

**1. State the name of the organisation you represent (if applicable).**

Technology Ireland, Ibec

**2. Who are you:**

Business association

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

Both DW & SP (for tax professionals, representative bodies, RCT middle principals)

**4. Please tick the sectors that apply to you:**

Platform economy

**5. 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

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

Technology Ireland welcomes the opportunity to submit our views to the Department of Finance and Revenue's joint public consultation on an eWithholding Tax (eWHT). While we welcome Revenue's efforts towards modernisation and digitalisation, as currently proposed the regime risks imposing a disproportionate administrative burden that duplicates existing reporting frameworks, risks the competitiveness of Irish-based platforms, and could inadvertently harm local and rural tourism.

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

Technology Ireland has a number of concerns and resulting recommendations for the Department of Finance and Revenue: Fully assess the effectiveness of DAC7 data before introducing new obligations: We recommend that the withholding tax regime be paused until DAC7 data can be fully assessed for effectiveness in identifying any compliance gaps. Platforms or sectors that demonstrate high compliance with, for example, DAC7/CESOP, should be exempted. Moreover,

existing DAC7 and CESOP reporting data should be fully utilised to determine which sectors (if any) are non-compliant, rather than imposing broad new burdens on all platforms. Ensure Ireland remains a competitive location to do business: Avoid creating further administrative burdens for companies at a time when the focus in the EU and Ireland should be on competitiveness. The proposed approach has the potential for high technical complexity and a potential risk of double taxation. Withholding could create significant cash-flow and administrative issues for compliant sellers and platforms, with overpayments potentially taking a year or more to be refunded. Many platforms do not directly process payments, making compliance much more complex. Fully consider the potential risks for businesses across Ireland. The regime gives rise to major compliance and operational burdens, especially on SMEs. It risks creating barriers to entry for smaller and medium platforms and reduces competition in-market. The regime could potentially cause harm to local tourism and rural hosts if the regime is implemented as proposed. Avoid impacting Ireland's competitiveness and creating a fragmented reporting approach across the EU. The new obligations risk making Ireland-based platforms uncompetitive, especially against non-Irish or non-EU platforms that may not comply. We suggest instead following the successful examples of Denmark, Australia, Singapore, and Greece—using data, education, and simplified compliance instead of new withholding obligations.

**8. 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?**

We recommend that the withholding tax regime be paused until DAC7 data can be fully assessed for effectiveness in identifying any compliance gaps. Platforms or sectors that demonstrate high compliance with, for example, DAC7/CESOP, should be exempted. Moreover, existing DAC7 and CESOP reporting data should be fully utilised to determine which sectors (if any) are non-compliant, rather than imposing broad new burdens on all platforms. The proposed approach has the potential for high technical complexity and a potential risk of double taxation. Withholding could create significant cash-flow and administrative issues for compliant sellers and platforms, with overpayments potentially taking a year or more to be refunded. Many platforms do not directly process payments, making compliance much more complex.

**9. 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?**

**10. Please indicate if you currently operate:**

**11. From the perspective of a DW, how does the current application of PSWT and/or RCT impact on your business operations?**

**12. 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.**

**13. From the perspective of a DW, what are your views on the application of RCT and/or PSWT, as the case may be?**

**14. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**

**15. 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?**

**16. In your view, what opportunities could embedding eWHT within natural business systems create for your business or the wider industry?**

**17. What challenges do you think your business might face in adopting this embedded within natural systems approach?**

**18. What is the estimated number of payments that you make to SPs each month?**

- 19. Do you currently use software for processing payments and or managing the finances of your business? If so, what packages do you use?**
- 20. Are you an employer for PAYE? If so, which software package do you use to report payroll taxes to Revenue?**
- 21. Please indicate if you currently receive payments which are subject to deduction of:**
- 22. Where you are currently subject to PSWT and/or RCT, how does the current application of withholding taxes impact on your business operations?**
- 23. From the perspective of a SP, what are your views on the application of RCT and/or PSWT, as the case may be?**
- 24. What is your understanding of the withholding tax model of tax collection of RCT and PSWT and why it is applied to payments?**
- 25. 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?**
- 26. 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?**
- 27. 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?**

- 28. 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?**
- 29. 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?**
- 30. What changes do you expect to have to implement in your business in order to be ready for the proposed eWHT regime?**
- 31. What benefits do you expect the new regime to have on your business processes, costs and delivery of your business services?**
- 32. What would you consider a reasonable timeframe for your business to adapt to the proposed new system?**
- 33. How confident are you that your business could adapt to the new system within a reasonable timeframe?**
- 34. 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)**

Technology Ireland is a sectoral association within Ibec representing the technology sector in Ireland and is not in a position to provide this information on behalf of organisations it represents. We would welcome Revenue and the Department of Finance considering the views shared in our earlier answers which reflect concerns of the sector and remain available to follow up on any of the matters raised.

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

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**36. 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?**