure income tax compliance rather than imposing a complex and additional withholding burden on digital platforms. We have provided further information and details on our concerns below. WHT in the accommodation sector is not required to ensure tax compliance. The current eWHT regime proposal is intended to apply to a wide range of businesses both in accommodation, digital services and other gig economy activities. However, we recommend that the Government reconsiders whether this wide scope is necessary and suggest that this is at least reviewed with respect to small accommodation businesses for the following reasons:

- Physical traceability: Unlike platforms hosting digital influencers or content creators, accommodation platforms like Booking.com deal with immovable properties. The assets are physically located in Ireland and are easily traceable using existing data obtained from DAC7 reporting and official immovable property registers.
- Targeted compliance: If the Revenue's specific concern relates to high-risk, transient gig-economy sectors, the legislation should assess those risks first and then choose which sectors should be within the scope. The current wide scope may target sectors for which there is only a minimal tax compliance risk. The proposal would increase administrative burdens for small businesses and platforms. Under the current proposal, accommodation platforms would be required to withhold taxes on payouts to small accommodation businesses. This would create new burdens on small businesses' cashflow as well as impose further obligations on platforms who are already significantly invested in DAC7 compliance. We consider the following key problems with this approach:
- Negative impact for local Irish businesses: The proposal highlights that the eWHT may provide some administrative benefits to the small businesses who have their taxes withheld. However, implementing withholding taxes could negatively impact cashflow for small businesses who are hit by the regime. This could reduce their confidence in investing, expanding their businesses, hiring staff and this will particularly be apparent in businesses with low margins.
- Duplication of existing tax compliance obligations: Digital platforms have already invested significant resources into complying with DAC7 reporting, providing the Government with detailed income data and tax identification numbers for sellers. For the accommodation and travel sector, this should already be enough information to ensure tax compliance of smaller businesses.
- Interaction with ViDA implementation: Across the EU, accommodation and ride sharing platforms are investing significant resources in anticipating and preparing for the implementation of ViDA in member states. Introducing a unilateral eWHT system on platforms and small businesses in parallel will create a very complex and administratively burdensome regulatory environment where platforms face overlapping, duplicative and potentially conflicting obligations. A new eWHT regime would disadvantage compliant EU platforms. As per the current

proposal, DAC7 will be used as a basis for identifying which platforms should be subject to the withholding obligations. However, we strongly recommend that existing issues with DAC7's application to non-EU platforms should be addressed before any additional obligations are imposed on compliant businesses. DAC7 imposes reporting obligations for platform operators that are tax resident in EU member states and theoretically extends to non-EU platform operators that operate in the EU. Enforcement of DAC7 is the responsibility of Member States, however, in practice, there is little enforcement for non-EU platforms. This is likely due to the fact that many non-EU platforms do not have a corporate base or strong nexus to any single Member State. This has created an uneven playing field between EU resident and non-EU resident platforms, who we understand are not complying. Where platforms are non-compliant this gives an incentive for partners to list on their platforms rather than compliant platforms. Imposing WHT obligations over the existing DAC7 obligations would exacerbate this issue and place even more of a disadvantage on compliant platforms. Consequently it would frustrate the tax collection objectives underpinning the introduction of the proposed scheme. Similarly, we are also concerned that the eWHT proposal could have an unintended impact of reducing tax compliance in certain situations. The current proposal would create a distortion between transactions which take place through an online platform and rentals which are booked through less formal channels. A withholding tax may drive sellers away from regulated, transparent platforms toward unmonitored channels (e.g., social media marketplaces or cash-based arrangements). These channels have zero tax visibility, which would ultimately reduce the total tax revenue for the Government. Furthermore, a unilateral eWHT implemented by the Irish Government could encourage other governments to implement their own different systems which would become very difficult to manage for EU businesses and harm EU competitiveness. In our view, if an eWHT regime is to be implemented, then Ireland should seek harmonisation on the scope, objectives and operation with EU partners before proceeding. DAC7 already provides robust and effective tools to ensure income tax compliance. In our view, the existing DAC7 rules already provide tax authorities with the tools they need to ensure the tax compliance of small businesses. Booking.com has proudly invested significant resources in its DAC7 compliance and welcomes continued improvements to the regime through the European Commission's upcoming DAC recast review. DAC7 has only been in place for a short reporting cycle since 1 January 2023. There is no evidence yet that this data is insufficient for identifying tax gaps and assisting EU tax authorities with their compliance. We therefore recommend that the Government use the automatic exchange of DAC7 reports between Member States to help any non-compliant taxpayers pay the right amount of tax. We of course welcome discussions with Revenue on how DAC7 can be used to address any such challenges. Conclusion We respectfully recommend that the Department of

Finance and the Revenue Commissioners reconsider the implementation of a broad eWHT regime, especially for online travel platforms. Instead, we recommend focusing on the effective use of DAC7 data to pre-populate tax returns and ensure local tax compliance, a model successfully adopted in other jurisdictions. This approach ensures tax collection without fragmenting the European digital market.

