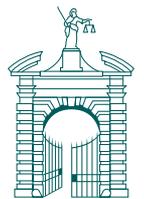


2020

# Annual Report

Revenue



Cáin agus Custaim na hÉireann  
Irish Tax and Customs

## **Annual Report 2020**

Ninety-eighth Annual Report of the Revenue Commissioners for the year ended 31 December 2020, including progress on the implementation of Revenue's Statement of Strategy, in accordance with the Public Service Management Act 1997, presented to the Minister for Finance.

**April 2021**

## Our Mission

To serve the community by fairly and efficiently collecting taxes and duties and implementing customs controls

## Our Vision

To be a leading tax and customs administration, trusted by the community, and an employer of choice

## Our Core Values

Respect



Professional



Collaboration



Agility



Integrity



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# Board's Review for 2020

Our Annual Report for 2020 recounts an unprecedented year for Revenue. As is the case for many businesses across the country, the COVID-19 pandemic impacted key elements of our core business as a tax and customs administration. Notwithstanding this we continued the critical work of collecting taxes and duties. In addition to providing a range of important services to taxpayers, we played a central role in the delivery of key business supports as part of the national response to the COVID-19 pandemic. We also maintained our focus on Brexit preparations for the UK's withdrawal from the EU on 31 December 2020.

In 2020, Revenue collected total gross receipts of €82.3 billion, including €15.4 billion in non-Exchequer Receipts collected on behalf of other Government Departments and Agencies. Net Exchequer receipts after repayments were €56.2 billion, a decrease of 3.6% or €2.1 billion on 2019.

Despite the challenges of 2020, strong voluntary tax compliance levels were sustained with only a relatively marginal reduction on 2019. This reflects the positive engagement by businesses, individuals and tax practitioners throughout 2020 and the strong commitment to meeting tax obligations and ensuring vital services and supports are maintained. Having regard to the Government's public health guidelines, tax audit and compliance interventions at taxpayers' premises were suspended from March 2020. However, we continued to progress compliance matters electronically and by telephone, completing over 595,000 audit and compliance interventions which yielded over €487 million.

Our agility in handling the challenges that unfolded during the year was made possible by our people. Through their resilience, adaptability and innovation, we delivered key business support schemes that were developed at significant speed, often within days of being announced. We achieved this despite the fact that, almost overnight, we needed to adjust to a largely remote working environment. We also put immediate measures and protocols in place to ensure a safe working environment for the staff who continued to work on-site in essential roles that could not be operated remotely.

In addition to delivering our core business, many of our staff worked on other aspects of the national COVID-19 response outside of Revenue's direct remit, including supporting the HSE's contact tracing programme. We are enormously proud of how the organisation responded to the challenges presented by the COVID-19 pandemic. Our people rose magnificently to these challenges and we thank each and every one of them for their steadfast commitment, professionalism and resourcefulness during 2020.

## COVID-19 Response

The introduction of real-time reporting for PAYE in 2019 meant that when the pandemic escalated in March, we could quickly reengineer our PAYE system, in conjunction with the Payroll Software sector, to support impacted employers and employees. This enabled us to operate the Temporary Wage Subsidy Scheme within days of its announcement by Government. The scheme provided more than €2.8 billion<sup>1</sup> in support to 66,600 employers in respect of over 664,500 employees between 26 March and 31 August.

As part of the July Jobs Stimulus package the Employment Wage Subsidy Scheme replaced the Temporary Wage Subsidy Scheme from 1 September. To the end of quarter 1 of 2021, over € 2.6 billion<sup>2</sup> had been paid under the scheme to over 48,400 eligible employers in respect of 546,300 employees.

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<sup>1</sup> Gross TWSS subsidies claimed as at 4 January 2021

<sup>2</sup> Gross EWSS subsidies claimed as at 1 April 2021

Following the announcement of the Covid Restrictions Support Scheme introduced in Budget 2021, we designed an online registration process for the scheme in just over 2 weeks with the first payments made to eligible businesses from 17 November. A total of €423 million<sup>3</sup> in CRSS payments had been paid to 21,800 businesses in respect of 24,100 business premises up to the end of quarter 1 of 2021.

In March 2020, as part of a range of measures put in place to assist businesses experiencing trading difficulties caused by the impacts of COVID-19, we suspended the application of interest on late payments of VAT and PAYE (Employers) liabilities. These liabilities were subsequently incorporated into the Debt Warehousing Scheme, which enables businesses to 'park' VAT, payroll and self-assessed income tax debt as well as Temporary Wage Subsidy Scheme overpayments. As at 31 March 2021, €2.3 billion of tax debt was warehoused for over 80,000 businesses.

Each new scheme involved the immediate mobilisation of an organisation-wide, cross-functional team, covering legislation, operational design, systems changes, system testing, and frontline service readiness. We proactively communicated with businesses, individuals and tax agents, including providing detailed operational guidance, so that the information that was needed in respect of the different supports was immediately available.

In addition to the wide range of supports we administered on behalf of the Government during 2020, we also implemented a suite of concessional measures across an extensive range of tax related matters under the care and management provisions of Section 849 of the Taxes Consolidation Act 1997.

## Brexit

Despite the challenges of COVID -19 we continued our preparations for Brexit on all fronts throughout 2020. We hosted a series of webinars to further assist trade and business in understanding the changes that Brexit would bring. We also wrote to 149,000 businesses with Brexit preparatory advice and further engaged with over 14,500 businesses via telephone. The launch of our *Customs RoRo Service* optimises the efficient movement and, where necessary, control of goods and vehicles when moved by ferry between Ireland and Great Britain.

To ensure our operational readiness, we recruited and trained additional staff to carry out Brexit related roles. We completed significant work to increase our IT systems' capacity to cater for the trade with the UK that would be subject to customs and other regulatory controls, post Brexit. We also established a 24/7 Customs helpline to assist with queries from trade and business on customs clearance, and import and export controls.

We are almost four months on from when the UK withdrawal from the EU took full effect. As a direct consequence of this, the trading environment between Ireland and Great Britain has changed irrevocably. Now regarded as a 3<sup>rd</sup> country for trade purposes, customs formalities and other regulatory requirements apply to goods moving to, from and through Great Britain. This brought an end to the seamless trade we have known for years. We recognise that the significant and permanent change in the trading arrangements with Great Britain represents the biggest change for trade and business in almost 30 years, since the creation of the EU Single Market. We know that some businesses are successfully trading with Great Britain, helped by their extensive and advanced preparations. However, we are also aware that some businesses, large and small, both in Ireland and Great Britain continue to be challenged in adapting to the new arrangements and the need to comply with customs and other regulatory formalities. In time, dealing with the customs and other regulatory formalities that now apply to goods moving to, from or through Great Britain will become routine for importers, transport companies and truck drivers. We are continuing to support trade and business in adapting to these new

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<sup>3</sup> Gross CRSS claims processed for payment as at 1 April 2021

formalities and resolving specific individual difficulties.

Similarly, the UK's departure from the EU has not been without its challenges for us as a tax and customs administration. We have been monitoring activity levels within our IT systems since 1 January 2021 and, in early January, we identified degradation in performance during times of peak processing. This resulted in delayed responses to customs declarations and other messages lodged by trade. We are conscious of the impact these intermittent performance issues had on trade and businesses. We apologised for the inconvenience caused and immediately set about addressing the identified performance issues. The measures we implemented have had a positive impact on processing performance and we are continuing to focus on improving performance and ensure that there is a performant, resilient system that fully meets the demands placed on it.

## **Service to Support Compliance**

Our agile, innovative and efficient service delivery model enabled us, in so far as possible, to meet the challenges of the rapidly changed economic and business environments brought about by the pandemic.

We facilitate high voluntary tax compliance levels by proactively assisting taxpayers in meeting their tax obligations, giving them the appropriate information, support and guidance, and by making it as easy as possible to be voluntarily compliant. For example, we continue to extend our pre-population of annual tax returns and, in 2020, we continued to improve response times of our Revenue Technical Service.

In immediate response to the public health measures and restrictions aimed at suppressing the transmission of COVID-19, announced by the Government on 27 March 2020, we provided important advice to taxpayers in relation to the necessary changes in the provision of services. We prioritised the continued operation of the National Employer Helpline and the ROS Technical Helpdesk to support employers with queries on the Temporary Wage Subsidy Scheme. While some of our telephone support lines were temporarily closed, we quickly refocused our allocation of resources to match the increased use of *MyEnquiries*, our secure online correspondence service. In 2020, we completed 68% more taxpayer queries, submitted via *MyEnquiries*, when compared to 2019, with 72% of all enquiries completed within 5 days.

In addition to delivering critical Government supports to businesses during 2020, we continued to enhance our suite of online and digital services that allow taxpayers and agents to self-serve to the greatest extent possible. For example, we added a 'track my query' function to *MyEnquiries*, developed our new mobile App, *Revenue Receipts Tracker*, and launched a new online *Statement of Affairs (Probate) Form SA.2.*, in collaboration with the Courts Service, that can be used by anyone wishing to take out probate, replacing a previously exclusively manual process.

We contribute to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) proposals to address the tax challenges of digitalisation and international taxation of companies. In 2020, we worked closely with the Department of Finance, not only in relation to the key COVID-19 supports we administer on behalf of the Government, but also in relation to matters such as the tax related provisions contained in the *Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2020*.

## **Confronting Non-Compliance**

We reinforced the strong culture of voluntary tax compliance by confronting non-compliance, in all its forms, on a clear risk-focused basis.

We adapted our approach with the introduction of COVID-19 restrictions in March 2020, when tax audit and compliance interventions at taxpayers' premises were suspended. However, we continued our compliance interventions since then via telephone and via our online *MyEnquiries* service. In 2020, the total yield from our audit and compliance interventions was €487.4 million. Tax settlements amounting to €51.4 million were agreed with 109 taxpayers who were published as tax defaulters.

We leverage our data holdings and deploy our data analytics capability to effectively identify and better target risk. We used data analytics to identify Temporary Wage Subsidy Scheme and Employment Wage Subsidy Scheme risks, to automate the process of identifying corporate groups, to better prioritise Suspicious Transaction Reports (STRs), to identify high-risk income tax non-filers, and to evaluate and improve the effectiveness of our risk systems.

During 2020, we continued our broad range of interventions targeting fraud, illicit trade, smuggling and organised crime. We seized 4,621kgs of drugs with an estimated street value of over €44.8 million. Additionally, we made 4,436 seizures of illicit tobacco products, valued at over €37 million, seized 764,174 litres of illicit alcohol valued at €4.2 million and seized 501 vehicles.

## **Our People and Capability**

Our staff are central to our achievements. We rely on their skills, capability and professionalism, the flexibility of our structures, and our continued ability to harness innovation in technology and business practices to carry out our role effectively.

At the end of 2020 there were 6,980 permanent staff working in Revenue, equating to 6,678 full time equivalents. During the year, we appointed 502 staff across all grades from open recruitment, interdepartmental and Top-Level Appointments Committee (TLAC) competitions. The continued high volume of external applications to our recruitment competitions in 2020 has reaffirmed our position as an employer of choice.

Our focus over the last number of years to develop and evolve flexible structures has given our organisation the agility to quickly adapt to changing environments. In 2020, our work in this regard enabled us to speedily adjust to a largely remote working environment and adopt innovative ways to how we work, including in respect of our use of technology, digitalisation of services and automation of processes.

We have built a strong culture of acceptance and equality among our staff, and towards taxpayers, ensuring that human rights and diversity are embraced and respected. Recognising that the period of national health restrictions may have impacted on the wellbeing of colleagues, we launched our wellbeing programme '*RevWell*'. The programme drives a range of initiatives to ensure that our staff are aware of the supports available to them.

## **Looking Ahead**

Against the backdrop of unprecedented disruption and uncertainty, we recently prepared our Statement of Strategy 2021-2023. The COVID-19 pandemic continues to significantly impact on the worldwide and domestic economic and social landscape. The trading environment between Ireland and Great Britain is permanently changed. These significant events impact key areas of our core business as a tax and customs administration.

This year, we will continue to administer and oversee the business support schemes and other provisions introduced by the Government in response to COVID-19 and we will remain agile, resilient and responsive in our support of the fight against the impact of the virus on the economy.

We will continue to collaborate with and support trade and business, collectively and on an individual basis, in managing the impacts of the permanently changed trading environment arising from the UK's departure from the EU. Our priority is always to facilitate the efficient movement of legitimate trade, enhance national competitiveness, target and disrupt illegal trade and confront non-compliance.

We will continue to focus on refining our model of service for compliance, driven by the needs of taxpayers and tax agents, while leveraging further advances in technologies to deliver excellent service.

In maximising timely compliance, we will further enhance our real-time engagement and response to risk, implementing a revised framework of compliance interventions that supports early and effective engagement with risk. The level of risk and taxpayer behaviour will determine our response and actions.

We will continue to support the Department of Finance in relation to the rapidly evolving and complex international tax agenda. We will also continue to actively participate in developments at the EU, the OECD and the World Customs Organisation.

Finally, we will continue to prioritise the safety and wellbeing of our staff and their families. We will constantly seek ways in which we can further support our staff as they continue to work mainly from home. Our continued success in delivering on our key objectives and goals, and in the part we continue to play in supporting the delivery of critical supports to businesses impacted by the pandemic, is all down to the dedication, flexibility and determination of our people. We thank them for their hard work, resilience and professionalism.



*Niall Cody  
Chairman*

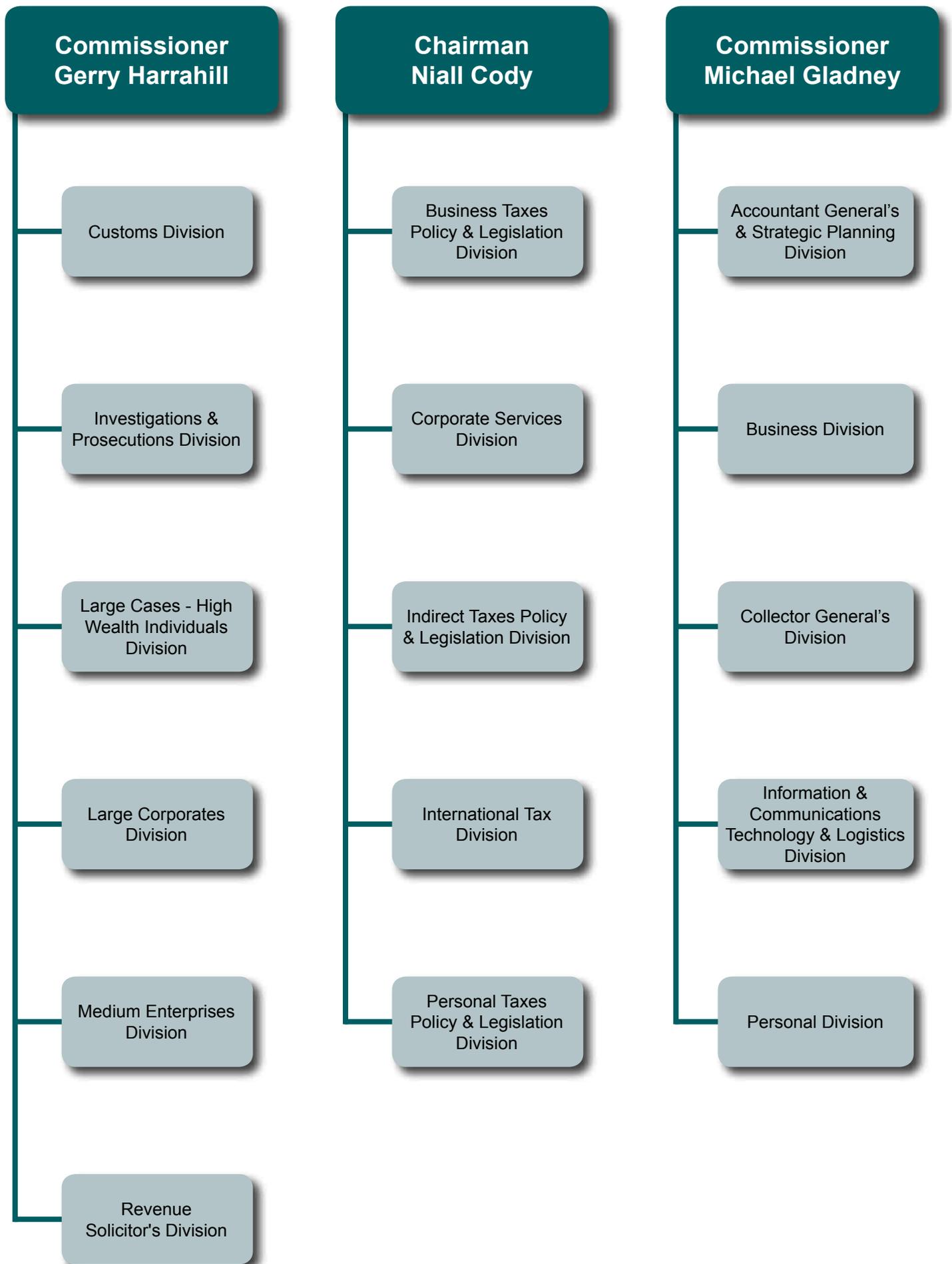


*Gerry Harrahill  
Commissioner*



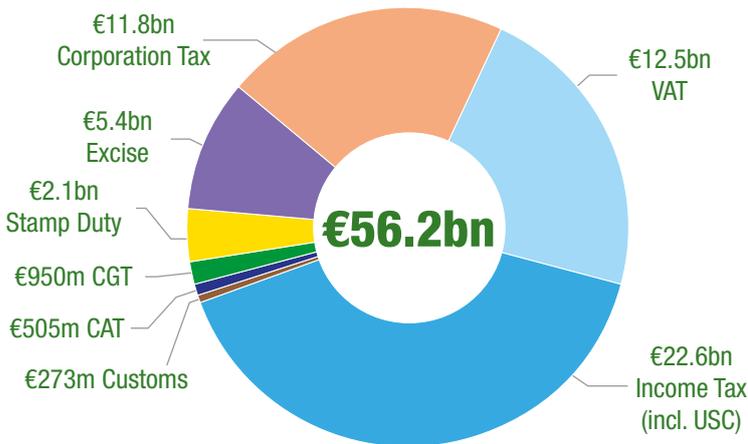
*Michael Gladney  
Commissioner*

# Our Organisational Structure

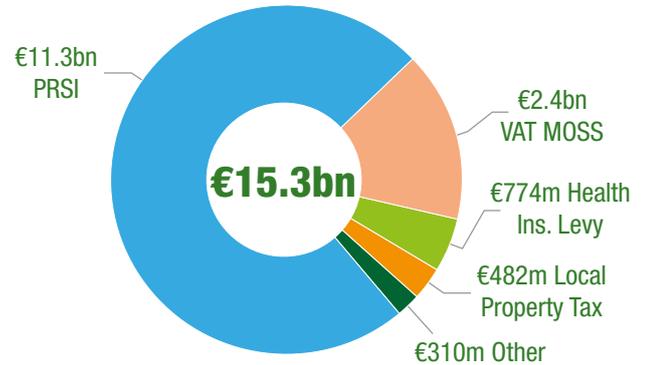


# Headline Results 2020

## Net Exchequer Tax Receipts



## Net Non-Exchequer Receipts collected on behalf of other Agencies



## Cost of Revenue administration €469 million

### Customer Contacts

	National Helplines	1.4m
	Correspondence	1.8m
	Electronic Returns	5.3m
	Electronic Payments	9.2m
	Electronic Self Service	1.3m
	Payroll Submissions	6.1m

### Timely Compliance

	Large Cases	97%
	Medium Cases	96%
	Other Cases	87%

### Debt Payment Arrangements

7,097 with a value of €125.7m

Supporting compliance for 3.2 million employments, 0.2 million employers, 1 million businesses, 0.3 million VAT traders and 1.4 million property owners

## Helping businesses to prepare for Brexit

735	149,000	2,083	14,513	76,942
Staff are now in Brexit-related roles	Brexit readiness letters issued to businesses trading with the UK	Calls to Customs Helpline in preparation for Brexit	Businesses engaged with via telephone campaign	Customs Registrations (EORI)

595,143 Audit and Compliance Interventions Completed, yielding €487.4 million

Debt Enforcement	Seizures & Convictions	Tax Defaulters
22,580 cases €126.8m yield	21 Serious evasion & fraud convictions 248 Summary convictions 22,509 Customs / Excise detections & seizures 8 commercial seizures and 51 vehicles seized in relation to Auto & Marked Fuel Oil	333 cases published with fines / penalties amounting to €1.6m 109 settlements published

# Adapting to COVID-19 in 2020

## Supporting businesses and protecting incomes

With the onset of COVID-19, Revenue contributed to the national effort to protect lives and livelihoods. We have leveraged our operational knowhow and IT systems framework to deliver critical supports to individuals, employers and other businesses quickly and efficiently

### Temporary Wage Subsidy Scheme

€2.8bn\* in subsidies  
664,500 employees  
66,600 employers

\* Gross TWSS claimed at 4 Jan 2021

### Employment Wage Subsidy Scheme

€1.42bn\* in subsidies  
443,100 employees  
39,800 employers

\* Gross EWSS claimed at 4 Jan 2021

### COVID Restrictions Support Scheme

€146m\* in supports  
16,600 businesses  
19,000 premises

\* Gross CRSS claims processed for payment at 4 Jan 2021

### Debt Warehousing

€1.9bn debt warehoused for 70,000 businesses

### Repayments Prioritised

332,300 VAT repayments issued to a value of €5.6bn, up 6% on 2019

### Accelerated Loss Relief

Interim claims from 180 companies and 320 individuals for relief of €61m

### Other Support Measures

- Accelerated PSWT interim refunds
- Early access to R&D payable credits
- Tax clearance maintained
- Reduced interest rates on non-COVID-19 debt
- Excise guidance - hand sanitiser production and returns of unsold alcohol stocks
- Concessional measures on the operation of BIK
- Extended Pay & File deadlines
- Suspension of many outdoor compliance interventions
- Critical pharmaceutical products and medicines given a Customs 'green routing'
- Waiver of liquor licence renewal fees
- Relaxation of some PAYE administrative obligations

## Innovating while maintaining essential services

Revenue adapted rapidly to the challenges of 2020. With a majority of staff working from home, essential services on and off site continued to be delivered and enhanced, and support provided on behalf of other agencies.

### Working Remotely

Over 4,000 Revenue staff regularly working from home, while maintaining services for tax payers

### Ports, Airports & Mail

Staff have maintained a constant presence at Ireland's Ports, Airports and Mail Centres helping to keep them open

### Data and Print Centres

77 staff at our Data & Print Centres have kept essential services running for Revenue and other State Agencies

### Supporting the HSE

150 staff deployed to support the HSE's contact tracing efforts

### MyEnquiries Enhancements

Customers can now instantly check the status of their queries and claims submitted via MyEnquiries

### Quicker Response Times

50% higher MyEnquiries volumes compared to 2019 but responses provided in less than 5 days through peak periods

# Main Results 2020

## Collection and Compliance

- Net Exchequer receipts for 2020 were €56.2 billion, down 3.6% on 2019 receipts (Table 2)
- €15.4 billion in Gross Non-Exchequer receipts was collected on behalf of other agencies (Table 1)
- 96% return/payment compliance rates for medium sized businesses with very high compliance levels maintained overall (Table 6)
- 94% compliance rate for Local Property Tax (LPT) 2020 was achieved, with net LPT receipts of €482 million collected and transferred to the Local Government Fund

## Delivery of Critical COVID-19 supports

- Temporary Wage Subsidy Scheme - €2.8 billion<sup>4</sup> in subsidies paid to 66,600 employers in respect of 664,500 employees
- Employment Wage Subsidy Scheme - €1.42 billion<sup>5</sup> in subsidies paid to 39,600 employers in respect of 443,100 employees
- Covid Restriction Support Scheme - €146 million<sup>6</sup> in supports paid to 16,600 businesses in respect of 19,000 business premises
- Debt Warehousing - €1.9 billion in tax debt warehoused for 70,000 businesses
- Debt enforcement activity temporarily suspended
- Tax clearance maintained
- Accelerated Loss Relief - €61 million in interim claims paid to 180 companies and 320 individuals
- Prioritised Repayments - €5.4 billion in VAT repayments issued, an increase of 5% on 2019
- Deferral of the collection of underpayments of income tax and USC for 2020 relating to Temporary Wage Subsidy and Pandemic Unemployment Payments, interest free, over four years from 2022-2025

## Managing Debt

- Debt available for collection was €1,182 million, up €264 million (29%) on 2019
- Debt available for collection as a percentage of gross receipts was 1.44%, up from 1.09% in 2019

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<sup>4</sup> Gross TWSS subsidies claimed as at 4 January 2021

<sup>5</sup> Gross EWSS subsidies claimed as at 4 January 2021

<sup>6</sup> Gross CRSS claims processed for payment as at 4 January 2021

- 7,097 businesses and individuals had phased payment arrangements in place at the end of 2020, covering €125.7 million in debt
- Over 3,700 phased payment arrangements availing of a significantly reduced interest rate covering tax debts of €130 million

## **Securing Compliance by Design and Excellent Service**

- 9.2 million electronic payments made to Revenue with a value of €77 billion (Table 3)
- 1.5 million electronic repayments to taxpayers with a value of €9.2 billion (Table 3)
- 5.3 million electronic returns received (Table 3)
- 1.4 million telephone calls answered (Table 3)
- 1.8 million items of correspondence (letters, secure email, online enquiry, etc.) (Table 3)
- 1.8 million customs declarations processed
- 2.7 million individual taxpayers were registered for myAccount at the end of 2020

## **PAYE Modernisation**

- 8 million Revenue Payroll Notifications (RPNs) requested
- 6.1 million successful payroll submissions
- 184,810 employers (including pension providers) making submissions
- 3.2 million active employments
- €96.4 billion gross pay and pensions reported

## **Brexit Trader Engagement**

- 149,000 Brexit readiness letters issued to businesses trading with the UK
- 2,083 calls to our Customs Helpline in preparation for Brexit
- 14,513 businesses trading with the UK contacted by phone
- 76,942 Customs Registrations (Economic Operator Registration and Identification (EORI) numbers)
- Customs declaration support service commenced

## **Confront Non-Compliance**

- €487.4 million in yield from audit and compliance interventions - €128.1 million from audits and investigations and €359.3 million from non-audit interventions (Table 11)
- €18.4 million in yield, including interest and penalties, arising from settlements in 104 tax avoidance cases
- €51.4 million in tax settlements in respect of 109 taxpayers and published in Iris Oifigiúil in 2020 (Table 14)

## Seizures

- 15,714 drug seizures valued at €44.8m (Table 16)
- 48.2 million cigarettes and 7,189 kgs of tobacco seized, valued at €32.8 million and €4.2 million respectively (Table 17)
- 501 vehicles seized
- 12,038 litres of illicit fuel seized
- 40 cash seizures amounting to €1.4m
- Cash forfeiture orders amounting to €561,933 granted by the Circuit Court in 35 cases
- 130 unlicensed gaming machines seized

## Prosecutions/Penalties

- 21 criminal convictions for serious tax and duty evasion (Table 20)
- 248 convictions and fines amounting to €0.9 million secured in respect of a range of summary offences (Table 20)
- €0.2 million arising from 59 penalties for non-filing of returns (Table 21)

## Playing Our Part Internationally

- 74 Double Taxation Agreements signed (73 in effect) and 26 Tax Information Exchange Agreements (TIEAs) in effect at the end of 2020
- 1,446 requests for mutual assistance received and 646 requests issued by Revenue (Table 22) under the provisions of Ireland's exchange of information agreements
- 38 Mutual Agreement Procedures (MAPs) completed following engagement with Competent Authorities of other jurisdictions to eliminate double taxation in relation to international tax disputes and 5 Advance Pricing Agreements (APAs) concluded in order to prevent transfer pricing disputes (Tables 23 & 24)

## Benchmarking Our Performance

- According to the World Bank / PwC *Paying Taxes 2020* report<sup>7</sup>, Ireland remained the easiest country in the EU in which to pay taxes and the fourth ranked country globally
- Ireland ranked 26th globally (and 13th in the EU) in the World Bank's *Logistics Performance Indicator* for customs clearance process efficiency for 2018 (most recent year currently available)
- Revenue's overall collection performance represents a very high value for money return for the State. With €82 billion in gross receipts collected in 2020, our administration costs of €467 million for the year amounted to approximately 0.57% of gross receipts collected.

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<sup>7</sup> <https://www.pwc.ie/media-centre/press-release/2020/paying-taxes-report-shows-ireland-maintaining-lead.html>

# Collection of Taxes and Duties

Our mission is to serve the community by fairly and efficiently collecting taxes and duties and implementing customs controls. We therefore play a vital role in the economy by securing taxes and duties due to the State. We achieve this by providing excellent service to support voluntary compliance and delivering a risk focused, effective and proportionate response to non-compliance, reflecting taxpayer behaviour.

Gross receipts were €82.3 billion in 2020, including €15.4 billion in Non-Exchequer receipts collected on behalf of other Departments, Agencies and EU Member States (Table 1).

Net Exchequer receipts of €56.2 billion were down by 3.6% or almost €2.1 billion on 2019, with the largest tax receipts arising from Income Tax (40% or €22.6 billion), VAT (22% or €12.5 billion) and Corporation Tax (21% or €11.8 billion) (Table 2).

Net Non-Exchequer receipts of €15.3 billion included €11.3 billion in respect of Pay Related Social Insurance (PRSI) and €774 million in respect of the Health Insurance Levy. It also included €482 million in respect of Local Property Tax (LPT), a tax administered and collected by Revenue with net receipts transferred to the Local Government Fund.

Notwithstanding the challenges brought about by the COVID-19 pandemic, overall timely compliance rates for 2020 across all tax heads (Table 5) were only marginally down on 2019. Reflecting the prevalence of a continued culture of strong voluntary compliance, timely compliance rates in 2020 were over 97% for large cases, 96% for medium cases and 87% for all other cases (Table 6). The Local Property Tax compliance rate was 94%.

Total debt was €6,738 million gross, and debt available for collection compared to 2019 increased by 29% to €1,182 million gross. The value of debt written off as uncollectable was €90 million. We facilitated 7,097 businesses and individuals with phased payment arrangements covering €125.7 million of debt.

## ***Increase in Dividend Withholding Tax Rate***

Budget 2020 included a 'compliance measure' among the taxation policy changes, to increase the rate of Dividend Withholding Tax (DWT) from 20% to 25% from 1 January 2020. This was predicted to yield an additional €80 million to the Exchequer in 2020.

We have analysed the yield achieved from DWT, to assess whether the Budget 2020 target for this compliance measure was achieved.

There was an increase in DWT receipts of €81 million in 2020. Given economic indicators, it is reasonable to assume that the increase in the DWT rate accounts for the bulk share of this increase. It is unlikely, given the prevailing economic conditions of the last year, that most companies would have paid higher DWT without the increase in the rate (as this would imply higher dividends being paid, contrary to economic conditions). In conclusion, the target of €80 million for the Budget 2020 compliance measure has likely been achieved as it is reasonable to assume the rate change is the main factor behind the increased yield.

A short note on this analysis is published at:

<https://www.revenue.ie/en/corporate/information-about-revenue/research/reviews/index.aspx>

# Delivery of Critical COVID-19 Supports

The onset of the COVID-19 pandemic brought about unprecedented disruption and uncertainty for the Irish economic and social landscape. COVID-19, and the public health restrictions put in place by the Government with the aim of preventing the spread of the virus, immediately impacted on the business environment, and on key elements of our role as a tax and customs administration.

During 2020, we played a significant role in the delivery of critical Government supports to affected businesses, employers and individuals that helped to protect lives and livelihoods.

On 13 March 2020, we put a **series of immediate measures** in place to assist businesses experiencing trading difficulties caused by the impacts of COVID-19, including:

- suspending the application of interest on late payments on January/February 2020 VAT and both February and March 2020 PAYE (Employers) liabilities
- suspending all debt enforcement activity
- the retention of tax clearance status for all businesses in circumstances where tax payments and tax returns that fell due since the pandemic started were not kept up to date, and
- suspending the impending scheduled RCT rate review thereby ensuring subcontractors did not suffer any increase in their deduction rate.

When these measures were first introduced, like most COVID-19 supports, it was expected that they would be in place for the short-term. However, the continuing crisis meant that they were extended for the duration of 2020 and into 2021, with the suspension of the application of interest on late payments of VAT and PAYE (Employers) liabilities subsequently being incorporated into the Debt Warehousing Scheme.

Like many organisations across the country and globally, we quickly adjusted to a largely **remote working environment** following the Government announcements in relation to measures to mitigate the spread of COVID-19 in March 2020. We took immediate action to put in place arrangements to support our staff to work remotely, including providing technical software and communications solutions, which we have continued to enhance throughout the pandemic. These solutions include:

- enabling a telephone dial-in facility for video conference meetings, facilitating staff in areas with poor broadband connectivity to access meetings via telephone
- implementing features within our telephony suite to allow our call centres to reopen while also allowing our call centre staff to operate remotely
- piloting a software solution that allows staff to make and receive calls across the internet via the Revenue virtual desktop, rather than via handsets
- rolling out the webinar-based platform *Skype Meeting Broadcast*, enabling stakeholder engagement, conferences, training courses and workshops to continue in a remote working environment.

While a significant cohort of staff were working from home, a relatively small number of staff continued to work on-site in essential roles. To ensure our offices were safe, we implemented appropriate measures through our *COVID-19 Response Plan*. Liaising with the Health Service Executive, Health and Safety Authority and other Government Departments, we developed our response plan to ensure a coordinated approach to virus prevention in the workplace. Measures introduced, and/or provided for, as part of our response plan include induction training, social

distancing in those workplaces where essential staff are based, provision of PPE, cleaning & sanitisation procedures, public health signage and the implementation of protocols for staff dealing with potential COVID-19 cases.

In addition to our core business, we worked as part of a unified public service and played our part in ensuring that essential public services were delivered to support citizens, especially the most vulnerable and at risk. Our contribution to the national effort included:

- provision of contact tracing support to the Health Service Executive (HSE)
- processing applications for income support payments for people affected by COVID-19 for the Department of Social Protection
- provided essential ICT support to other Government Departments and agencies, and
- made critical printing facilities available in support of the wider response to the pandemic.

### **Supporting the HSE – compiling ‘Summaries of Evidence’ on COVID-19**

At the beginning of the pandemic, the National Health Library Service & Knowledge Service issued a national call for librarians across Ireland to join the COVID-19 Evidence team. I answered this call and volunteered to support the HSE librarians to research and compile ‘Summaries of Evidence’ on COVID-19. As a qualified librarian with experience working in health librarianship, I had the relevant research skills and expertise required.

‘Summaries of Evidence’ contain a review of the latest research available on topics relating to COVID-19. The aim of the summaries is to provide healthcare professionals with all the available up-to-date research on a requested topic to allow them to make informed decisions. I worked alongside a team of librarians in considering requests for information from HSE staff across all relevant disciplines. Submitted via an online request form, each question was reviewed and, if appropriate, was assigned to the team. Following an established search protocol, we reviewed the available research and key reference sources. We completed a standard consistent template for our research results, that could be easily followed, understood, and used by the healthcare professionals. Each evidence summary was reviewed by an editorial team before it was published on the National Health Library Service & Knowledge Service website. I was very glad to have had the opportunity to transfer my specialist skills to supporting the national response to the COVID-19 pandemic.

***Leona Burgess – Revenue Librarian***

In 2020, we also administered a number of key COVID-19 support schemes on behalf the Government, including the Temporary Wage Subsidy Scheme (TWSS), the Employment Wage Subsidy Scheme (EWSS), the Debt Warehousing Scheme and the Covid Restriction Support Scheme (CRSS). Our well established, strong working relationships with the Department of Finance enabled us to provide vital support in relation to the evaluation, development and implementation of the policy and legislation of each scheme. Strengthening our engagement with the Departments of Social Protection, Public Expenditure and Reform, Enterprise, Trade & Employment, and Children, Equality, Disability, Integration & Youth maximised collaboration and ensured the rapid implementation of the various schemes.

We delivered each COVID-19 support scheme at an unprecedented pace, something we could not have done without the agility, resilience and skills of our people and the cooperation of key external stakeholders including payroll software developers, employers, payroll professionals, tax practitioners, accountancy bodies and business representative organisations. This engagement and support was critical to our ability to rapidly provide essential Government supports in addition to delivering essential tax and customs services, including in respect of Brexit, during what was an extremely challenging year.

The **Temporary Wage Subsidy Scheme (TWSS)** was announced by the Government on 24 March 2020 and we made the first payments under the scheme just 4 days later. Our continued investment in our IT systems, and particularly the introduction of real-time reporting for PAYE in January 2019, meant that we were quickly able to reengineer our PAYE system to get critical

cash supports in the shortest timeframe possible to impacted employers and employees. These payments enabled eligible employers to provide significant financial supports directly to their employees by keeping those employees on their payroll and protecting the longer-term viability of their jobs.

The scheme was initially expected to last for twelve weeks from its introduction but was ultimately extended to the end of August 2020, when it was replaced by the Employment Wage Subsidy Scheme (EWSS). Over the period the scheme was in operation, 66,600 employers received subsidy payments of €2.8 billion<sup>8</sup> in respect of 664,500 employees.

Our responsibility in administering the TWSS includes ensuring that the very significant investment of public funds was properly allocated to eligible employers and employees. In the exercise of this important role, in June 2020, we started a programme of checks on all of the employers in receipt of a TWSS subsidy to confirm that they met the eligibility criteria and, crucially, that the monies involved were properly paid out to employees. By the end of 2020, 91% of these compliance checks had been completed, with a high level of compliance confirmed. Just over €2 million was collected from approximately 200 employers who were found to have been ineligible.

In line with the TWSS legislation, in October 2020 we published a list of the names and addresses of all employers who registered for and received payments under the scheme.

As part of the final phase of the scheme, TWSS reconciliation balances are now available for employers to review in ROS. Approximately 90% of the reconciliation balances directly relate to the 'transitional phase' of the scheme whereby employers were paid the equivalent of €410 per week for each eligible employee for the first 6-weeks of the scheme. This meant that many employers received a payment that exceeded the subsidy correctly due. Recognising the demands and challenges faced by employers and their tax agents in this current economic environment the reconciliation information is available to review and finalise until 30 June 2021.

### **ICT Development of the wage subsidy schemes**

In the past year, we have worked in supporting the national response to the pandemic by leading the ICT implementation for the wage subsidy schemes. Having both been involved over the last 3 years with the PAYE Modernisation programme, building the payroll reporting application, our Principal Officer brought us together on 16 March 2020 to consider how we could get financial supports to employers quickly, and help businesses and employees through the restrictions that had just been announced. Within a matter of days, we had turned the payroll reporting system on its head and made the first payments under the Temporary Wage Subsidy Scheme only a few days later. We have been working relentlessly to deliver and adapt the ICT solutions for the subsequent wage subsidy schemes since then.

There is no denying that this has been a stressful time for us. At times, the responsibility for speedy delivery of new ICT systems felt overwhelming and given the monetary value of subsidies which were being issued daily it was understandable to feel this way. Having said that, we take great pride in the solutions we have delivered to enable businesses to stay afloat, especially given that this was all done while working remotely. The speed at which we delivered these projects was due in no small part to the relationships we have built up with our colleagues across the ICT Division and with our colleagues in all other areas of Revenue. We have worked long days and weekends throughout, especially following Government announcements that amended the schemes, all while adapting to a new way of living and working and taking care of our families. Trying to keep some semblance of a work-life balance can be a challenge given work and home are so merged, but we have dealt with this by having structured routines, daily exercise, supporting and encouraging each other, speaking about how we are feeling during this time, setting up a dedicated home office space and braving a bit of sea swimming. We even managed a very windy and rough swim in Portmarnock just before Christmas to wash away 2020.

At critical stages of the project, when we needed to attend the office, the excitement of meeting each other and getting burritos for lunch was on a par with waiting for Santa on Christmas Eve!

***Gillian Ryan and Aisling Roche – ICT&L Division***

<sup>8</sup> Gross TWSS subsidies claimed as at 4 January 2021

The **Employment Wage Subsidy Scheme (EWSS)** was announced by the Government as part of the July Jobs Stimulus and replaced the TWSS with effect from 1 September 2020. An economy-wide Government support for businesses impacted by COVID-19, the EWSS continues to deliver on the same objectives as the TWSS in alleviating cashflow difficulties and protecting the longer-term viability of jobs. EWSS payments to eligible employers are based on a flat-rate subsidy structure based on employees' gross weekly wage. In addition, a reduced rate of employer PRSI of 0.5% applies to wages paid which are eligible for the subsidy payment.

The EWSS was originally designed to pay the subsidy due once a month in arrears as soon as possible after the due date of the relevant monthly Employer PAYE return (the 14<sup>th</sup> of the following month). However, having regard to the ongoing cashflow difficulties being experienced by employers, we brought forward the date for EWSS payments to the fifth day of the following month for October 2020 payroll submissions. We then further significantly shortened the EWSS payment timeframe in respect of November payrolls meaning EWSS is now paid on a 'next banking day' basis thereby providing a significant positive cashflow boost for businesses.

By the end of 2020, €1.42 billion<sup>9</sup> in subsidies had been paid to 39,600 employers in respect of 443,100 employees under EWSS. In line with legislation we have published the list of the names and addresses of all employers who registered for and received payments under EWSS in 2020.

### **Supporting Employers during the COVID-19 pandemic**

I have worked in the National Employer Helpline (NEH) since September 2018, supporting employers during the introduction of PAYE Modernisation. Like all colleagues, the last 12 months have brought many changes to my role, including the introduction of the wage subsidy schemes, how I keep up-to-date on the information I need to do my job, and even where I log in to work each morning.

In March 2020, I was assigned to the dedicated Temporary Wage Subsidy Scheme (TWSS) support team. We quickly learned how the scheme worked and answered customers' queries in real-time as the scheme changed and developed. Over the course of TWSS, I got the opportunity to work on staff training and systems documentation, as well as directly assisting employers to ensure they received the subsidy payments in a timely manner.

Through it all, I have been working from home. As I have a young child at school, it suited my circumstances to work on phone services in the morning and to work on myEnquiries queries (electronic correspondence) in the afternoon. My manager stayed in regular contact with me to find out how I was getting on at home and was a great support in the transition to remote working. The training and documentation that was provided allowed me to make the transition to remote working more easily. Looking back, I am really proud of my contribution to Revenue's efforts in supporting employers during the COVID-19 pandemic and keeping that link between them and their employees, many of whom live in my community.

***Áine Long – Business Division***

The Government's July Jobs Stimulus Package provided for the warehousing of deferred tax debts associated with the COVID-19 crisis. We initially operated the **Debt Warehousing Scheme** on an administrative basis until the enactment of the necessary legislation on 1 August 2020.

Under the scheme, businesses can temporarily 'park' certain tax debts while trade is impacted by COVID-19 restrictions. These debts remain 'parked' on an interest free basis for 12 months following resumption of 'normal' trading. At the end of the 12-month interest free period, if the warehoused debt has not been paid in whole or in part during that time, the balance can be paid through an agreed phased payment arrangement at a significantly reduced interest rate of 3% per annum. The standard interest rates for such tax debts are 8% and 10% per annum.

<sup>9</sup> Gross EWSS subsidies claimed as at 4 January 2021

The scheme initially applied to VAT and Employer (PAYE) tax debts and was extended by the Finance Act 2020 to include certain self-assessed income tax liabilities and overpayments of TWSS subsidies due to be repaid by employers to Revenue. By the end of 2020, €1.9 billion of tax debt had been warehoused for 70,000 businesses.

Importantly, the Debt Warehousing Scheme gives businesses a framework within which they can retain tax clearance where tax payments are not up to date. The only requirement for businesses to continue to avail of the terms of the scheme, and to retain tax clearance, which is a key eligibility requirement for access to the EWSS and the CRSS, is to continue to file accurate and timely tax returns, and bring any outstanding returns up to date.

The **Covid Restrictions Support Scheme (CRSS)** was announced by the Minister for Finance in his Budget 2021 speech on 13 October 2020 and the scheme applied from the same date. Under the CRSS, a qualifying person who carries on a business activity that is impacted by COVID-19 related public health restrictions, such that the business is required to prohibit or considerably restrict customers from accessing its premises, can make a claim to Revenue for a payment, subject to a maximum of €5,000, for each week that it is affected by the restrictions.

Leveraging our agility, innovation, operational knowhow, and IT system framework, we designed an online registration process for the scheme within just over 2 weeks of the Budget announcement, with the first payments made to eligible businesses from 17 November onwards. To assist and support businesses in understanding and availing of the scheme we also published detailed operational guidelines on our website. These guidelines were promptly updated to provide additional information and clarity for businesses as new or changing levels of COVID-19 restrictions were announced.

On 4 December 2020, the Minister for Finance announced an additional seasonal CRSS payment for businesses, such as 'wet' pubs, nightclubs, discos and casinos, who could not reopen during the Christmas and New Year period. Businesses such as non-essential retail, gyms, leisure centres and swimming pools who had to close again due to the changes in public health restrictions that came into effect on 31 December 2020 could also avail of this additional seasonal payment. We quickly adapted our system to make this additional support available, which provided up to double the amount of the weekly CRSS support payment due, subject to the statutory weekly maximum payment of €5,000 for the three weeks over the festive period, with the first additional support payments processed before Christmas.

By the end of 2020, €146 million<sup>10</sup> in CRSS payments had been paid to 16,600 businesses in respect of 19,000 business premises.

The above mentioned COVID-19 supports provide just a snapshot of the wide range of supports we administered on behalf of the Government during 2020. Additionally, we implemented a suite of concessional measures across an extensive range of well-established tax matters under the care and management provisions of Section 849 of the Taxes Consolidation Act 1997. These include:

- the acceleration of Professional Services Withholding Tax (PSWT) interim refunds
- early access to Research and Development (R&D) payable credits
- extended pay and file deadlines
- the availability of a significantly reduced interest rate of 3% in respect of pre-COVID tax debt for a limited time
- a waiver on 'in-trade' liquor licences for the 2020/2021 licensing period

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<sup>10</sup> Gross CRSS claims processed for payment as at 4 January 2021

- extended timeframes for SME's seeking to avail of relief under the Employment Investment Incentive (EII) to meet certain conditions
- concessional measures regarding the application and calculation of Benefit-In-Kind (BIK) in certain circumstances including COVID-19 testing, flu vaccination, employer-provided vehicles and the Small Benefits Scheme
- the relaxation of the use of ethyl alcohol in the production process of hand sanitiser to enable increased manufacture and supply
- the introduction of a new Stay and Spend tax credit
- the availability of the Enhanced Help to Buy Scheme.

### **Real-Time Statistics on COVID-19 Support Schemes**

Our team of Revenue's statisticians and economists has for a number of years published extensive statistics and research reports based on the data Revenue collects through our tax administration. Our data provides unique insights to help improve our decision-making, provides an evidence base for policymakers and keeps our stakeholders informed.

As the COVID pandemic took hold, colleagues elsewhere in Revenue and in other Government departments looked to us to provide data to inform the design of possible support schemes for businesses and individuals. Throughout March 2020, the pressure was on and we worked hard, often late nights and over weekends, to meet all the requests put to us as the TWSS and other supports took shape and were implemented.

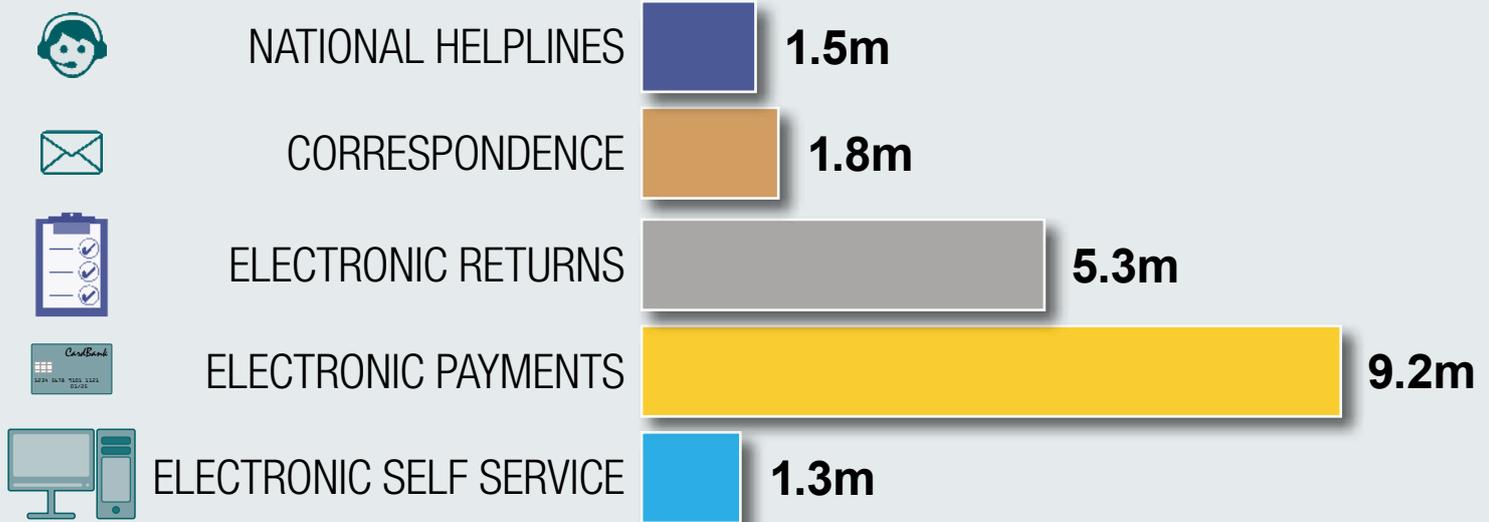
Our team has always been a leader of open data and official statistics across Government departments. We immediately saw the value of producing information on the operation of the COVID support schemes in real-time. Since early April 2020, we have published weekly updates on the key support schemes: TWSS, EWSS and CRSS. These updates are available in open data formats on revenue.ie. As the COVID support schemes come at significant cost to the Exchequer, the statistics we publish aid transparency by showing our payments of these subsidies to taxpayers and give a clear indication of the scale of support implemented for that cost. Additionally, our PAYE publications, which use real-time employment data enabled by PAYE Modernisation, are giving a new understanding of the labour market more generally, not only throughout the current challenging and turbulent period but also into the future.

We actively promoted the value of our statistical outputs in 2020 to enable us to reach as wide an audience as possible, including presenting to cross-Government forums such as the Irish Government Economic & Evaluation Service (IGEES) and to a COVID-19 symposium of the Statistical and Social Inquiry Society of Ireland.

***Jean Acheson and Philip O'Rourke - Statistics and Economics Research***

# Service To Support Compliance

## 19 Million Customer Contacts in 2020



## myAccount

myAccount

2.7m Individual taxpayers registered

## Self-Assessment



811,772 Registered for Income Tax

## Customs Trade Facilitation



1.8m Customs Declarations processed

## Debt Payment Arrangements



7,097 with value of €125.7m

# Securing Compliance by Design and Excellent Service

We achieve our core task of collecting taxes and duties by providing structures and supports for taxpayers and tax agents that facilitate high voluntary compliance levels, including the delivery of excellent service within our published standards. We achieve this by:

- delivering quality service across a range of delivery platforms in a cost-efficient way
- continuing to exploit opportunities to leverage the benefits of technology and data insights across our business engagements to improve taxpayer experience and minimise the risk of inadvertent non-compliance
- ensuring our service delivery model takes account of the needs of, and results in the right outcome for, taxpayers and Revenue
- seeking to minimise compliance costs for taxpayers
- reducing the need for taxpayers to contact us.

## Facilitating High Voluntary Compliance Levels

A key element of our role is to proactively assist taxpayers in meeting their tax obligations. We support taxpayers by giving them the appropriate information, support and guidance, and by making it as easy as possible to be voluntarily compliant.

We have developed a process of **pre-populating annual tax returns** (Form 11, Form 12, CT1) using data from a range of sources. This makes it easier for taxpayers to complete tax returns, minimises the scope for errors and omissions, reduces the need to contact us directly and speeds up the process of filing a tax return.

The extensive range of data we now use to pre-populate tax returns includes:

- employees' gross pay earned, tax and USC deducted, as reported by employers
- data on pensions and other benefits provided by the Department of Social Protection (DSP)
- data on payments to subcontractors sourced from Relevant Contract Tax (RCT) returns (mainly relates to the construction sector)
- Home Renovation Incentive (HRI) tax relief information returned by contractors carrying out qualifying renovations
- data on EU scheme payments to farmers and other beneficiaries provided by the Department of Agriculture, Food and the Marine
- data on Housing Assistance Payments made to landlords by local authorities
- data on tenancies registered with the Residential Tenancies Board (RTB), including the record of those who have made a relevant undertaking with the RTB to let their property for social housing and claim the additional interest relief as provided in Section 97(2K) of the Finance Act 2016.

In certain circumstances, taxpayers and their agents may formally contact Revenue to seek an opinion or confirmation where there is a doubt in relation to the application of tax law for specific transactions or situations. The **Revenue Technical Service (RTS)** is the mechanism for this engagement.

The RTS, in so far as it applies to cases which are not under the remit of our Large Corporates

Division or our Large Cases High Wealth Individuals Division, is delivered on a national basis by a dedicated team to ensure the delivery of an efficient and effective service. This dedicated team has overall responsibility for the management of queries which ensures a consistency of approach to queries and enhances communication channels with the taxpayers and/or agents using the service. Marked improvements in service delivery continued to be achieved during 2020, despite COVID-19 challenges. For example, there was a 5% improvement regarding the number of queries dealt with within 20 days when compared to 2019.

During 2020, the total number of opinions/confirmations provided through the RTS was 339.

In December 2019, we issued a reminder (eBrief No. 197 of 2019) of the maximum five-year validity period of Revenue opinions and advised that opinions provided between 1 January and 31 December 2014 were subject to review. Taxpayers wishing to continue to rely on such opinions were required to make an application for their renewal or extension on or before 31 March 2020. We received applications to renew or extend 6 such opinions.

As distinct from the full range of opinions/confirmations provided through the RTS, **Relevant Tax Opinions** are those that are provided to companies and other entities only (not to individuals or for the benefit of individuals) and in respect of direct taxes only (e.g. Corporation Tax, Business Income Tax, Stamp Duty, CGT). Where a Relevant Tax Opinion has a cross-border element, it is exchangeable under the Exchange of Information instruments. During 2020, we provided 147 Relevant Tax Opinions on complex technical issues to companies and other entities (Table 10).

Our **Online Phased Payment Arrangement** facility continued to provide essential services to support viable businesses with tax payment difficulties throughout 2020. This service is available 24/7, provides up to date information on liabilities and outstanding returns and guides the taxpayer through the application process to secure a phased payment arrangement. In 2020, we processed 7,591 phased payment submissions via the new online facility. Once approved, taxpayers have considerable flexibility to self-manage the payment schedule in line with changing business needs. At the end of 2020, a total of 7,097 phased payment arrangements were being actively managed through the Debt Management Service (DMS) system.

For our large corporate groups, we promote and operate a policy of cooperative compliance through our **Cooperative Compliance Framework (CCF)**. The objective is to manage our relationships with large corporate businesses so that we work together to achieve the highest level of voluntary compliance across all taxes and duties. The CCF offers participating corporate businesses regular dialogue with us, helping to provide long-term certainty in relation to tax and duty exposures, and an ability to predict with reasonable confidence what our position will be on any particular aspect of tax and duty obligations. As part of CCF, risk review meetings are held with participating businesses annually. At the end of 2020, 123 corporate groups were working with us in CCF and arising from these meetings and from other engagements under CCF, disclosures in the region of €45 million were received from these groups.

## Service Delivery

We continually seek to enhance and tailor our service model to suit the needs and expectations of our taxpayers, making it as easy as possible to be voluntarily compliant.

Taxpayers, and their agents, increasingly expect digital service offerings and greater flexibility in their access to services, whether digital or not. The circumstances brought about by efforts to suppress the spread of COVID-19 accelerated these trends and placed an even greater emphasis on the use of digital platforms and technology. We are seeing more taxpayer transactions move online and, with less people working traditional office hours, the demand for 24/7 service has also increased.

The focus of our service design is to provide a suite of online or digital services that allow taxpayers and agents to self-serve to the greatest extent possible. Complementing this, we aim to give excellent service for those unable to avail of these facilities.

**myAccount** is a single access point to our secure online services for individuals. It is available 24/7, year-round and is fully accessible on all mobile and smart devices. It provides the quickest and most convenient way for individuals to access their tax records and manage their tax obligations.

**MyEnquiries** is our secure online service that allows taxpayers and tax agents to send and receive correspondence to and from Revenue. It can be accessed via *ROS* and *myAccount*. In June 2020, having listened to feedback from both taxpayers and agents, a ‘**track my query**’ function was added to *MyEnquiries*. The new function allows a taxpayer or agent to view the current status of an enquiry submitted via *MyEnquiries* and confirm the Revenue division managing the enquiry. The upgraded service enables taxpayers and agents to easily see and track the progress of their enquiries and reduces unnecessary follow up contacts.

Following the introduction of a temporary enhancement to the existing **Help To Buy (HTB) Scheme** as part of the Government’s July Jobs Stimulus package, we quickly put in place the necessary changes to enable those eligible for the enhanced relief to make their application online through *myAccount* or *ROS*. The enhanced HTB scheme is available from 23 July 2020 to 31 December 2021 and provides increased relief to a maximum of €30,000 where applicants satisfy certain conditions. In 2020, over 6,100 HTB claims were approved, of which over 2,400 obtained relief under the enhanced scheme. The total value of approved HTB claims in 2020 was €126 million.

In September 2020, we retired our mobile App, *RevApp*, and launched our new App, **Revenue Receipts Tracker App**. The new App is available across most mobile and smart device platforms, offering taxpayers quick and easy access to record and manage their receipts. Taxpayers can record receipts in respect of the Stay and Spend scheme, health expenses, rental expenses, remote working expenses and trading expenses. It also allows taxpayers to upload their receipts to Revenue storage which allows us to then automatically include the total expenses amount on the relevant income tax return. This makes it easier and quicker for taxpayers to complete their return and claim their entitlements. By the end of 2020, almost 78,000 taxpayers had downloaded the new Revenue Receipts Tracker App. In addition, almost 90,000 receipts were uploaded using the App in 2020.

Also in September 2020, in collaboration with the Courts Service (Probate Office), we launched a new online form the **Statement of Affairs (Probate) Form SA.2**. The completion of this form is the first step for anyone wishing to take out probate. Available to complete in both *ROS* and *myAccount*, the new form replaced the 20-page paper-based Inland Revenue Affidavit (Form CA.24) and moved an exclusively manual process online, eliminating approximately 750,000 pieces of paper each year. Since its launch, there has been a large uptake in use of the online form with over 7,000 applications received by the end of 2020.

In November 2020, we released our new customs declaration system **Automated Import System (AIS)**. The new modernised system reflects all the legal requirements of the EU Union Customs Code (UCC) and assists us in facilitating legitimate trade while also enabling us to effectively manage risk and efficiently tackle non-compliant activity. For an initial period AIS is being operated in tandem with our previous import system, AEP, to allow customs agents and businesses some additional time to complete their transition to the new system.

Our service delivery model is agile, innovative and efficient thereby ensuring we meet the challenges of the continually changing economic and business environments while meeting the needs of our taxpayers. In addition to taxpayer driven demand and expectation, in March 2020 COVID-19 demanded that we further innovate the delivery of our customer service. We

leveraged technology and changes in work practices to meet the service demands of taxpayers through the preferred contact channels.

In immediate response to the public health measures and restrictions aimed at suppressing the transmission of COVID-19, announced by the Government on 27 March 2020, we provided important advice to taxpayers in relation to the necessary changes in the provision of services. We prioritised the continued operation of the National Employer Helpline and the ROS Technical Helpdesk to support employers with queries on the Temporary Wage Subsidy Scheme. While some of our other telephone support lines were temporarily closed, taxpayer enquiries and correspondence on any matter could be sent through **MyEnquiries**, our secure online service, which is available in both *myAccount* and *ROS*. We quickly refocused our allocation of resources to match the increased use of this contact channel. In 2020, we completed 68% more taxpayer queries, submitted via *myEnquiries*, when compared to 2019. Additionally, 72% of enquiries were completed within 5 days in 2020, an increase of 18% when compared to 2019. This speedier processing of correspondence sent through *MyEnquiries*, despite an increase in the volume of contacts, has meant that this is now the preferred channel for many taxpayers to contact us. A recent survey of taxpayers, who had contacted us through *MyEnquiries*, showed that 74% were more likely to continue using *MyEnquiries* in the future as their preferred contact channel.

While focus on the rapid turnaround in responses to online enquiries will remain, we fully appreciate that, for a number of reasons, not all taxpayers are able to use or resolve their enquiries through our online services. Conscious of this, we prioritised putting the necessary **telephone technology** in place that enabled our helplines to reopen while at the same time allowed our staff to answer calls remotely. This not only facilitated the resumption of key services but also the continuation of staff working from home in line with public health advice. The 'softphone' solution operates by enabling staff to make and receive calls across the internet via their Revenue virtual desktop using their own direct dial in number. This is carried out via a headset to their device thus mitigating the need for a mobile phone.

Due to public health restrictions, our public offices are closed until further notice. However, recognising the need to continue to provide a face to face service to those taxpayers who need it, we introduced a **virtual (video) appointment service** in December 2020. A virtual appointment means that a taxpayer can arrange a video meeting with a member of our Service for Compliance team over a 'Skype for Business' call. A family member or friend of the taxpayer can join in on the video call to help the individual with his or her enquiry. Over 670 calls were received to the appointment phone line in December 2020. For 99% of the calls received we were able to assist the taxpayer in conducting his or her business with us via other channels that best suited individual needs.

## Understanding Taxpayer Needs

We continually engage with taxpayers to understand their differing and evolving needs. We also engage with agents, industry and business representatives through a range of initiatives and forums, to collaborate, support, advise, listen and learn. This helps us tailor our service strategies, contact channels, systems and support services to achieve high levels of voluntary compliance.

On an on-going basis, we engage and consult with a range of **practitioners and business representative bodies**. Through the *Tax Administration Liaison Committee (TALC)* we discuss practical changes to achieve a more effective and efficient administration of the tax system. For example, the enhancement to *MyEnquiries* in 2020 to allow taxpayers and tax agents to track the status of their query was introduced following discussion and feedback through the *TALC MyEnquiries subgroup*. Also during 2020, and arising from engagement with the *TALC Compliance Interventions Sub-committee (TALC Audit)*, we developed guidelines for conducting

compliance interventions in a remote working environment, taking into account the COVID-19 public health advice in place.

We are also a constructive participant in the Personal Insolvency process and have representation on both the *Insolvency Service of Ireland (ISI) Consultative Forum and the Protocol Oversight Committee*.

Additionally, we are represented on the *Company Law Review Group (CLRG) Corporate Insolvency Subcommittee*. This committee is tasked with reviewing company law within the corporate insolvency regime to ensure it addresses all stakeholders' concerns and is fit for purpose. In 2020, the *CLRG* was asked by the Tánaiste to consider required emergency measures to facilitate the continuation of corporate insolvency processes during the pandemic and, to consider the design of a legislative framework to better address the potential difficulties facing smaller businesses. In response to these requests, the required emergency measures came into law under the Companies (Miscellaneous Provisions) (COVID-19) Act 2020.

In 2020, having listened to suggestions on ways in which we could **better facilitate taxpayers and tax agents to self-serve, reduce the need to contact us and reduce the compliance burden**, we implemented the following innovations:

- the facility to update a change of address via *ROS*
- showing additional information about the 'basis of accounting' of a VAT registration on the *Revenue Record* screen in *ROS*
- the launch of an online *eCG50* facility in both *ROS* and *myAccount* that enables taxpayers and/or their nominated agent to apply for a *CGT Clearance Certificate* online.

Additionally, in collaboration with Local Authorities, the Local Government Management Agency (LGMA) and the Department of Housing, Heritage and Local Government we streamlined the 'HPL1' checking process. The new process no longer requires applicants for social housing support to get a 'HPL1 form' physically stamped by Revenue. Instead, the relevant Local Authority can contact us directly via *MyEnquiries* and get the necessary confirmation.

The **Customs Consultative Committee (CCC)** provides a two-way forum for us to consult and exchange views on customs formalities with representative organisations. The collaborative forum reviews developments and proposals in the customs area, particularly at EU level. The focus of discussion in 2020 was on preparations for Brexit at national and EU levels as well as key IT updates in relation to the new customs declaration system, Automated Import System (AIS) and the new Pre-Boarding Notification (PBN) system to facilitate Roll-on Roll-off (RoRo) freight vehicle movements between Great Britain and Ireland from 1 January 2021. In the context of the UK's departure from the EU, we also highlighted procedures and simplifications available under the Union Customs Code (UCC) that could assist businesses in adapting to the new trading environment by facilitating the efficient movement of goods through our ports and airports.

## Supporting Tax Policy

We continue to work closely with the Department of Finance in contributing to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) proposals to address the tax challenges of digitalisation and international taxation of companies. This includes providing statistical and economic analysis and costings to the Department of Finance as well as to the Government and the Oireachtas.

We worked closely with the Department of Finance in considering the Dividend Withholding Tax (DWT), Stamp Duty, Capital Gains Tax (CGT) and Capital Acquisitions Tax (CAT) implications

of the **migration of Irish securities from CREST to Euroclear Bank** in March 2021. This resulted in a number of legislative amendments being made to maintain the status quo in relation to current tax treatments.

We continue to play an active part in the development of climate action policies through our support of, and collaboration with, the Department of Finance. The current Programme for Government contains a commitment to implement a **Carbon Tax** rate of €100 per tonne of CO<sub>2</sub> emitted by 2030. The Finance Act 2020 made provision for Carbon Tax increases of €7.50 per tonne of CO<sub>2</sub> emitted, taking the rate to €33.50 per tonne. This was translated into commodity specific tax increases across a range of fuels, including petrol, diesel, heating oil, natural gas and solid fuel, based on their carbon emissions. The increases took effect from the Budget (13 October 2020) in the case of propellant fuels, with the other increases taking effect from 1 May 2021.

The Finance Act 2020 provided for the introduction of new **Vehicle Registration Tax (VRT)** rates based on a vehicle's Worldwide Harmonised Light Vehicle Test Procedure CO<sub>2</sub> data for passenger cars and minibuses. The new VRT charging structure commenced on 1 January 2021 for both new and used cars.

We manage a body of **VAT litigation** in the national courts and in the Court of Justice of the European Union (CJEU), which is designed to protect the scope, integrity and effectiveness of Irish VAT law. The litigation includes challenges to the application of VAT law in Ireland by taxpayers and interventions by Ireland as a third party in CJEU cases concerning other Member States where the issues being litigated could impact Irish VAT law.

The **DAC6 Directive**, which was agreed in 2018, introduced a mandatory disclosure regime for cross-border arrangements that could potentially be used for aggressive tax planning. The Directive was transposed into Irish law by Finance Act 2019 and the European Union (Administrative Cooperation in the Field of Taxation) (Amendment) Regulations 2019. The new regime includes a 'lookback' reporting requirement, which applies to reportable cross-border arrangements the first step of which was implemented between 25 June 2018 and 30 June 2020.

Ireland exercised an option given to Member States in Council Directive (EU) 2020/876<sup>11</sup> which allowed Member States to postpone, by six months, the filing and exchange dates for the first returns of information in relation to reportable cross-border arrangements. DAC6 reporting commenced on 1 January 2021 and the first exchange of information by Ireland will take place by 30 April 2021.

We worked closely with the Department of Finance on the tax related provisions contained in the **Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2020**, to include:

- amending excise and VAT legislation in a way that complements the 2019 UK Withdrawal Agreement and Protocol on Ireland/Northern Ireland
- issuing a series of guidance notices to relevant traders regarding new procedures for the import and the export of duty suspended excisable products to and from the UK (excluding Northern Ireland) post-Brexit
- preparing a comprehensive portfolio of VAT legislative responses to reduce the potential for abuse, minimise the scope for evasion and alleviate the cash flow issues arising from Brexit for businesses. The amendments included the introduction of postponed accounting and changes to the zero-rating scheme for qualifying businesses as well as changes to the Retail Export Scheme.

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<sup>11</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020L0876&from=EN>

Throughout 2020, we continued work on the development and management of Ireland's tax treaty network within the restrictions imposed due to COVID-19. This included the ongoing process of agreeing synthesised texts with treaty partners to reflect modifications to our existing **Double Taxation Agreements (DTAs)** as a result of the *Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS* (MLI) and progression of protocols to implement anti-BEPS measures, where necessary. Ireland has signed DTAs with 74 countries, covering Income Tax, Universal Social Charge and Capital Gains Tax. Of the DTA's signed, 73 are currently in effect.

Revenue acts as the **Competent Authority** for the purpose of resolving any disputes in relation to relief from double taxation that may arise under Ireland's DTAs. We continue to see an increase in MAP and APA cases following the work done at OECD level in relation to BEPS and in parallel with the increased focus by the OECD on tax certainty and improving dispute resolution. During 2020, our engagement with the Competent Authorities of other countries to eliminate double taxation resulted in the completion of 38 cases, 11 of which relate to attribution or allocation of profits between Ireland and the other country concerned (transfer pricing) and 27 of which relate to other non-transfer pricing disputes. This work involved Mutual Agreement Procedure (MAP) negotiations, provided for under our network of DTAs and the EU Arbitration Convention (Table 23).

We held negotiations on bilateral Advance Pricing Agreements (APAs) with the Competent Authorities of other countries to determine, in advance of the period of account concerned, an agreed basis for cross-border transfer pricing between companies. The negotiation of APAs seeks to prevent transfer pricing disputes arising. In 2020, we received 22 APA requests and 5 APAs were concluded following negotiations with the Competent Authorities of other countries (Table 24).

Excise legislation is governed by a set of EU Directives which establish the scope, permitted reliefs and minimum rates of duty for alcohol, tobacco and energy products. During 2020, we worked closely with the Department of Finance, EU Commission and other Member States on a revision to the **Alcohol Products Tax Directive** and started planning for the transposition of the recast of the General Excise Directive in 2021. In addition, we continued to provide input to on-going EU reviews of the current Energy Tax and Tobacco Products Tax Directives and the possible introduction of a new EU Euromarker for auto fuels.

In 2020, we continued to play our part in developing international and EU tax policy on a multilateral basis by working closely with the Department of Finance, the EU Commission and Council Groups and the OECD on a broad range of international tax and duty matters. Areas in which our participation and contribution helped shape and influence work on the development of effective international tax policy frameworks, included:

- the tax challenges arising from the digitalisation of the economy
- the EU Code of Conduct (Business Taxation) Group
- other EU Tax initiatives, including on administrative cooperation.

## Brexit

Extensive and detailed Brexit preparedness and contingency work, for all scenarios, continued across all Government Departments and Agencies throughout 2020. As part of our continuing preparations, we actively engaged, at a national level, in the inter-Departmental work co-ordinated by the Department of An Taoiseach and the Department of Foreign Affairs and Trade and we worked closely with the Department of Finance, who determine fiscal policy.

We actively participated in the Department of Public Expenditure and Reform **Brexit**

**Infrastructure Working Group** which ensured critical infrastructure was in place to manage new trade flows after Brexit. We provided technical advice and support to the Brexit teams across Government Departments and relevant State agencies, including the Department of the Taoiseach, Department of Foreign Affairs, the Department of Finance, Department of Enterprise, Trade and Employment and the Department of Transport, Tourism and Sport.

At European level, we proactively engaged with tax and customs administrations in Member States, and with the European Commission, to plan and prepare effectively for Brexit and to share approaches and insights into our preparations.

Having regard to our key role, our Brexit preparedness and contingency planning was strongly focused on implementing customs controls in a manner that facilitates legitimate trade, enhances competitiveness and supports business, while responding appropriately to non-compliance.

Throughout 2020, we intensified and extended our **trade engagement programme**. We provided practical guidance to Irish businesses through trade representative bodies and on a one to one basis with individual businesses, on the possible impacts of Brexit and assisted them in identifying steps to prepare for trading post-Brexit. We continued our engagement through the Customs Consultative Committee and through participation in events organised by other Government Departments, State Agencies and industry organised events.

We hosted 18 live-streamed **webinars** on 5 and 6 of October 2020 including one joint event with the Department of Agriculture, Food and the Marine on Sanitary and Phytosanitary (SPS) requirements and another with the Department of Enterprise, Trade and Employment on supports available to businesses. The individual sessions provided guidance in relation to the new requirements that would be in place from 1 January 2021 and technical information relating to customs procedures and authorisations. Each webinar incorporated an interactive Q&A session where businesses could engage with experts. Approximately 2,000 businesses attended this webinar series. Additionally, the recordings of the individual sessions, which are available on [www.revenue.ie](http://www.revenue.ie), have been accessed approximately 23,000 times.

As was the case for the years leading up to 1 January 2021, we have continued to engage with and support trade and business, collectively and individually, in adapting to the new customs formalities and resolving specific matters brought about by Brexit. We recognise the value of working collaboratively with all stakeholders and engagements in this regard have been positive for both our customers and for ourselves.

# Confront Non-Compliance

## Audit and Compliance Interventions



**595,143** Interventions with a yield of **€487.4m**

## Avoidance



**104** Cases Settled with a yield of **€18.4m**

## Seizures



**22,509** Customs/Excise Seizures valued at **€92.4m**

## Prosecutions



**21** Serious Evasion and Fraud Convictions

**248** Summary Convictions

## Publications



**109** Cases Published

**€51.4m** in Settlements

## Debt Enforcement



**22,580** Cases with a yield of **€126.8m**

# Confront Non-Compliance

Our core task is the collection of taxes and duties. We do this through the provision of excellent service to support voluntary compliance and delivering a risk-focused, effective and proportionate response to non-compliance, reflecting taxpayer behaviour.

Most taxpayers are voluntarily tax and duty compliant, meet their filing and payment obligations on time and submit accurate returns and declarations.

We encourage taxpayers to keep their tax affairs under review and to let us know if, despite their efforts to be compliant, there are errors or omissions in their tax returns. If a taxpayer discovers an error or omission, there are significant benefits if they approach us before we undertake a compliance intervention. By making a 'qualifying disclosure', taxpayers can avail of reduced penalties, avoid having their name published in the quarterly List of Tax Defaulters and avoid possible prosecution.

We maximise timely compliance through our comprehensive, risk-based approach to compliance management. We are committed to tackling non-compliance in all its forms. We continually strengthen our understanding of the tax and duty compliance behaviour of taxpayers and businesses and, where necessary, challenge aggressive tax planning. We leverage our data holdings and capacity for advanced analytics. Together these measures enable us to identify and quantify risk and confront cases displaying non-compliance indicators.

We have a broad suite of interventions which are deployed depending on the risks identified in a case. These interventions range from non-audit compliance interventions such as assurance checks, aspect queries and profile interviews to audit or investigations. In cases of serious tax and duty fraud we refer the relevant cases to the Director of Public Prosecutions for criminal prosecution.

As we operate a self-assessment system, we pay particular attention to those who fail to file their tax returns on time. We pursue non-filers applying a range of sanctions up to and including prosecution.

In 2020, the yield from a total of 595,143 audit and compliance interventions was € 487.4 million. This included 1,494 audits and investigations, yielding €128.1 million (Table 11). In addition, 593,649 other compliance interventions were completed, ranging from over 10,982 checks on PAYE taxpayers to over 396,340 risk checks across all transactions including VAT repayment claims.

We seized 4,621kgs of drugs with an estimated street value of over €44.8 million. Additionally, we made 4,436 seizures of illicit tobacco products, valued at over €37million, seized 764,174 litres of illicit alcohol valued at €4.2 million and seized 501 vehicles, for various offences (Tables 16 and 17).

In 2020, Revenue prosecutions resulted in Court fines totalling €895,545 in 248 summary cases, 59 civil penalties for non-filing of returns totalling €0.2million and 21 criminal convictions for serious tax and customs fraud. At the end of the year, there were a further 40 criminal cases before the Courts (Tables 20 and 21).

## Compliance Programmes

Our risk-based compliance framework aims to minimise the administrative burden on the compliant taxpayer and prioritise our compliance resources on the non-compliant taxpayer.

In March 2020, due to COVID-19, we suspended audit and other compliance intervention activity on taxpayers' premises. Where possible, we continued to engage with businesses to progress interventions through MyEnquiries or by telephone. These included the construction sector, TWSS and e-commerce. Details of our sectoral compliance activity are set out in Table 15.

Historically, the **construction sector** has posed significant risks to the tax system as evidenced by the outcomes of our compliance programmes in this area over a number of years. Given the level of risk involved and the ongoing increases in building activities, the sector again featured prominently in our interventions in 2020. The construction sector related compliance activity yielded over €24 million, representing almost 5% of the total yield from all interventions. These interventions primarily focused on VAT, RCT and Employer (PAYE) risks.

In June 2020, we started a programme of checks on all employers who availed of the TWSS to confirm that they met the eligibility criteria and, crucially, that the monies involved were properly paid to employees. By the end of 2020, we had completed 91% of the checks which confirmed a high level of compliance with the scheme. We collected just over €2 million from 200 employers who were found to be ineligible.

We continue to develop our business initiatives to enhance awareness among taxpayers and our staff of the **e-Commerce** environment, its associated risks and tax implications. A particular area of ongoing interest is the VAT compliance of non-resident online traders who supply goods and digital services to Irish customers. Key objectives of this work during 2020 included the detection and registration of EU online businesses who have high levels of activity in the Irish market, and the verification of VAT declared by registered non-resident businesses. Our goal is to ensure that these traders are aware of, and comply with, their Irish VAT obligations. In certain circumstances, the traders may be compulsorily registered for VAT in Ireland. During 2020, we profiled more than 3,500 online traders and over 250 online traders were subsequently registered for Irish VAT.

As a result of these compliance activities and the continued growth of online shopping in Ireland, VAT paid in Ireland by non-resident online businesses has increased by almost 300% in the period from December 2017 to December 2020.

During 2020, we also worked closely with colleagues in other Member States and with the EU Commission in the establishment of a robust intra-EU framework for cross-border eCommerce regulation and compliance. In particular, we worked to progress reporting obligations for payment service providers, which will become effective from 1 January 2024 and will significantly enhance our risk management capability.

We continue to pro-actively address the challenges of the international tax environment, including carrying out risk driven **transfer pricing audits and other transfer pricing compliance interventions**. By the end of 2020, we had initiated 31 transfer pricing audits, 13 of which have been finalised resulting in a yield of €81.6 million and a restriction in trading losses of €31.9 million (tax effect: €4 million). Additionally, amended corporation tax assessments have been made with total underpaid corporation tax identified of approximately €482 million. The majority of the amended assessments are currently under appeal.

Section 1086 of the Taxes Consolidation Act, 1997 provides that Revenue publishes **Lists of Tax Defaulters** in Iris Oifigiúil, within three months of the end of each quarter in which agreed settlements are reached or Penalty Determinations are made by the Courts. This is an important deterrent in our fight against tax non-compliance. In 2020, tax settlements amounting

to €51.4 million were agreed with 109 taxpayers and were published in accordance with the legislation. Tables 14 and 15 provide details of publications in 2020 including a breakdown by quarter and the most common sectors published.

## Use of Data, Intelligence and Analytics

We leverage our data holdings and deploy our data analytics capability and risk assessment systems to effectively identify and better target risk, and to gauge the impact of our actions on compliance behaviour. We maximise the use of data and our capacity for advanced analytics to identify the incidence, scale and significance of risk and to target our resources to prevent or confront non-compliance.

The Taxes Consolidation Act 1997 obliges a wide range of third parties, including merchant acquirers, Government bodies, financial institutions, and certain types of intermediaries, to provide returns of information to Revenue. In general, the returns received detail payments made to, or assets held on behalf of, Irish taxpayers. We actively manage compliance with these requirements to ensure that we receive comprehensive and high-quality information.

The data gathered in **third-party returns** is matched to our records and used to:

- cross-check taxpayer declarations and highlight discrepancies for review
- identify non-filers who may be carrying on trading activity
- determine specific compliance projects.

Increasingly, we are using third-party information to pre-populate tax returns. In 2020, we pre-populated over 76,972 Income Tax returns with information on payments made by the Department of Agriculture, Food, and the Marine, over 88,854 with information on tenancies registered with the Residential Tenancies Board, and over 19,895 with information on Housing Assistance Payments made by local authorities.

We also make extensive use of third-party information, alongside other sources, in our data analytics projects. For example, in 2020, we used data analytics to identify TWSS and EWSS risks, to automate the process of identifying corporate groups, to better prioritise Suspicious Transaction Reports (STRs), to identify high-risk income tax non-filers, and to evaluate and improve the effectiveness of our risk systems. We also used analytics to evaluate the impact of our actions on taxpayer behaviour, for instance, by measuring the effect of early reminders on the timeliness of VAT filing.

Various legal instruments provide for the **Exchange of information (EOI)** between tax administrations. We use this information to detect and prevent tax evasion and tax avoidance and to ensure the correct application of Ireland's domestic tax legislation.

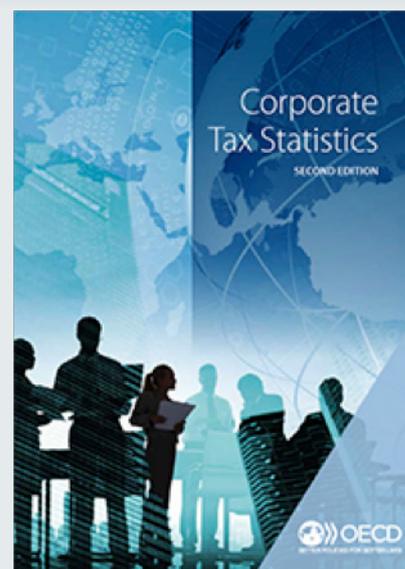
We have legislation in place to automatically exchange financial account information, including bank account details and details of investments, with over 100 jurisdictions. In 2020, a total of 90 jurisdictions participated in the exchange of this data. This provides us with information on accounts held abroad by Irish customers, which is cross-referenced with tax returns, to ensure all offshore assets and income are properly declared.

Large multinational enterprise (MNE) groups are required to file a Country-by-Country (CbC) Report that provides a breakdown of revenue, profits, taxes and other indicators of economic activities, for each tax jurisdiction in which the MNE group does business. The first exchanges of CbC data between tax administrations took place in June 2018 and we use this information to inform high-level transfer pricing risk assessments and to evaluate other BEPS-related risks. CbC data is exchanged quarterly. In 2020, Ireland exchanged CbC data with 64 jurisdictions.

In keeping with our commitment to international tax transparency, and in line with EU and the OECD initiatives to strengthen EOI between tax authorities in the area of tax rulings, we supplied details of 48 opinions issued in 2020.

## ***Publication of Country by Country (CbC) Reporting Statistics***

Revenue and Department of Finance officials represent Ireland at the OECD's Working Party on Tax Policy and Statistics. Through this Working Party, Ireland collaborated with the OECD in the publication of Country-by-Country Report statistics. This was based on information prepared in an anonymised and aggregated format by Ireland and other jurisdictions in a harmonised form for the OECD. The information was published for the first time in the OECD's annual Corporate Tax Statistics report in 2020.



**Mutual Assistance** includes exchange of specifically requested information between EU Member States and other countries. We provide, and benefit from, mutual assistance through sharing financial and other information and collaborative investigations within statutory frameworks. In 2020, we received 1,446 mutual assistance requests from other countries, while we made 646 such requests (see Table 22)

Additionally, we received 59 Assistance Mutuelle (AM) communications from the European Anti-Fraud Office (OLAF). Many of the requests relate to a specific Customs risk concerning classification, valuation or origin.

During 2020, we processed 28,865 **Suspicious Transaction Reports (STRs)** from financial institutions and other designated bodies that are required, by law, to make such reports. STRs received are examined and used to identify and subsequently confront non-compliance. In 2020, the yield from compliance interventions that can be directly linked to STRs was €1.6 million. The actual yield arising from STRs may be higher, as the information received can become an integral part of the overall risk profile for an individual taxpayer and may contribute to any additional yield obtained.

## **Target and Disrupt Shadow Economy Activities**

Our determination to challenge all forms of **shadow economy activity** and restrict the opportunities for deliberate tax and duty evasion is evidenced by the broad range of interventions conducted which target fraud, illicit trade, smuggling and organised crime.

Our **Joint Investigation Unit (JIU)** makes a significant contribution to our overall intervention strategy targeting shadow economy activity. Working arrangement restrictions, on foot of the Government's COVID-19 public health guidelines, led to the suspension of operations for many business sectors during 2020. This, in turn, impacted the focus of our JIU during the year. Prior to the start of the pandemic in March 2020, JIU officers conducted 'standalone' Revenue operations and also worked very effectively with the Department of Social Protection (DSP) Special Investigation Unit (SIU) officials and also, as circumstances required, with the Workplace Relations Commission (WRC), to address areas of mutual concern across a range of economic sectors. One such sector is construction.

In 2020, our JIU officers along with other Revenue staff conducted 203 Revenue ‘standalone’ construction site visits, interviewing 956 contractors, sub-contractors and employees at their site to make them aware of their compliance and other statutory obligations. Additionally, they carried out a further 157 construction site visits in conjunction with either DSP and/or WRC, and interviewed a further 717 individuals. As a result of these activities, 65 individuals were registered as new employees for PAYE and an additional 3 sub-contractors were reclassified as employees.

In addition to construction site visits, our JIU officers along with other Revenue staff carried out a further 1,076 visits across a range of business sectors, including restaurants, public houses, takeaways, nail bars, boutiques, scrap metal dealers, architects, taxi operators and IT service operators.

Our JIU officers had significantly increased contacts with their DSP counterparts to exchange information on Pandemic Unemployment Payment (PUP) and wage subsidy schemes to prevent duplicate payments. These requests and data exchanges were made under the well-established framework of the Memorandum of Understanding and Data Sharing Agreement that exists between both agencies.

Bi-lateral cooperation with Member States on cross border fraudulent VAT activities is an important element in managing risk. We continue to develop measures to combat the risk of **VAT fraud** and engage with international agencies and fora including EUROFISC and the International Organisation of Tax Administrations (IOTA) to share information regarding emerging trends and best practice.

In 2020, we continued to enhance our analytical capabilities for VAT risk identification and case selection. In addition, our focus on disrupting VAT fraudulent activity generated assessments of €4.9 million while 25 VAT registrations were compulsorily cancelled where there were indications of fraudulent activity. We also wrote to 127 foreign suppliers to advise them of the cancellations.

We have primary responsibility for the **prevention, detection, interception and seizure of controlled drugs** intended to be smuggled or illegally imported into, or exported from, the State. Our drugs strategy supports Ireland’s national drugs strategy *Reducing Harm, supporting recovery: A health led response to drug and alcohol use in Ireland 2017 – 2025*.<sup>12</sup>

We deploy a risk-based approach to identifying key players within the various strands of the illicit drugs supply chain, and initiate a range of measures and interventions, including multi-agency operations to dismantle core supply chains. This risk-based approach includes developing and utilising intelligence in conjunction with our national and international law enforcement partners.

We work closely with An Garda Síochána, particularly the Garda National Drugs and Organised Crime Bureau, in joint investigations and operations. During 2020, we participated in 60 joint controlled deliveries with An Garda Síochána which resulted in 40 individuals being arrested and the cases being submitted to the office of the Director of Public Prosecutions (DPP). We also work closely with the Health Products Regulatory Authority, the Irish Naval Service, and international bodies such as the Maritime Analysis Operations Centre-Narcotics (MAOC-N) Lisbon, Europol, Interpol, and World Customs Organisation and law enforcement agencies in other countries.

During 2020, we made over 15,700 seizures amounting to 4,621 kgs of drugs with an estimated value of almost €45 million (Table 16).

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<sup>12</sup> [http://www.drugs.ie/downloadDocs/2017/ReducingHarmSupportingRecovery2017\\_2025.pdf](http://www.drugs.ie/downloadDocs/2017/ReducingHarmSupportingRecovery2017_2025.pdf)

## ***Seizure of 22kgs of heroin worth €3 million***

In August 2020, approximately 22kgs of heroin with an estimated value of €3 million, and destined for an address in Dublin, was detected by the UK's Border Force at Gatwick Airport.

Under the provisions of the Convention on Mutual Assistance between Customs Administrations (Naples II) arrangements were made with the National Crime Agency in the UK to move the package securely to Stanstead for an onward flight to Dublin Airport. We received and secured the package in Dublin Airport on arrival.

Following coordination with An Garda Síochána, we carried out a controlled delivery of the illegal drugs to a business premises in Ballycoolin, Dublin 15. The package was then moved by the consignee to a nearby storage facility. At that point, the individual was intercepted and arrested, and the vehicle and premises were searched. Follow-up searches resulted in the arrest of a second individual.

Both individuals were subsequently charged with drugs offences by An Garda Síochána. One pleaded guilty and is awaiting sentencing, while the other individual is currently awaiting trial.

## ***Herbal cannabis and cocaine worth €6.2 million seized in Dublin Port***

In June 2020, resulting from routine profiling, Revenue officers seized 93 kilos of herbal cannabis with an estimated value of €1.9 million and 62 kilos of cocaine with an estimated value of €4.3 million.

The drugs were discovered following the search of a curtain sided trailer which had arrived into Dublin Port from Rotterdam. The search, with the assistance of Revenue's mobile x-ray scanner and detector dog Robbie, led to the discovery of the drugs concealed in hot water cylinders.

A Northern Ireland based haulier was arrested at Dublin Port. A UK registered truck and trailer were also seized by Revenue officers. The success of this operation resulted from Revenue's collaboration with An Garda Síochána and Her Majesty's Revenue and Customs (HMRC).



Our strategy to tackle the **illicit tobacco trade** is to target all stages of the supply chain. This involves identifying and targeting the smuggling, distribution and sale of illicit tobacco products. Our goal is to seize the illicit products and, where possible, prosecute those responsible. Our multi-faceted strategy includes:

- conducting analysis of the nature and extent of the problem
- developing and sharing intelligence on a national and international basis
- using analytics, profiling and detection technologies to identify and screen cargo, vehicles, baggage and postal packages to intercept the supply of illicit tobacco products
- ensuring the optimum deployment of resources having regard to risk at points of importation and within the country.

Much of this type of criminal activity has a transnational and cross border dimension and, in addition to our ongoing cooperation with An Garda Síochána in this field, we work closely with our counterparts in other jurisdictions and bodies including the European Commission's Anti-Fraud Office (OLAF), Europol and the World Customs Organisation (WCO).

In 2020, we continued to identify and target those involved in the smuggling, distribution and sale of illicit tobacco products as well as those who facilitate that illicit trade. Our targeted actions led to the seizure of over 48 million illicit cigarettes with a value of almost €33 million. This represents an increase of over 250% in the quantity of illicit cigarettes seized in 2019 and is a result of continued cooperation and intelligence-sharing with other national and international law enforcement agencies and our advanced profiling methods.

### ***Joint investigation targeting the smuggling of tobacco products***

In 2020, we initiated a joint investigation with Her Majesty's Revenue and Customs (HMRC) and the Dutch Fiscal Information and Investigation Service (FIOD) targeting an organised crime group involved in smuggling tobacco products from the Netherlands to Ireland. As a result of this investigation, a Cross-Border Joint Agency Task Force (JATF) operation took place in May 2020 where premises associated with the organised crime group were searched in both Ireland and Northern Ireland. Our officers, in conjunction with An Garda Síochána searched seven locations in Ireland where commercial-scale machinery used to produce and package counterfeit hand rolling tobacco, 1.7 tonnes of counterfeit hand rolling tobacco, 2.5 tonnes of raw tobacco and €97,700 in cash were seized. Non-tobacco materials associated with the counterfeit tobacco trade such as counterfeit tobacco stamps and packaging were also seized. In Northern Ireland, HMRC and the Police Service of Northern Ireland (PSNI) searched a location where three individuals were arrested, and 5.5 million cigarettes and GBP £14,000 were seized. As a result of this JATF operation the Criminal Assets Bureau (CAB)

subsequently froze a number of bank accounts owned by members of the organised crime group.



In 2020, we saw an increase in the number of larger seizures of **illicit alcohol** at our main ports. This is as a result of increased cooperation and intelligence sharing between Ireland and other EU Member States, in relation to the movement of product between bonded warehouses

within the EU. A total of 764,174 litres of alcohol with an estimated value of €4.2 million was seized during the year.

Additionally, Ireland participated in multi-national operations involving other Member States, targeting fraudulent movements of alcohol products.

Tackling **fuel fraud** continues to be a key corporate priority for us. In 2020, we detected 2 fuel laundries and continue to remain vigilant to emerging trends and risks in this area. Our *National Mineral Oils Project* continued in 2020. Despite some project activities not being progressed to the extent intended due to COVID-19 restrictions, we continued with desk-based compliance activities and also updated the oil supply chain analysis that informs the project to cover the period from 1 January 2019 to 31 August 2020. As a result of this updated analysis we identified certain risks that merit further examination which will be addressed in 2021.

While only a portion of licensed fuel traders were tested under our *National Random Sampling Programme* prior to the introduction of public health restrictions in March 2020, we hope to return to our programme of testing in 2021, to include the random sampling of taxi drivers.

Under **cash seizure provisions** in the Proceeds of Crime (Amendment) Act 2005 (POCA), we detain cash amounts of €1,000 or more which are suspected to be the proceeds of, or intended for use in, criminal activity. When cash is detained, with the approval of the Courts, a comprehensive investigation is conducted with a view to having the money forfeited to the State, where appropriate. In 2020, Revenue was granted Court approval in 40 cases for investigation of cash amounts totalling €1.4 million (Table 18).

In cases where links to criminality are established, we apply to the Court for a forfeiture order. In 2020, the Courts granted forfeiture orders in respect of 35 criminal cash seizures amounting to €561,933 (Table 19).

Our action against **counterfeit, fake or pirated goods** is provided for by EU Regulations. We make regular detections of counterfeit goods at the country's ports, airports and postal hubs as a result of risk profiling. Many of the counterfeit goods that are detected and detained are intercepted in postal or courier hubs, addressed to individuals who have purchased them via the internet. Occasionally, larger consignments are detected in shipping containers, as a result of intelligence and risk profiling.

During 2020, we detected 16,597 items of suspected counterfeit goods valued at almost €4 million. The range of counterfeit goods seized includes electronic goods, cosmetics, mobile phones/accessories, clothing and jewellery, the majority of which are consigned from China, Hong Kong, and Turkey.

## Ensuring Fairness, Transparency and Effectiveness

Ensuring a fair, transparent and effective tax and customs system is important to us. To protect tax yields and preserve the fairness of the tax system, we pro-actively identify and challenge **tax avoidance schemes** and the use of tax legislation, reliefs and allowances in a way that was not intended. In 2020, we settled 104 tax avoidance cases with a yield of over €18 million in tax, interest and penalties. Additionally, at the end of 2020, we were actively challenging 498 cases involving potential tax avoidance, relating to 27 transactions.

## ***Domicile Levy - Appeals***

The Domicile Levy was introduced in respect of the year 2010 onwards. It imposes a levy on individuals who are Irish-domiciled, with a world-wide income in excess of €1m, who, in general, hold Irish property valued in excess of €5m, and whose liability to Irish tax in a year is less than €200,000.

During 2020, the Tax Appeal Commission (TAC) issued two determinations in Revenue's favour on key aspects of the Levy which centered around two main issues:

1. whether loss relief should be deducted in determining 'world-wide income',
2. if the Universal Social Charge (USC) qualified as income tax.

The TAC held losses are not allowable in calculating world-wide income<sup>13</sup> and that USC should not be regarded as liability to income tax.

As a consequence of the transposition of the DAC 6 Directive, a mandatory disclosure regime for cross-border arrangements that could potentially be used for aggressive tax planning came into operation on 1 July 2020. Ireland exercised an option given to Member States in Council Directive (EU) 2020/876<sup>14</sup>, to take account of COVID-19-related difficulties and delays. This option allowed Ireland to postpone, by six months, the filing and exchange dates for the first returns of information in relation to reportable cross-border arrangements.

DAC 6 reporting therefore commenced on 1 January 2021, and the first exchange of information by Ireland will take place by 30 April 2021. The new regime includes a 'lookback' reporting requirement, which will apply to reportable cross-border arrangements, the first step of which was implemented between 25 June 2018 and 30 June 2020.

Identifying, targeting, and confronting **offshore evasion** is an integral component of our overall compliance framework. A fundamental element of our work in respect of offshore assets is making the best use of all the data at our disposal to identify and target non-compliance. This includes data received under international arrangements for the automatic exchange of information which is used to identify and pursue those who have attempted to use offshore accounts, structures, or assets to evade or avoid their tax obligations.

In 2020, we concluded 36 interventions on cases which were selected using information received under the *Foreign Account Tax Compliance Act (FATCA)*. FATCA is an information sharing agreement between Ireland and the United States of America. These cases yielded approximately €735,000 in tax, interest, and penalties, with 3 out of the 36 cases published in the Tax Defaulters List. We also completed 35 interventions as part of our review of information received under the *Directive on Administrative Co-operation 2 (DAC 2)* international exchange of information programme. These cases yielded approximately €348,000 in tax, interest and penalties.

We undertake **investigations** where we discover cases of serious tax and duty evasion and fraud, seeking to apply the full legal sanctions available that reflect the seriousness of the evasion involved.

In 2020, we referred 8 cases of suspected serious evasion to the Director of Public Prosecutions (DPP) for consideration of **criminal proceedings**. In the same period the DPP directed that criminal proceedings be initiated in 10 cases.

<sup>13</sup> This determination is under appeal to the High Court

<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020L0876&from=EN>

Additionally, 21 **convictions for serious tax and duty evasion** were secured before the Courts in 2020.

- 9 convictions for serious tax offences. Custodial sentences ranging from 18 months to 3 years were imposed in 8 cases. Sentences were fully suspended in 4 of those cases and partially suspended in 2 cases. A fine of €500 was imposed in 1 case.
- 12 convictions for serious duty offences. Custodial sentences ranging from 10 months to 3 years were imposed in 11 cases. Sentences were fully suspended in 11 cases and 240 hours of community service was imposed in 1 case.

At the end of 2020, there were 60 cases of serious evasion or fraud under investigation and a further 40 cases are currently before the courts (Table 20).

### ***2020 Judicial Review – the right of Revenue to make assessments in accordance with Chapter 5 of Part 41A of the Taxes Consolidation Act 1997.***

In November 2020 the High Court delivered a judgement in favour of Revenue in a case involving a judicial review of a Revenue Assessment issued on 29 November 2018 to Corporation Tax for the accounting period 1 January 2013 to 31 December 2013. The Applicant had sought an order to quash the Revenue Assessment on the grounds that it breached the Applicant's legitimate expectations, was so unfair as to amount to an abuse of power and constituted an unjust attack on and interference with the Applicant's Constitutional rights to property. The disputed Revenue Assessment treated a transaction, involving the disposal of intellectual property, as a capital transaction. This transaction had been treated as part of the trade of the Applicant in its corporation tax return.

The High Court, in a decision of Mr. Justice Denis McDonald found that the Applicant was not entitled to any of the reliefs sought. Justice McDonald's judgement detailed that the Applicant had failed to establish that a representation was made to it, which would give rise to a legitimate expectation. When assessing the Applicant's claim that the Revenue Assessment amounted to an abuse of power by Revenue, the Judgement noted that the Applicant had "*failed to establish that there is anything in the course of dealing between the parties which would make it unfair in the present case for the Revenue to exercise its statutory powers under the 1997 Act to issue an amended assessment.*"

The judgement affirms Revenue's right to make assessments in accordance with Chapter 5 of Part 41A of the Taxes Consolidation Act 1997. This is an extremely important judgment in the context of the operation and Revenue's administration of the self-assessment system. The judgement validates Revenue's processes and procedures in relation to the oversight of taxpayer returns.

The Applicant chose not to appeal the High Court judgement. The appeal of the assessment will now revert to the Tax Appeals Commission which will consider the tax technical matters that are in dispute.

## **Debt Collection**

Our approach to effective debt collection is based on a segmented case management structure. This improves our ability to tailor our response based on taxpayer behaviour and provides greater flexibility in matching our debt management resources to counter tax collection risk. This flexibility took on a new direction in 2020.

In the early part of the year our debt collection capability continued to drive efficiencies from the *Debt Management Services (DMS)* launched in 2019. However, in March 2020 normal debt collection activities were suspended and the focus turned towards supporting businesses through the COVID-19 pandemic in line with various Government initiatives.

Our *DMS application* was enhanced to underpin the Debt Warehousing Scheme, initially for VAT and PAYE (Employer), and then for Income Tax. It will also cater for overpayments from the Temporary Wage Subsidy Scheme (TWSS).

Our *online phased payment facility* was further enhanced in 2020 to provide taxpayers with greater flexibility in managing the payment of tax arrears. This included the ability to avail

of a significantly reduced rate of 3% in respect of 'pre-COVID-19' arrears where a phased payment arrangement was finalised before a certain date. Over 3,700 customers availed of this concession covering €130 million.

## Collaboration

We collaborate effectively with other Departments and Agencies, both nationally and internationally, to combat tax evasion in all its forms, including fraud, smuggling and other forms of criminality and to support and facilitate legitimate trade and regulatory objectives.

### National Collaboration

- ✓ We work very closely with An Garda Síochána, the Criminal Assets Bureau, the Naval Service and the Defence Forces, providing mutual operational, intelligence and material support.
- ✓ We actively contribute to the national response in tackling organised crime, including the secondment of 17 staff members to the Criminal Assets Bureau (CAB).
- ✓ We participate in the Oversight Forum on Drugs, led by the Department of Health, which oversees the implementation of Government's National Drugs Strategy 2017-2025.
- ✓ We are represented on the National Waste Enforcement Steering Committee, under the aegis of the Department of Communications, Climate Action and Environment, which facilitates cooperation between public authorities in the field of waste enforcement.
- ✓ Our Joint Investigation Units (JIUs) work closely with certain Government Departments and other agencies, including the Department of Enterprise Trade and Employment Special Investigations Unit and the Workplace Relations Commission, to confront and disrupt shadow economy activities. This effective and targeted collaboration produces significant results in terms of monitoring compliance with tax, PRSI and workers' rights.
- ✓ We coordinate the enforcement and interception of prohibited and restricted goods and products on behalf of our colleagues in the Department of Agriculture, Food and the Marine, the Food Safety Authority of Ireland, the Department of Enterprise Trade and Employment, the Health Products Regulatory Authority and the Competition and Consumer Protection Commission.
- ✓ We collaborate with the Dublin Society for the Prevention of Cruelty to Animals and other agencies in relation to the illegal trade of animals.
- ✓ We work in partnership with the Department of Agriculture Food and the Marine, the Food Safety Authority of Ireland and the Health Service Executive on the Geographical Indication Scheme for Irish Whiskey and Irish Poteen.
- ✓ We collaborate effectively with the Private Security Authority (PSA) in exchanging information, in accordance with the Private Security Services Act, 2004, as amended, and the Taxes Consolidation Act, 1997 to support the regulation of the private security industry.
- ✓ We work closely with the Department of Justice on administrative matters related to Sheriff appointments.
- ✓ We worked very closely with the Department of Enterprise, Trade and Employment and agencies under its aegis, Fáilte Ireland as well as a wide range of business representative organisations to promote the Covid Restrictions Support Scheme (CRSS) introduced as part of Budget 2021 in October 2020.

- ✓ We are represented on the Corporate Insolvency Sub-Committee of the Company Law Review Group under the aegis of the Department of Enterprise Trade and Employment.
- ✓ We participate in the Protocol Oversight Committee and the Consultative Forum, led by the Insolvency Service of Ireland, which oversees the implementation of the Personal Insolvency Act 2012.
- ✓ We work closely with the Office of the Director of Corporate Enforcement on corporate enforcement matters. There is a Revenue Liaison Officer established under a signed Memorandum of Undertaking.
- ✓ We also work closely with the Official Assignee in Bankruptcy. A signed Memorandum of Undertaking is in place for bankruptcy requests.

## **International Collaboration**

- ✓ We work very closely with many international bodies and agencies and participate in the EU's Customs Cooperation Working Party. We have seconded officers to EUROPOL in The Hague, the Irish Embassy in the UK and the Maritime Analysis and Operational Centre-Narcotics (MAOC-N) which is based in Lisbon.
- ✓ In line with our strategic objective to work with partners to meet international challenges, and to build internal capacity and expertise in the international arena, in 2020, we seconded staff members to certain international organisations, including roles such as SNE to Directorate General TAXUD of the European Commission, Customs Attaché in the Perm Rep of Ireland to the EU and Perm Rep of Ireland to the EU. We have also seconded staff members to the UN SECCO for the duration of Ireland's term on the Security Council.
- ✓ We participated in a number of programmes under the European Multidisciplinary Platform Against Criminal Threats which is managed by Europol and coordinated at national level by An Garda Síochána.
- ✓ We actively engage with the activities of the World Customs Organisation (WCO) directed towards addressing the threats posed by fraud and smuggling.
- ✓ We work cohesively with the Health Products Regulatory Authority and An Garda Síochána in the area of illicit medicines enforcement and, at the invitation of the WCO, gave an in-depth presentation on our interagency cooperation in this area at a Pangea (Illicit Medicines) conference in Brussels, which was attended by delegates from 48 countries and a range of law enforcement agencies.
- ✓ We work closely with the European Anti-Fraud Office, sharing intelligence and information and investigating irregularities involving evasion of duty on imports into the EU, including common customs tariff, anti-dumping duty and countervailing duty.
- ✓ We also work closely with Her Majesty's Revenue and Customs (HMRC) and other law enforcement agencies in Northern Ireland. The cross jurisdictional Joint Agency Task Force, established under the Fresh Start Agreement, prioritises the area of fiscal fraud. Under this framework, we work with the Police Service of Northern Ireland, An Garda Síochána, HMRC, the Criminal Assets Bureau, and the National Crime Agency.
- ✓ We are a key partner at the annual Cross Border Crime Conference, a collaborative event between representatives of law enforcement agencies and related organisations in the field of combatting organised crime on both sides of the border.
- ✓ We work closely with the Department of Justice and Equality (DJE) in relation to the implementation of the EU Passenger Name Record Directive which assists in the prevention, detection, investigation and prosecution of terrorist offences and serious

crime. As a Competent Authority under this Directive, we have seconded staff to the Irish Passenger Information Unit in DJE.

- ✓ We participate in the EU Commission's expert group on the fight against illicit trade in tobacco.
- ✓ We engage with the EU Commission and other Member States on the ongoing implementation of the Traceability and Security Features systems for tobacco products, as required by EU law.
- ✓ We participate in the EU Commission's expert group on tax debt recovery through mutual assistance established by Council Directive 24/ 2010.

# Making It Work

## Staff Numbers



**520** Staff appointed in 2020

**6,980** Permanent staff at end of 2020

## Wellbeing

### Revenue



supports our staff in minding their mental health and physical health.

We launched 'RevWell', our wellbeing programme that

## Diversity



We recognise and respect diversity and are committed to improving inclusion in the workplace.

## Training & Development

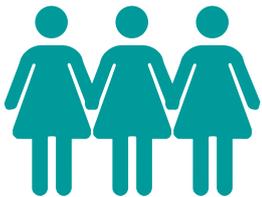


**20,515** Training Days

**177** Graduates

**569** ITI Qualifications

## Females at Management Levels



**55%** Principal Officer

**53%** Assistant Principal

**54%** Administrative Officer / Higher Executive Officer

## Internal Information Technology Certification



**ISO 27001** IT Security Management Certification

**ISO 22301** IT Certification

## International Software Testing Standards Certification



**ISO/IEC/IEEE 29119** Software & systems engineering

# Making it Work: Our People and Structures

Our staff are central to our effectiveness in supporting compliance and tackling non-compliance. Our approach is reliant on our on-going investment in our people and our technology, the use of targeted recruitment, a strong culture of governance and accountability along with the agility in our structures.

We are a large organisation **with almost 7,000 staff in over 30 locations nationwide**. We rely on the skills, capability and professionalism of our people, the flexibility of our structures, and our continued ability to harness innovation in technology and business practices to carry out our role and achieve our goals.

We support our people through meaningful engagement and strive to provide a positive and fulfilling work environment. We optimise opportunities for our people to play a meaningful and valued role in the organisation and recognise the need to continuously build the capability, leadership, management and technical skills needed today and for the evolving organisational challenges of the future.

We continue to develop, evolve and refine **our structures** to ensure that we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance. Our agile operational structure enables us to adapt quickly to changing environments. In 2020, the approach enabled us to quickly adjust to a largely remote working environment and adopt innovative ways to how we work, including in respect of our use of technology, digitalisation of service and automation of processes.

## Our People

Our staff are fundamental to everything we achieve. At the end of 2020 there were 6,980 permanent staff working in Revenue, equating to 6,678 full time equivalents. We focus on agility in response to emerging challenges, changes in the business and economic environment, and in taxpayer behaviour. The effectiveness of this approach is evidenced by how effectively our people rose to meet the challenges presented by working in a COVID-19 environment.

We continually invest in our people to respond effectively to changes and challenges, recruiting talented people and building and retaining internal capacity, talent and leadership. We use **targeted recruitment** to ensure that we have the right people and skills. During 2020, we appointed 502 staff across all grades from open recruitment, interdepartmental and Top-Level Appointments Committee (TLAC) competitions.

These comprised: 1 Assistant Secretary, 6 Principal Officers, 16 Assistant Principals, 4 Solicitors, 48 Administrative Officers, 16 Higher Executive Officers, 89 Executive Officers, 321 Clerical Officers and 1 Service Officer.

Notwithstanding the significant challenges the pandemic and associated lockdowns presented for training, we continued to support and enable our staff to perform to the highest levels through a range of **skills and capability development programmes**. Against the backdrop of a continuously changing environment, emerging operational risks and the loss of experienced staff through retirement. We recognise that we need to continuously build skills, capability and knowledge to ensure our people, and our structures, remain adaptable and flexible.

Our on-going investment in training helps us to overcome the challenges we face including the significant loss of experienced staff through retirement. We provide a comprehensive range of needs-based tax technical and customs training for staff and have a range of externally accredited programmes as well as in-house stand-alone training modules. The training includes technical training programmes to support service for compliance and address non-compliance,

as well as leadership, management and soft skills training to develop the skills, capability and professionalism of our staff.

In 2020, we delivered over 20,500 training days. We adapted quickly to the emerging COVID-19 pandemic, pivoting from classroom-based training to a model of blended learning that included self-managed learning, eLearning, recorded training content and virtual classes. We also postponed on-site examinations for accredited programmes and worked with our educational partner organisations, the *Irish Tax Institute (ITI)* and the *University of Limerick (UL)*, to arrange robust and secure online exam platforms. In 2020, a total of 569 staff received professional awards from the ITI, while a further 177 staff graduated from the UL with third level qualifications.

Our customs training module is also accredited by UL and a certificate of study was awarded in January 2021 to 18 students who completed the programme in 2020. To date, 75 students have successfully completed the programme. We also planned, developed and implemented an eLearning training module for the new *Automated Import System (AIS)*, which was successfully completed by over 600 staff. Additionally, 193 staff completed our *Trade Facilitation Programme*. The provision of these training programmes significantly enhanced our ability to adapt to the challenges of Brexit.

We are committed to providing **continuous personal and professional development (CPPD)** to enable our staff to perform effectively and to meet the challenges of operating in a fast-paced environment. Through our CPPD programme, we provide a range of interventions to build and maintain the capability of our staff and help them meet the changing demands of their role. In 2020, a comprehensive suite of courses enabled staff to take responsibility for their own development, improve their knowledge and skills and develop their expertise. Our staff are further supported through a variety of funding options that assist them attaining recognised professional and 3<sup>rd</sup> level academic qualifications.

The **‘OneLearning’ Management System (LMS)** is a key component of Civil Service Renewal and underpins the Civil Service People Strategy and our own HR Strategy. Through Revenue’s *OneLearning LMS* digital platform our staff have access to a comprehensive suite of training courses. An increasing range of Revenue’s eLearning modules can also be accessed directly through this platform. From a desktop portal, staff can enrol in a range of learning and development options, including soft skills and ICT training. The system also facilitates the administration, tracking and reporting of organisational training activity.

In line with the vision of *Our Public Service 2020* to embed strategic human resource management in the public service, our staff were encouraged to enhance their capability and skills in HR practice. In 2020, 12 staff members were presented with Certificates and 10 with Diplomas in Human Resources Practice awarded by the Institute of Public Administration (IPA) and by the Chartered Institute of Personnel and Development (CIPD).

We have built strong **educational partnerships** with the *University of Limerick (UL)* and the *Irish Tax Institute (ITI)* who assist us in continually investing in the learning and development needs of our staff and provide professional development opportunities that enhance the technical knowledge, skills and professionalism of our workforce.

In January 2020, Revenue Chairman Niall Cody and UL President Dr. Des Fitzgerald signed a Service Level Agreement to accredit a new diploma programme for five years, with an option to extend for a further two years. Our deepening relationship with UL will help our people to respond to rapidly changing business environments by continually investing in their learning and development.

In 2020, UL awarded 177 third level qualifications to Revenue students. The qualifications included Diploma in Applied Taxation, BA (Hons) in Applied Taxation, Customs Certificates and Masters in Business Administration (MBA). Additionally, the ITI awarded professional

tax qualifications to 569 Revenue staff. The qualifications included Diploma in Tax as well as Revenue Certificates in Income Tax and Payroll Fundamentals, VAT and Other Indirect Taxes, Capital Taxes and Corporation Tax.

Like many organisations across the country and globally, we quickly adjusted to a largely **remote working environment** during 2020. We are actively participating on the interdepartmental working group that is developing general principles to inform a longer-term blended working framework for the Civil Service. In this regard, in May 2020, we carried out a survey of our staff to explore how they were adapting to the work and life changes brought about by the pandemic. We were delighted that 96% of all staff participated in the survey, with 77% of respondents indicating that they favoured a blended approach to working in the future. In consultation with our people and learning from the experience of remote working in 2020, we are actively considering our future, longer term, blended working arrangements. Our approach will aim to optimise flexibility in working hours and place of work, while ensuring the continued delivery of high-quality services.

## Staff Profiles

### ***Sarah McHugh – Administrative Officer***

#### **Medium Enterprises Division - Agriculture, Health & Tourism**

In 2014, I completed a higher diploma in Science in Computing & Software Development and subsequently joined Revenue as an Administrative Officer. I was assigned to the Programme Management Office within the Information, Communications, Technology & Logistics Division (ICTL) Dublin.

As Portfolio Manager I was responsible for a number of IT projects, including PAYE Modernisation, Automatic Exchange of Information, Help to Buy Scheme as well as a diverse range of technical upgrades across the business.

In 2019, I joined Medium Enterprises Division (MED) working within Audit & Compliance. This helped to further enhance my career within a new business area and where I received the necessary training and upskilling in areas of compliance activities.

Early in 2020, and with the challenges faced due to the COVID-19 pandemic, a critical business vacancy opened within the ROS Helpdesk. I was seconded to this business area where, during these unprecedented times, I was responsible for transitioning staff from on-site working to remote working and managing a service which assisted customers accessing COVID-19 supports and other online services.

Here I gained valuable customer service experience in a new area where I was presented with broad ranging challenges on a daily basis.

Most recently I was involved in the delivery of the Employment Wage Subsidy Scheme (EWSS), one of the COVID-19 support schemes introduced by the Government to help eligible employers negatively impacted by the pandemic. My previous experience working in ICT&L, MED and Business Division has given me the necessary skills and attributes to successfully deliver this project in a very tight timeframe.

My work to date in Revenue has been very enjoyable, challenging and rewarding. Revenue has given me great opportunity to expand my career whilst continuing to upskill in a progressive organisation. I have always received great support in Revenue from colleagues at all levels and hope that each chapter in my career brings new and rewarding opportunities.



## ***Steven McCreanor – Executive Officer***



### **Business Division - Compliance Branch 6 Louth Cavan Monaghan (LCM)**

I began my career in Revenue as a Clerical Officer in February 2016. Previously I had spent several years as a stay at home parent and I had also worked as a Clerical Officer in the Health Service Executive (HSE). Before starting my employment with Revenue, I had a very limited knowledge of taxes and I was apprehensive about what was expected of me.

As I began my training program, which included excellent tutoring from Revenue Training Branch and the Institute of Taxation (ITI), I discovered I had an aptitude for compliance work and when the opportunity arose I applied for a position as an Executive Officer in Tax, Audit and Compliance within Revenue. A requirement of the position was that I complete the Diploma in Applied Taxation accredited by the University of Limerick (UL). This compliance focused course prepared me for my new role.

My role within Tax, Audit and Compliance generally comprises of engaging with taxpayers and agents to ensure compliance with Irish tax legislation. I enjoyed working in the office and meeting customers while providing assistance during the implementation of PAYE Modernisation (real-time PAYE) in 2019 and promoting its compliance.

However, like many of my colleagues, my role within Revenue changed dramatically when the full impact of the COVID-19 pandemic became apparent. While migrating away from office-based work and visiting customers in the wake of the pandemic to working from home I was called upon to assist in the Temporary Wage Subsidy Scheme (TWSS) alongside some of my very capable colleagues. I made full use of my training and experience of real-time PAYE and compliance to contribute to the production of a set of guidelines for my colleagues across Revenue to enable them to make manual refunds to employers in a time of urgency to assist their businesses. During this period, I have made some lasting connections with some excellent colleagues as we, together, rose to the challenge by providing a vital contribution to the community.

During this unprecedented time, I have undertaken the opportunity to enrol in the Revenue sponsored BA Honour Degree in Applied Taxation that is being delivered remotely by the staff at University of Limerick. Like many people during these times I have been working hard to balance work, study and home life.

## ***Eleanor Smiley – Assistant Principal Officer***



### **Business Taxes Policy and Legislation Division**

I joined Revenue in 2008 as an Executive Officer, was promoted to Administrative Officer in 2010 and then Assistant Principal Officer in 2016. My first role was in the Wicklow Tax District, where I worked until 2014 – firstly in customer service and then in audit. The staff in the Wicklow Tax District were brilliant to work with and I really missed them when I left. Since then, I have moved between divisions quite a bit – Corporate Business and International Division/International Tax Division (2014-2016), Large Cases Division/Large Cases – High Wealth Individuals Division (2016-2018) and Business Taxes Policy and Legislation Division (2019 to date). In addition to gaining a wide network of contacts and friends along the way, I have gained considerable knowledge and experience in taxes, both in operational areas and in policy and legislation. It's safe to say that my Revenue career to date has been a varied and challenging experience overall.

I came into Revenue with a degree in geography and sociology and a postgraduate diploma in legal studies. I have since completed a diploma in applied taxation (through Revenue's audit training programme) and a master's degree in law.

Since I started in Revenue, I have always been really busy – there are always projects/cases to be worked and targets and deadlines to be met. However, 2020 was without doubt my busiest year to date. I started out the year working on explanatory guidelines regarding the operation of the EU mandatory disclosure regime (DAC6) in Ireland, a disclosure regime for certain types of cross-border transactions. In addition to this, I soon found myself assigned to work on a number of measures related to the negative impact of COVID-19 on the economy. These measures included accelerated loss relief for individuals who had incurred losses as a result of COVID-19 restrictions and the COVID Restrictions Support Scheme (CRSS) later in the year. Both of these schemes were designed and implemented in a very short period of time, so that we could get them up and running for our customers as soon as possible. I finished out the year working on legislation which introduced a new scheme of allowances for capital expenditure incurred by farmers on farm safety equipment.

## **Sarah Lee – Clerical Officer**

### **Customs Division – Enforcement Officer / Dog Handler**

I joined Revenue in 2007 as a Clerical Officer. My initial training took place in Mount Street in Dublin learning everything about PAYE. I then transferred to O'Connell Street and moved into the CRIO (Central Revenue Information Office). During my time there I dealt with customers in person and handled all types of tax related enquiries. In 2012, through the Civil Service Training and Development Centre, I completed a 4-year Diploma in Irish Sign Language which allowed me to communicate with our deaf and hard-of-hearing customers.



Whilst in this role, an internal competition for Revenue dog handler was advertised and I knew this was the perfect fit for me and the right direction for my career path within Revenue. Although at the time I didn't have a driving licence or own my home (both requirements of the role) I was determined to become a dog handler as soon as possible.

In 2017, I was successful in Revenue's dog handler competition. This was a complete change from my role in customer service and once again Revenue provided all the relevant training. I travelled to Wales for 6 weeks to meet and bond with Robbie, a very lively springer spaniel, and completed a six-week intensive dog handler training course. This was an amazing experience and one I will cherish forever. I am currently based in Dublin Port with Robbie who is trained to detect drugs and cash.

The role itself is hugely challenging and physically tough, but extremely rewarding. I get so much enjoyment working with Robbie, especially when we have a 'live' find and he gets his tennis ball as his reward. Dublin Port is a dynamic place to work where no two days are the same. I work closely with all our teams, with a common aim to detect and deter the unauthorised movement of cash and combat the smuggling of drugs. Robbie and I assist with examining high-risk containers coming from across the world, freight searches, screening vehicles and their drivers as well as foot passengers disembarking ferries, rummage searches of warehouses and attending a variety of parcel depots. Robbie and I have been involved in many successful operations that have resulted in numerous multi-million-euro drug seizures and large cash detentions.

While my base is Dublin Port, all detector dog units are national assets and therefore I can be deployed anywhere depending on operational requirements. I have assisted in searches in numerous locations such as the Dublin Mail Centre, Dublin Airport, Rosslare Europort, Cork Airport and Port to name a few. I also assist other agencies such as An Garda Síochána, CAB or the Military Police on joint operations which could entail searching premises or land.

In 2019 I participated in the National Services Day event in Dublin Castle where I gave live demonstrations to the public, showcasing Robbie's skills and the value he brings to the teams he works with. The event itself was a huge success and helped raise awareness among the public for the role played by all service personnel in protecting the safety and security of citizens. It gives me a huge sense of pride knowing the contribution we all make to society.

With almost four years under my belt as an Revenue dog handler, I have developed a real grá for Customs and I hope to work in this area in the future, but only when Robbie is ready for retirement which will thankfully be a few years yet!

## Our Culture

Our culture is one of integrity, openness and accountability. We support and engage with taxpayers, and each other, with respect, courtesy and professionalism while encouraging innovation and embracing individuality.

We support our people through meaningful staff engagement, by promoting health and workplace wellness and by providing opportunities for development. Our commitment to **deepening employee engagement** at all levels across the organisation is a key priority. We work together in a partnership approach, maximising engagement and supporting involvement, innovation and high performance to support our continuous improvement.

During 2020, our *Central Partnership Committee* met on 3 occasions. The Committee is chaired by the Chairman and attended by the full Board along with representatives from management, unions and staff. Through positive and continuous engagement at all levels of the organisation we continue to further embed our *Values*, our *Employee Engagement Charter* and our *Public Sector Duty* obligations through tangible support for staff and their wellbeing. We are committed to supporting and enabling our staff to perform at the highest levels and to play a meaningful and valued role in our organisation.

We have built a strong culture of acceptance and **equality** among our staff, and towards taxpayers, ensuring that **human rights** are respected, and our Public Sector Duty Action Plan implemented. All our staff are trained in Equality and Diversity as part of their induction training. In 2019, we established a Partnership Intensive Group to review and update our Equality and Diversity Strategy and Public Sector Duty Action Plan. In 2020 the group drafted an Equality, Diversity and Inclusion (EDI) policy document and associated Action Plan. This work will be further developed in 2021 in the context of our Statement of Strategy and a new Workforce Plan for the period 2021 - 2026. The policy provides a future EDI framework, ensuring we are following best practice in this important area, promoting a culture of dignity and respect for all employees, and eliminating all forms of discrimination.

As an employer of almost 7,000 staff, we recognise and respect **diversity** in sexuality and gender identity and are committed to improving inclusion in the workplace. Our *LGBT+ Staff Network* and steering committee work with other Civil Service Departments to develop a civil and public service wide *LGBT+ Employee and Ally Network* which is a key component of the *National LGBTI+ Inclusion Strategy*. In 2020, Revenue took part in the Digital Dublin Pride Festival's virtual parade, alongside other civil and public service LGBT+ Staff Networks under the banner 'Proud to work for Ireland'. The Revenue offices in O'Connell Street, Dublin, flew the Pride flag for the event and the Revenue Twitter account tweeted support for Pride 2020 alongside our LGBT+ Staff Network logo. We have established a dedicated intranet page and contact hub that enables our LGBT+ Staff Network to provide information, resources, peer support and networking opportunities for all staff members.

We are committed to equality and actively support initiatives to improve **gender balance** at all levels and have made significant advances in this regard over the last 6 years (Table 25).

For the first time in 2020 we published an analysis of our gender pay gap<sup>15</sup>. Drawing on Revenue's administrative data, this piece of research documents the factors that result in differences in pay levels between men and women in Revenue. The analysis includes a statistical model that breaks down the gender pay gap into its constituent parts. Gender differences by grade are the leading cause of pay gap in Revenue, as women are overrepresented at more junior grades and women are five times more likely to work part-time. The analysis shows there is no unidentified explanation, such as wage discrimination, for the existence of Revenue's gender pay gap.

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<sup>15</sup> <https://www.revenue.ie/en/corporate/documents/research/gender-pay-2020.pdf>

## **Revenue's Wellbeing Programme – RevWell**

In 2020, our national wellbeing network launched 'RevWell', our wellbeing programme. The network developed and rolled out a plan for RevWell, including in relation to the importance of minding your mental health, a dedicated intranet information hub, a series of webinars and the launch of 'RevWell CONNECT' - our wellbeing newsletter. The network also worked with the Civil Service Employee Assistance Service (CSEAS), who has a permanent member on the network. The CSEAS developed and delivered a number of tailored wellbeing webinars during 2020.

# Revenue



It was recognised that the period of national health restrictions may have impacted on the wellbeing of colleagues, and the RevWell initiatives sought to ensure that our staff were aware of the supports available to help them to manage any concerns, whether they were related to COVID-19 experiences or as a result of other causes.

The network adopted the 5-Ways to Wellbeing model as the cornerstone for the implementation of RevWell. The 5-Ways to Wellbeing is an internationally accepted evidence-based model that is used to support people to take action to improve their wellbeing. In late 2020 Revenue developed a strategic partnership with the Geary Institute in University College Dublin with a view to developing an evidence-based approach to evaluating wellbeing initiatives. The network will continue to develop initiatives that support on the health and wellbeing of our staff in 2021 and beyond.

## **Innovation**

We continue to invest in our IT capability, developing innovative business solutions that help drive efficiency and quality through the optimum use of technology. Our priority is to ensure that we have the IT platform and capability to enable our key business programmes and to modernise further taxes and duties with a focus on process automation, digitalisation, and personalisation of services.

In 2020, significant measures were implemented on our Customs systems to prepare for Brexit and to deliver mandatory EU changes. Additionally, work was completed to prepare for the introduction of a new Automated Import System (AIS). AIS replaces the Clearance and eManifest Import systems and is the first delivery from the Union Customs Code (UCC) multi-year EU programme to modernise Customs across all member states. UCC provides a comprehensive framework for Customs rules and procedures in the EU customs territory adapted to modern trade realities and modern communication tools. The modernisation programme is spread over 9 years in line with the European Commission's timelines.

Our investment in real-time PAYE Reporting (PAYE Modernisation) enabled us to quickly deliver a range of system enhancements in 2020 including the addition of the new Stay and Spend tax credit and changes to Remote Working Relief. We also made the necessary but complex system changes to include information on COVID-19 wage support payments, such as TWSS and PUP payments, in the Preliminary End of Year Statement tax calculations, on the Employment Detail Summary and on the income tax return.

In 2020, we completed the first iteration of a new initiative for both capturing and evaluating ideas from across the organisation, some of which were then developed into innovative IT solutions supporting Revenue's twin pillars and corporate priorities. This new initiative was introduced to reflect the need to create an avenue for smaller strategic projects given that most IT enabled business projects undertaken by Revenue are mandated by either national or EU legislation. One of the successful proposals from the new initiative involved the development of a system to allow for all Suspicious Transaction Reports (STRs) to be received electronically. STRs are submitted to both Revenue and An Garda Síochana (AGS) under the Criminal Justice (Money and Laundering and Terrorist Financing) Act 2010.

As part of the continuous refresh of our technology infrastructure we completed two **Artificial Intelligence (AI) Proof of Concepts (PoC)** in 2020. The first was a text scanning AI PoC to evaluate if AI optical character recognition services could be used to accurately and efficiently extract key pieces of customer information from scanned images of paper Form11s. The objective of the second AI PoC centred around text query classification. It evaluated if AI machine learning and natural language processing service could be used to automate the process of classifying customer queries received through *MyEnquiries*.

We continue to provide, and further extend, shared computing facilities to other public sector bodies from our Data Centre with over 47 different organisations availing of this service. This hosting service provides estimated savings of at least €2.5 million per annum to the organisations hosted. We are also continuing to provide printing and mailing services to a number of organisations (approx. 0.5 – 1 million items per month).

## Taxpayer Confidentiality

Safeguarding our taxpayers' confidentiality continues to be a priority. We have a legal duty to protect the confidentiality of taxpayer information. Taxpayers' personal data is treated with the highest standards of security and confidentiality.

Our internet facing sites are **ISO27001 certified**. Surveillance audits are carried out every 6 months with full re-certification every 3 years, most recently in October 2018. Personal information displayed from our website is encrypted using a 256-bit Extended Validation (EV) SSL certificate, signed by a publicly trusted certificate authority. Taxpayers can verify that the page is secure by looking for a padlock icon in their browser.

We publish an increasing amount of statistics and research on tax receipts and costings of tax policy options. In doing this, there is a need to balance the expectations of the public, researchers, Government and the Oireachtas for information with our requirements with data protection rules and the need to protect the confidentiality of taxpayer information.

To ensure that the successful protection of taxpayers' data is central to our publication of statistics, we maintain a Statistical Disclosure Control policy<sup>16</sup>, which is published on our website.

## Public Service Reform & Civil Service Renewal

We play an active role in the ongoing implementation of the Civil Service Renewal Plan and in Public Service Reform.

Some achievements related to the high-level outcomes for the public service in 2020 include:

- the development of a fundamental enhancement to the PAYE system to provide a COVID-19 related wage subsidy platform for 66,500 employers and 664,000 employees
- the launch of the Customs RoRo Service which provides a range of services to facilitate the movement and control of goods and vehicles via ferry between Ireland and Great Britain
- the introduction of the Debt Warehousing Scheme to support businesses experiencing tax payment difficulties arising from the COVID-19 public health restrictions
- the development of a new tracking system allowing customers to monitor the progress of their online queries for a more effective customer service

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<sup>16</sup> <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>.

- the further development and application of blended learning which, enabled by eLearning platforms, facilitates remote training delivery as well as more modular, personalised and timely learning
- the provision of supports to enable most Revenue staff to work effectively from home
- the development of the Statement of Affairs (Probate) Form SA.2, a cross departmental project with the Courts Service to move the initial part of the probate process online, thus making it easier for beneficiaries to comply with their Capital Acquisitions Tax obligations
- the promotion and internal administration of the Civil Service Employee Engagement Survey, ensuring a high level of participation by Revenue staff.

# Governance

The Revenue Board comprises three Commissioners, appointed by the Taoiseach, one of whom is appointed by the Minister for Finance as Chairman. The Board has statutory responsibility to carry out its functions. Our governance structures promote transparency and ensure accountability and are designed to enable us to achieve our strategic goals, deliver our business programmes cost-effectively, and meet all our regulatory requirements.

Our *Corporate Governance Framework*<sup>17</sup> is updated regularly and published on our website. It sets out the framework of principles, structures and processes that govern and guide the way we do business. It dictates the shared philosophy, practices and culture within Revenue which, along with our structures and arrangements, determine how we deliver on our mission and ensure quality outcomes.

Our *Statement of Strategy 2021 - 2023*<sup>18</sup> was published in December 2020.

During 2020, our **Risk Management Committee** actively monitored and updated our Corporate Risk Framework to ensure that appropriate actions were taken to mitigate risks, particularly those associated with the COVID-19 pandemic, that could impact on the achievement of our corporate objectives. The Risk Management Committee provided input to the Forum on Tax Administration (FTA) Enterprise Risk Management Community of Interest throughout 2020. This OECD FTA community focuses on the top risks facing tax administrations now and into the future.

The Board is committed to maintaining and supporting a quality **Internal Audit** function. This function is carried out by the Internal Audit Unit (IAU) operating with the direct authority of the Board and under the general supervision and guidance of the Audit Committee. IAU operates in adherence to the Internal Audit Standards issued by the Department of Public Expenditure and Reform to provide independent objective assurance that the systems, processes and procedures that underpin our activities are properly and effectively managed, or otherwise to recommend corrective measures as appropriate.

The internal audit programme is informed by our Internal Audit Universe, Corporate Risk Register, Annual Corporate Priorities and Statement of Strategy. In 2020, 19 audits, comprising 10 internal audits and 9 follow-up audits, were completed.

The **Audit Committee** oversees the Internal Audit function in Revenue and advises the Board in relation to its operation and development. The Committee reports to the Chairman as Accounting Officer and assesses governance arrangements including those related to risk management and internal controls. The Committee met four times in 2020.

## Audit Committee Membership

- John Murphy, Chairman of the Audit Committee, former Secretary General of the Department of Jobs, Enterprise and Innovation
- Prof. Barbara Flood, Acting Dean, Dublin City University Business School
- Helen Hall, Chief Executive, Policing Authority
- Dr. Paul Lyons, Adjunct Assistant Professor, Trinity Business School, Trinity College Dublin
- Gerard Moran, Assistant Secretary, Indirect Taxes, Policy and Legislation Division, Revenue.

<sup>17</sup> <https://www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf>

<sup>18</sup> <https://www.revenue.ie/en/corporate/documents/governance/sos-2021-2023.pdf>

## Protected Disclosures Act 2014

We promote a supportive environment for our staff to raise concerns relating to wrongdoing or potential wrongdoing in the workplace, and provide the necessary supports for staff who raise genuine concerns.

One such concern was notified by a staff member to Revenue's Protected Disclosure Group (PDG) in December 2020, under the '*Revenue Policy on Protected Disclosure Reporting in the Workplace*'<sup>19</sup>. Following an assessment by the PDG of the information provided, the matter was not considered to fall within the scope of the Protected Disclosures Act, 2014. The matter was referred to relevant Revenue management and follow-up action has been taken.

Our Director of Internal Audit is a 'prescribed person' to receive external disclosures on matters relating to the assessment, collection and management of taxes and duties. Three external disclosures were received by the Director of Internal Audit in 2020.

Revenue is a member of Transparency International Ireland's *Integrity at Work* programme and we are committed to fostering an ethical workplace. In 2020, 20 members of staff received training on best practice principles in dealing with whistleblowing and protected disclosures.

## Ethics, Standards and Behaviour

All Revenue officials adhere to the principles, standards and values set out in the *Revenue Code of Ethics and The Civil Service Code of Standards and Behaviour*. In 2020, staff at Assistant Principal level and above, as well as officials in certain designated positions, submitted a Statement of Interests under the Ethics in Public Office Acts 1995 and 2001.

In accordance with Section 6(4) of the **Regulation of Lobbying Act 2015** the names, grades and brief details of the role/responsibilities of the 'Designated Public Officials' in Revenue are published on our website.

We are committed to fulfilling our **data protection obligations** and process personal data in accordance with data protection legislation.

We protect the integrity of data supplied to us by our taxpayers and third parties. In 2020, we continued to increase awareness of, and improve compliance with, data protection among our staff. This included measures to be taken to protect data security when working remotely.

Our **Programme Management Office (PMO)** is responsible for ensuring that a consistent governance approach is leveraged across all IT projects. The Project Board and Steering Committee are the project level structures that have responsibility for the observance of this approach ensuring that ICT projects are monitored and reported accurately over time.

In line with Action 17 of the Civil Service Renewal Plan to improve project management capacity, our **Business Project Management Unit (BPMU)** provided advice and support on project governance and management to Revenue business projects. The BPMU also worked closely with all our Divisions to support the development of project management skills and experience. In this context, key staff have undertaken training in project management delivery and we now have the capacity to support a wider range of business projects.

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<sup>19</sup> <https://www.revenue.ie/en/corporate/statutory-obligations/protected-disclosures/protected-disclosure.pdf>

## Freedom of Information (FOI)

In 2020, we received 242 FOI requests (Table 26) and we continue to work with the Department of Public Expenditure and Reform (DPER) to ensure the efficient and effective operation of the Freedom of Information Act 2014 in Revenue.

## Complaints

Taxpayers who are dissatisfied with Revenue's handling of their tax affairs can have their case reviewed either internally by a senior Revenue officer, or by an external reviewer. In 2020, no requests for internal review were accepted, while 15 requests for external reviews were accepted (Table 27). The Ombudsman finalised 37 complaints relating to Revenue (Table 28).

## Oireachtas Committees

In 2020, the Chairman and other Revenue officials appeared before the Committee of Public Accounts and the Joint and Select Committees on Finance, Public Expenditure and Reform, and Taoiseach.

## Other Governance Matters in 2019

We are compliant with the Prompt Payment of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 (Table 29). Our Prompt Payment Returns are published on our website. Just over 90% of all payments were made within 15 days.

We provided responses to 845 Parliamentary Questions and responded to 718 Representations from Public Representatives.

## Senior Management Changes

Following Top Level Appointments Commission (TLAC) competitions, the Minister for Finance, Mr Paschal Donohoe, T.D. appointed one new Assistant Secretary in 2020:

- Following her appointment on 9 June 2020, the Board assigned Jeanette Doonan to Business Taxes Policy and Legislation Division.

# Revenue Management Committee at Assistant Secretary Level



**John Barron**  
**Information, Communications Technology and Logistics Division**

Responsible for the provision of secure, reliable and quality information and communications technology services and innovation, adaptability and new advances in technology. Also responsible for the management and delivery of logistical services central to running Revenue.



**Brian Boyle**  
**Accountant General's & Strategic Planning Division**

Responsible for overseeing the development and implementation of business policies, monitoring and evaluating national tax compliance risks. Responsibilities also include performance measurement and reporting, statistics and economics research. Also responsible for financial and information management, banking functions, communications and knowledge management functions.



**Noel Brett**  
**Business Division**

Responsible for the management and development of service, compliance and audit functions for entities registered for VAT, RCT, Customs and Excise. Also responsible for excise license entities with trade or professional income, Proprietary Directors and Subsidiaries/Parent of Business Division companies.



**Orla Campbell**  
**Corporate Services Division**

Responsible for Revenue's human resource management strategies, including workforce planning, recruitment, training and capability development, organisational development, administrative budget management, internal audit, governance, information compliance and corporate reform.



**Florance Carey**  
**Customs Division**

Responsible for the development of Customs legislation and systems and for ensuring the implementation of customs controls. Also responsible for influencing the development of EU policy on all customs related matters, including implementation of the EU Union Customs Code and representing Revenue's and Ireland's interests at various international fora.



**Eugene Creighton**  
**Large Corporates Division**

Responsible for the management and development of service, compliance and audit functions for the largest business customers in the State and also for certain entire sectors, such as, banking, insurance, aircraft leasing, 'Section 110 companies' and investment funds. Also responsible for challenging corporate tax avoidance transactions including abusive transfer pricing.



**Jeanette Doonan**  
**Business Taxes Policy and Legislation Division**

Responsible for the policy, legislation and interpretation functions for capital gains tax (CGT), corporation tax, incentives, financial services and other business taxes.



**Orla Fitzpatrick**  
**Medium Enterprise Division**

Responsible for the management and development of service, compliance and audit functions for medium enterprises and Proprietary directors, Subsidiaries/Parent of Medium Enterprise Division companies, Government Departments and Public Bodies. National responsibility for the delivery of the Revenue Technical Service (RTS).



**Joe Howley**  
**Collector General's Division**

Responsible for the collection of taxes and for the implementation of debt management programmes, including appropriate interventions to maximise timely compliance. Also responsible for debt enforcement action against those who fail to comply.



**Maura Kiely**  
**Revenue Solicitor's**  
**Division**

Responsible for providing comprehensive legal support services for Revenue including in the conduct of litigation and appeals and in the prosecution of criminal offences.



**Gerard Moran**  
**Indirect Taxes,**  
**Policy and**  
**Legislation Division**

Responsible for Revenue's contribution to the development of indirect tax policy and legislation at national and EU level and for ensuring the efficient and effective administration of VAT, Excise and Vehicle Registration Tax.



**Eamonn O'Dea**  
**International Tax**  
**Division**

Responsible for international engagement (bilateral, EU and OECD-related) on direct taxation policy and on operational matters that include transfer pricing-related negotiation and exchange of information with other tax authorities. Also responsible for monitoring and updating Ireland's tax treaty network.



**Declan Rigney**  
**Personal Taxes**  
**Policy and**  
**Legislation Division**

Responsible for the development of personal tax and capital taxes policy at national and EU level and for managing policy, legislation and interpretation functions for personal and capital taxes (excluding capital gains tax).



**Breda Ruddle**  
**Large Cases - High**  
**Wealth Individuals**  
**Division**

Responsible for the management and development of service, compliance and audit functions for the wealthiest individuals in the State, Pension/Insurance schemes and Retirement funds. Also responsible for challenging tax avoidance transactions using the General Anti-Avoidance Rule.

**Vacancy**  
**Personal Division**

Responsible for the management and development of service, compliance and audit functions for individuals with PAYE income only or with self-assessed non trading / professional income; and other entities such as trusts, charities, sporting bodies. Also responsible for the co-ordination of Irish Language services.

**Vacancy**  
**Investigations**  
**and Prosecutions**  
**Division**

Responsible for the management, development and co-ordination of Revenue's investigations and prosecution activity.

# Financial Management

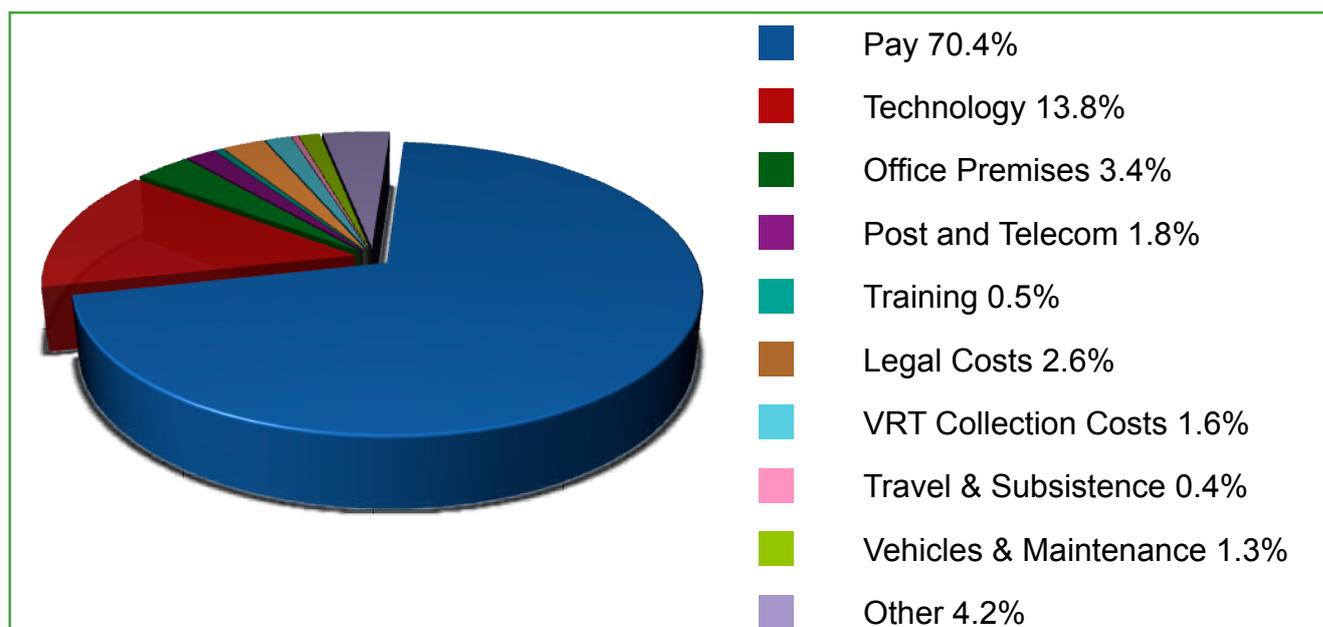
Each year Revenue prepares and submits the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the Appropriation Account of the expenditure for the Office of the Revenue Commissioners to the Comptroller and Auditor General for audit.

The audited 'Account of the Receipt of the Revenue of the State' collected by Revenue for 2020 is presented to the Oireachtas at the same time as the Annual Report. The gross and net Exchequer and Non-Exchequer receipts figures are available at Tables 1 and 2 respectively in this report.

The Appropriation Account of the amount expended by Revenue in relation to salaries and expenses in the year ended 31 December 2020 has been submitted to the Comptroller and Auditor within the statutory timeline. In accordance with the Comptroller and Auditor General (Amendment) Act 1993, the audited account will be published by September in the Report on the Accounts of the Public Services. The account will be published and available at [www.audgen.gov.ie](http://www.audgen.gov.ie). As such, figures referred to below are provisional and will be finalised on completion of the audit of the Revenue Appropriation Account by the Comptroller and Auditor General.

## Financial Performance

In 2020 Revenue's expenditure on the administration and collection of taxes and duties and frontier management amounted to €467.2 million. This expenditure was partly funded by Appropriations in Aid receipts of €60.2 million, received mainly in respect of services relating to PRSI, and a share of custom duties collected from the Single Authorisation for Simplified Procedures. Due to a deficit in Appropriations in Aid receipts compared to that forecast at the start of the year a Supplementary provision of €7.8m was received. The deficit arose due to the impact of the COVID-19 pandemic on Appropriations in Aid receipts. A provisional year end surplus of €4.8m arises due to revised costings of Brexit infrastructure at Dublin Port and Rosslare Europort.





# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2020

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

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## **Statement by Accounting Officer on Internal Financial Control**

### **Responsibility for system of Internal Financial Control**

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

### **Financial Control Environment**

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

### **Administrative Controls and Management Reporting**

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office to identify potential risks and ensure an appropriate mitigation strategy is in place. Mitigations used to manage risk include:
  - Revenue's governance structures.
  - Environmental scanning to ensure Revenue is aware of influences that affect risk.
  - Integrated strategic/business planning and Risk Management system that regularly reviews risks at Organisational, Divisional and Branch level.
  - Project management methodologies for all significant projects.
- There are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks.

### **Internal Audit and Audit Committee**

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written Internal Audit charter. Its work is informed by analysis of the financial risks to which the Office is exposed and its internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2020

### **Risk and Control Framework**

This Office has implemented a risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing this Office and these have been identified, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated into Revenue's strategic and business planning process. The register is reviewed and updated on a quarterly basis by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from Divisional management when determining whether there should be changes to the priority or ranking of a risk. The Committee reports annually to the Board of the Revenue Commissioners on its oversight of risks.

A Data Protection Unit is in place which has responsibility for the overall management and administration of data protection in Revenue. A Data Protection Officer, whose primary role is to ensure compliance with the General Data Protection Regulation (GDPR) and with Revenue data protection policies, is also in place.

### **Ongoing Monitoring and Review**

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

### **Review of Effectiveness**

I confirm that this Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within this Office are responsible for the development and maintenance of the internal financial control framework.

### **Internal Financial Control Issues**

No weaknesses in internal financial control were identified in relation to 2020 that resulted in, or may result in, a material loss.

### **Impact of the Covid-19 Pandemic**

The Covid-19 pandemic has presented very significant challenges for citizens, businesses and Revenue. Revenue utilised its advanced technology infrastructure, in particular its recently modernised PAYE system, and its strong operational and project management capabilities to develop and implement the series of subsidy schemes introduced by the Government to support tax compliant businesses and their employees during this difficult time. The Covid Employer Refund Scheme, the Temporary Wage Subsidy Scheme (TWSS), the Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS) were quickly rolled out by Revenue in an agile manner to ensure that employers, employees and businesses promptly received critical support payments. Revenue has also continued to provide a range of measures to support businesses that are suffering cashflow or trading difficulties, including warehousing of debt, suspension of interest on late payments, and suspension of collection enforcement activity.

The administration of the Department of Social Protection funded schemes entailed the management of significant sums amounting to a total of €4.1 billion. Any balance owing to or from the Department of Social Protection will be accounted for in Revenue's 2020 Appropriation Account.

## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2020

A significant impact of the Covid-19 pandemic was the move to remote and virtual working for approximately 4,500 of Revenue's 7,000 staff. Revenue's ICT division responded very effectively to the challenge of enabling these staff to work productively in remote locations. With the commitment and engagement of Revenue's staff, this has resulted in Revenue successfully maintaining delivery of our core business programmes as well as taking on the additional role of administering the support schemes.

### **Audit and Compliance Interventions**

In response to Covid-19, Revenue suspended audit and other compliance intervention activity on taxpayers' premises from March 2020. Where possible, Revenue continued to engage with business to progress interventions through our MyEnquiries portal or by telephone. Revenue developed guidelines for conducting compliance interventions remotely during Covid-19, taking into account the Government's published health advice. Notwithstanding the challenging operating environment, compliance activity touched on all sectors of the economy and Revenue completed a total of 595,143 compliance interventions with a yield of €487.4 million. This represented an increase in the number of interventions from 566,228 in 2019 but a decrease in yield from €547.6 million.

Our compliance intervention activity included a programme of compliance checks on all of the approximately 66,500 employers in receipt of a TWSS subsidy. Employers were required to confirm eligibility for the scheme by reference to the decline in their turnover in Quarter 2 2020, and to provide evidence of payment of subsidies to employees. As at 31 December 2020, Revenue had completed over 90% of these compliance checks which confirmed a high level of compliance with the conditions for TWSS. Revenue collected €2.047 million from 200 employers who were found to be ineligible in 2020. The programme of checks continued into 2021.

### **Debt Warehousing**

Government legislated (Finance Act 2020) to allow for debt associated with the Covid-19 crisis to be 'warehoused'. While taxpayers are advised to continue to pay their tax liabilities in a timely manner if at all possible, Revenue is aware that tax payment difficulties are an inevitable impact of the Covid-19 pandemic. Under this scheme, unpaid VAT and PAYE (Employers) debts arising from the Covid-19 crisis can be 'parked' on an interest-free basis for a period of 12 months after a business resumes trading. After the 12-month interest free period, the warehoused debts can be repaid under phased payment arrangements at an interest rate of 3% per annum. Revenue's debt management programmes, including collection enforcement activity, were suspended in March 2020. These programmes are scheduled to resume on an incremental basis in quarter 2 of 2021, having regard to the ongoing Covid related restrictions.

### **Implications for Tax Receipts**

At the outset of the pandemic, the Department of Finance adjusted economic and fiscal forecasts as part of the Stability Programme Update in April 2020. This adjustment reduced the forecast for Exchequer tax receipts from €62.6 billion to €48.6 billion, with corresponding reductions predicted for most individual taxheads. While receipts in 2020 were impacted by the pandemic, the reduction in outturn over the full year was not as great as initially feared. Net Exchequer tax receipts fell from €58.3 billion in 2019 to €56.2 billion in 2020, a reduction of 4%. Growth in Corporation Tax and Stamp Duty receipts, supported by relatively stable Income Tax/USC, moderated reductions in Excise and VAT. Income Tax/USC receipts were protected by the progressive nature of the tax system (most of the Covid-related job losses were in lower paid employment outside the tax net) and the wage subsidy schemes. Approximately €1 billion of the shortfall in VAT receipts in 2020, compared to 2019, is accounted for by 'warehoused' debt.

Revenue has reviewed its control environment to take account of the impact of Covid-19 and is satisfied that the risk and control framework is sufficiently robust to respond to any increased level of risk that may emerge.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

## **Customs Controls**

Due to Covid-19, the EU Commission inspection, examining issues identified in a 2019 inspection on the control strategy for customs values and repayments claims, scheduled for December 2020 was postponed until 31 May 2021. While no additional data has been requested on the topic of undervaluation as carried forward from the 2019 inspection, the Commission has advised that it will evaluate the progress made since last year based on statistical data and the newly created risk profiles which have been created in line with the Commission recommendations. Recent changes to the operation of Traditional Own Resources, following a decision taken at the July 2020 European Council, mean that Member States will be permitted to retain 25% (previously 20%) of duties collected in order to cover the costs of administering customs controls. New legislation, the Own Resources Decision, is required to give effect to this decision and it will apply retrospectively from 1 January 2021, when enacted.

## **Brexit**

Trade with the UK, excluding Northern Ireland, has been conducted on the basis of the EU-UK Trade and Cooperation Agreement (TCA) since 1 January 2021. This means that all goods arriving from, departing to or moving through GB are now subject to customs formalities including the requirement for customs declarations, payment of tariffs (where applicable) and may be subject to documentary or physical controls. This increase in third country trade has a consequent knock-on impact on trade facilitation work and in the first two months of the year almost 51,000 import and 47,000 export freight movements were facilitated. Although the EU-UK TCA provides for zero tariffs on all UK origin imports to the EU, not all goods arriving from the UK will qualify as UK origin. This means that tariffs will be payable on some goods coming from the UK.



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Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

20 April 21



## **Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

### **Account of the receipt of revenue of the State collected by the Revenue Commissioners**

#### **Opinion on the account**

I have audited the account of the receipt of revenue of the State collected by the Revenue Commissioners for the year 2020 as required under the provisions of Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993. The account comprises

- the account of the receipt and disposal of revenue collected
- the statement of balances
- the related notes, including a summary of significant accounting policies.

In my opinion, the account properly presents the receipt and disposal of the revenue collected for the year ended 31 December 2020 and the residual balances at that date.

#### ***Basis of opinion***

I conducted my audit of the account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Revenue Commissioners and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. I also take assurance from my examinations of Revenue's collection systems.

#### **Report on information other than the account, and on other matters**

The Revenue Commissioners have presented certain other information together with the account. This comprises the annual report and the statement on internal financial control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy  
Comptroller and Auditor General**

**20 April 2021**

## Appendix to the report

### Responsibilities of the Revenue Commissioners

The Revenue Commissioners are responsible for

- the preparation of the account
- ensuring that the account properly presents the receipt and disposal of the revenue collected
- ensuring the regularity of transactions, and
- such internal control as they determine is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993 (the Act) to audit the account of the receipt of revenue of the State collected by the Revenue Commissioners and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I evaluate the overall presentation, structure and content of the account, including the disclosures, and whether the account properly presents the underlying transactions and events.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Information other than the account

My opinion on the account does not cover the other information presented with the account, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the account, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to the management and operations of public bodies. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

### Revenue collection systems

Under Section 3 (7) of the Act, I also carry out examinations on a cyclical basis in order

- to ascertain whether the systems, procedures and practices established by the Revenue Commissioners are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State
- to satisfy myself that the manner in which those systems, procedures and practices are being employed and applied is adequate.

As provided under Section 3 (10) of the Act, I report each year on the results of my systems examinations in my Report on the Accounts of the Public Services.

# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2020

## Accounting Policies

### Introduction

This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners and the transfer of the proceeds to the Exchequer. The Account also presents non exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States as detailed under Receipts and Repayments.

No administration or operational costs of the Office of the Revenue Commissioners are included in this Account. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.

The Account has been prepared pursuant to Section 3(7) of the Comptroller and Auditor General (Amendment) Act, 1993.

### Basis of Account

The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. The Account shows the actual amounts received and paid in the year. Where further amounts are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.

### Receipts and Repayments

Receipts and repayments are recognised on a cash basis except as noted below:

- a. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.
- b. In order to apportion certain Income Tax receipts to the relevant taxhead, an estimated percentage is applied. This apportionment affects PAYE, PRSI, USC and LPT receipts. Once the relevant returns are filed a review of the estimate is conducted and the receipts re-apportioned as appropriate.
- c. Customs duties are collected on an agency basis on behalf of the EU and are recognised on a gross receipts basis except for customs duties collected under an EU customs procedure Centralised Clearance (previously known as Single Authorisation for Simplified Procedures (SASP)). These receipts are shown net of the collection costs. See Note 1 \*2.
- d. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
- e. Customs and Excise payments are retained as deposits and recognised as receipts when the appropriate returns are filed, with the exception of Excise Licences which are on a cash receipts basis. Deposits held are accounted for in the Statement of Balances.
- f. Included in Excise receipts are amounts collected by other agencies on behalf of the Revenue Commissioners as follows:
  - The Courts Service (Excise Licences).
  - Applus+ Car Testing Service Ltd (Vehicle Registration Tax).

A charge is levied by Applus+ Car Testing Service Ltd for the collection of Vehicle Registration Tax. The charge is funded from Voted expenditure and accounted for in the annual Appropriation Account of Vote 9.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

- g. The VAT Mini One Stop Shop (VAT MOSS) scheme came into operation on 1 January 2015 in line with VAT place of supply rules for businesses who make supplies of telecommunications, broadcasting or electronically supplied services to consumers.

The receipts comprise Irish VAT receipts disclosed in Note 1 and amounts collected on behalf of other EU Member States disclosed in Note 2.

Up to 1 January 2019, the Member State collecting the VAT retained a proportion of receipts collected, this ceased at that date. These amounts were accounted for quarterly in arrears and recognised as VAT receipts and disclosed in Note 1. The amounts shown for 2020 are payments in arrears.

- h. Non Exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States are as follows:
- Social Insurance Fund (Pay Related Social Insurance)
  - Department of Health (Tobacco Levy)
  - Risk Equalisation Fund (Health Insurance Levy)
  - Environment Fund (Environmental Levy on Plastic Bags)
  - Department of Enterprise, Trade and Employment (Employment and Training Levy)
  - Commissioners of Irish Lights (Lighthouse Dues)
  - Department of Finance (Nursing Home Support Scheme payments and Miscellaneous Revenue for Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Companies' Registration Fees)
  - Insurance Compensation Fund (Insurance Compensation Fund levy)
  - EU Member States (VAT Mini One Stop Shop scheme)
  - Department of Housing, Local Government & Heritage (Local Property Tax)

A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags, Lighthouse Dues, Nursing Home Support Scheme payments and the Insurance Compensation Fund levy. Charges are levied on customers who apply for a VRT repayment under the Export Repayment Scheme. Amounts received in respect of these charges are accounted for as Appropriations-in-Aid of Vote 9.

### **Cash at bank and in hand**

Cash at bank and in hand represents the total cash in both commercial and Central Bank accounts adjusted to take account of unrepresented cheques and timing differences.

## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2020

### Amounts Awaiting Receipting and Allocation

- a. Taxes and Duties are for the most part paid in the first instance into accounts held by Revenue in commercial banks. In most cases full accounting instructions are known at the time of payment and payments are receipted onto a customer record and transferred to the Exchequer. Unallocated Tax Deposits (UTD) includes payments transferred to the Exchequer as part of the Total Transfers in Note 6 for which customer records have yet to be updated. It also includes receipts which cannot at the year end be allocated to either a taxhead or taxpayer record. In some instances, if sufficient information has not been received within 5 years, the amounts are recognised as a tax receipt and removed from the UTD balance reported in the Account. UTD also include payments made on account during tax audits and audit settlements as well as non audit payments for which accounting instructions have not been completed.
- b. Tax receipts awaiting transfer and allocation are amounts received to commercial accounts which have not been transferred to the Central Bank at the year end.
- c. Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners are amounts received by the Revenue Commissioners and will be brought to account as Appropriations-in-Aid of Vote 9, Office of the Revenue Commissioners.

### Deposits Held

- a. Deposits held under The Criminal Justice Act 1994 relate to money seized under the Act and held on deposit pending court proceedings.
- b. Deposits held with C&E collectors represent amounts received in lieu of Bank Guarantees or pending Bank Guarantees.
- c. Deposits held for C&E liabilities represent amounts received for C&E transactions in advance of the relevant return being received. These amounts are designated as deposits in a control account until the appropriate return is filed and are then allocated as receipts. Due to the manual nature of certain aspects of the management of these deposits, there are some limitations on the availability of the associated transactional level data. Any deposits on hand are surrendered to the Exchequer at 31 December as part of Excise Duty transfers in Note 6.

### Balance owing from Exchequer

The balance owing from the Exchequer represents amounts transferred to the Exchequer not yet recorded as receipts and amounts in the Exchequer due for payover to other government departments not paid over at year end.

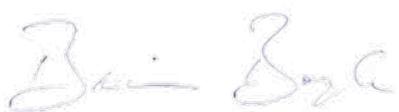
**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Account of the Receipt and Disposal of Revenue collected**

	Notes	2020 €000	2019 €000
<b>Gross Receipts</b>			
Exchequer Receipts	1	66,862,078	68,272,740
Non Exchequer Receipts	2	15,396,147	15,982,125
<b>Total Gross Receipts of Revenue Collected</b>		<b>82,258,225</b>	<b>84,254,865</b>
<b>Repayments</b>			
Repayment of Exchequer Receipts	3	(10,658,360)	(9,960,686)
Repayment of Non Exchequer Receipts	4	(129,379)	(152,300)
<b>Total Repayments</b>		<b>(10,787,739)</b>	<b>(10,112,986)</b>
<b>Net Receipts</b>			
Exchequer Receipts	5	56,203,718	58,312,054
Non Exchequer Receipts	7	15,266,768	15,829,825
<b>Total Net Receipts of Revenue Collected</b>		<b>71,470,486</b>	<b>74,141,879</b>
<b>Disposal of Net Receipts</b>			
Receipts transferred to the Exchequer	6	(56,225,688)	(58,351,495)
Receipts transferred to other Departments/Agencies/EU Member States	7	(15,252,347)	(15,819,736)
<b>Total Disposal of Net Receipts of Revenue Collected</b>		<b>(71,478,035)</b>	<b>(74,171,231)</b>
<b>Net Receipts retained at year end</b>			
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(7,549)	(29,352)
		(449,107)	(419,755)
<b>Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December</b>		<b>(456,656)</b>	<b>(449,107)</b>

The Accounting Policies and Notes 1 to 12 form part of this Account.

  
\_\_\_\_\_  
Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

  
\_\_\_\_\_  
Brian Boyle  
Accountant General  
Office of the Revenue Commissioners

20 April 2021

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

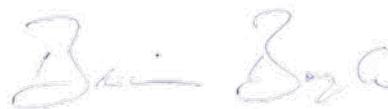
**Statement of Balances**

	Notes	2020 €000	2019 €000
<b>Assets</b>			
Cash at Bank and in Hand	8	99,985	84,094
Amounts due from Government Departments	9	2,488	768
<b>Total Assets</b>		<b>102,473</b>	<b>84,862</b>
<b>Liabilities</b>			
Amounts Awaiting Receipting and Allocation	10	(110,923)	(132,344)
Deposits Held	11	(448,206)	(401,625)
<b>Total Liabilities</b>		<b>(559,129)</b>	<b>(533,969)</b>
<b>Net Liabilities</b>		<b>(456,656)</b>	<b>(449,107)</b>
<b>Represented by:</b>			
<b>Closing Balance on the Account of Receipt and Disposal of Revenue</b>			
Balance owing from the Exchequer	6	(496,513)	(474,543)
Balance owing to other Departments/Agencies/EU Member States	7	39,857	25,436
		<b>(456,656)</b>	<b>(449,107)</b>

The Accounting Policies and Notes 1 to 12 form part of this Account.



Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners



Brian Boyle  
Accountant General  
Office of the Revenue Commissioners

20 April 2021

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Notes to the Account**

<b>Note 1. Exchequer Receipts collected</b>	<b>2020 €000</b>	<b>2019 €000</b>
Income Tax	25,195,947	25,590,694
Value Added Tax	18,437,211 *1	20,934,572
Corporation Tax	13,896,120	12,337,199
Excise Duty	5,453,213	5,892,738
Stamp Duties	2,121,140	1,541,324
Capital Gains Tax	971,506	1,106,007
Capital Acquisitions Tax	514,069	529,153
Customs Duty	272,872 *2	341,053
	<b>66,862,078</b>	<b>68,272,740</b>

\*1 This figure includes the following receipts relating to The VAT Mini One Stop Shop scheme;

	<b>2020 €000</b>	<b>2019 €000</b>
VAT collected in the State proper to Ireland	12,150	7,396
VAT collected by other Member States proper to Ireland	89,166	67,401
Retention amounts on VAT collected for 2018 by the State for EU Member States	15	67,576
	<b>101,331</b>	<b>142,373</b>

\*2 Customs Duty receipts are reported net of collection costs of €23m (€36m, 2019) allowed under Centralised clearance (previously SASP). €11.5m (€18m, 2019) was transferred to other EU Member States and €11.5m (€18m, 2019) was transferred to Vote 9 and recorded as Appropriations-in-Aid.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Notes to the Account**

**Note 2. Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Pay Related Social Insurance	11,456,328	12,398,356
VAT Mini One Stop Shop Scheme	2,367,479	2,006,634
Health Insurance Levy	773,824	757,721
Local Property Tax	488,308 <sup>*1</sup>	479,486
Tobacco Excise Receipts	167,605 <sup>*2</sup>	167,605
Insurance Compensation Fund Levy	99,359	132,054
Nursing Home Support Scheme (includes Miscellaneous receipts)	32,225	27,693
Environmental Levy on Plastic Bags	4,161	5,466
Lighthouse Dues	6,828	7,052
Employment and Training Levy	30	58
	<b>15,396,147</b>	<b>15,982,125</b>

\*1 The Local Property Tax (LPT) net collection figure of €482m (receipts of €488m less repayments of €6m) is broken down into €21m for Household Charge arrears for 2012 and LPT liabilities for years 2013 to 2019 inclusive, €389m for LPT liabilities in respect of 2020 and €72m for LPT liabilities in respect of 2021. In 2019 €64m was collected for LPT liabilities in respect of 2020.

\*2 Tobacco Excise Receipts of €167.6m are presented as non Exchequer receipts as they are paid direct to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Notes to the Account**

**Note 3. Repayment of Exchequer Receipts**

	<b>2020</b> <b>€000</b>	<b>2019</b> <b>€000</b>
Income Tax	(2,548,453) *1	(2,652,442)
Value Added Tax	(5,962,905)	(5,767,230)
Corporation Tax	(2,063,264) *1	(1,449,912)
Excise Duty	(26,024)	(27,444)
Stamp Duties	(26,571)	(26,360)
Capital Gains Tax	(21,834)	(29,724)
Capital Acquisitions Tax	(9,252)	(7,566)
Customs Duty	(57)	(8)
	<b>(10,658,360)</b>	<b>(9,960,686)</b>

\*1 \*The COVID Restrictions Support Scheme (CRSS) was introduced to support businesses significantly affected by restrictions introduced by the Government to combat the COVID-19 pandemic. The scheme commenced on 13 October 2020 and is available to companies, self-employed individuals and partnerships that carry on a trade or trading activities from a business premises. Eligible businesses may submit a claim to Revenue for payment of Advanced Credit for Trading Expenses (ACTEs). At 31 December 2020, payments had issued to 14,867 applicants (7,554 relating to Corporation Tax registrations and 7,313 relating to Income Tax registrations).

The Income Tax Repayments figure includes €22.3m in respect of net CRSS payments.

The Corporation Tax Repayments figure includes €120.8m in respect of net CRSS payments.

**Note 4. Repayment of Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States**

	<b>2020</b> <b>€000</b>	<b>2019</b> <b>€000</b>
Pay Related Social Insurance	(120,933)	(146,131)
Local Property Tax	(6,579)	(5,636)
VAT Mini One Stop Shop Scheme	(1,673)	(452)
Nursing Home Support Scheme (includes Miscellaneous receipts)	(190)	(75)
Environmental Levy on Plastic Bags	(4)	(6)
	<b>(129,379)</b>	<b>(152,300)</b>

**Note 5. Net Exchequer Receipts**

	<b>Gross</b> <b>Receipts</b> <b>2020</b> <b>€000</b>	<b>Repayments</b> <b>2020</b> <b>€000</b>	<b>Net</b> <b>Receipts</b> <b>2020</b> <b>€000</b>	<b>Net</b> <b>Receipts</b> <b>2019</b> <b>€000</b>
Income Tax	25,195,947	(2,548,453)	22,647,494	22,938,252
Value Added Tax	18,437,211	(5,962,905)	12,474,306	15,167,342
Corporation Tax	13,896,120	(2,063,264)	11,832,856	10,887,287
Excise Duty	5,453,213	(26,024)	5,427,189	5,865,294
Stamp Duties	2,121,140	(26,571)	2,094,569	1,514,964
Capital Gains Tax	971,506	(21,834)	949,672	1,076,283
Capital Acquisitions Tax	514,069	(9,252)	504,817	521,587
Customs Duty	272,872	(57)	272,815	341,045
	<b>66,862,078</b>	<b>(10,658,360)</b>	<b>56,203,718</b>	<b>58,312,054</b>

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Notes to the Account**

**Note 6. Receipts Transferred to the Exchequer**

	Balance owing to/ <b>(from)</b> Exchequer at 1.1.20 €000	Net Receipts €000	Total Transfers €000	Balance owing to/ <b>(from)</b> Exchequer at 31.12.20 €000
Income Tax	(39,935)	22,647,494	(22,710,833)	(103,274)
Value Added Tax	15,164	12,474,306	(12,423,557)	65,913
Corporation Tax	(879)	11,832,856	(11,832,768)	(791)
Excise Duty	(400,200)	5,427,189	(5,447,806)	(420,817)
Stamp Duties	(22,586)	2,094,569	(2,089,939)	(17,956)
Capital Gains Tax	(1,813)	949,672	(951,320)	(3,461)
Capital Acquisitions Tax	(11,393)	504,817	(493,815)	(391)
Customs Duty	(12,901)	272,815	(275,650)	(15,736)
	<b>(474,543)</b>	<b>56,203,718</b>	<b>(56,225,688)</b>	<b>(496,513)</b>

**Note 7. Receipts transferred to other Departments/Agencies/EU Member States**

	Balance due at 1.1.20 €000	Net Receipts €000	Total Transfers €000	Balance due at 31.12.20 €000
Pay Related Social Insurance	20,472	11,335,395	(11,321,289)	34,578
VAT Mini One Stop Shop Scheme	2,303	2,365,805	(2,366,236)	1,872
Health Insurance Levy	-	773,824	(773,824)	-
Local Property Tax	405	481,730	(479,146)	2,989
Tobacco Excise Receipts	-	167,605	(167,605) <sup>*1</sup>	-
Insurance Compensation Fund Levy	1,965	99,359	(100,837)	487
Nursing Home Support Scheme (includes Miscellaneous receipts)	281	32,035	(32,386)	(70)
Environmental Levy on Plastic Bags	6	4,158	(4,163)	1
Lighthouse Dues	-	6,827	(6,828)	(1)
Employment and Training Levy	4	30	(33)	1
	<b>25,436</b>	<b>15,829,825</b>	<b>(15,252,347)</b>	<b>39,857</b>

\*1 The amount of €167,605,000 was paid from the proceeds of Tobacco Excise Receipts to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2020**

**Notes to the Account**

**Note 8. Cash at Bank and in Hand**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Balance in Revenue Accounts held at Central Bank	82,099	27,643
Balance in Revenue Accounts held at Commercial Banks	37,175	71,789
Unpresented Cheques	(19,361)	(15,443)
Cash in Hand	72	105
	<b>99,985</b>	<b>84,094</b>

**Note 9. Amounts due from Government Departments**

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

**Note 10. Amounts Awaiting Receipting and Allocation**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Unallocated Tax Deposits	(102,317)	(80,721)
Tax receipts awaiting transfer and allocation	(8,540)	(51,530)
Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners	(66)	(93)
	<b>(110,923)</b>	<b>(132,344)</b>

**Note 11. Deposits Held**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Deposits held under Criminal Justice Act 1994	(3,010)	(2,471)
Deposits held with C&E Collectors	(10,743)	(8,202)
Deposits held for C&E liabilities due after 31 December	(434,453)	(390,952)
	<b>(448,206)</b>	<b>(401,625)</b>

**Note 12. Fraud and suspected fraud**

	Number of cases		<b>2020</b>	<b>2019</b>
	2020	2019	<b>€000</b>	<b>€000</b>
Fraud *1	1	1	3	5
Suspected Fraud *2	-	-	-	-
	1	1	3	5

The amount reported in 2020 has been recouped.

\*1 Number of fraud cases are those cases where an internal investigation has been completed, employee dismissed/resigned and the fraud reported to An Garda Síochána.

\*2 Number of suspected fraud cases are those cases which are still under investigation internally and a decision has yet to be made into whether the action amounts to fraud.

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**Table 1: Total Gross Exchequer and Non Exchequer Receipts**

Category	2020 €m	2019 €m
<b>Exchequer Receipts</b>		
Income Tax	25,196	25,591
Value-Added Tax	18,437	20,935
Corporation Tax	13,896	12,337
Excise	5,453	5,893
Stamp Duties	2,121	1,541
Capital Gains Tax	972	1,106
Capital Acquisitions Tax	514	529
Customs	273	341
<b>Non Exchequer Receipts</b>		
Gross Receipts Collections on behalf of other Departments / Agencies*	15,396	15,982
<b>Total</b>	<b>82,258</b>	<b>84,255</b>

Note: Any apparent discrepancies in totals are due to rounding of constituent figures.

\* Gross Receipts collected on behalf of other Departments/Agencies include such receipts as Pay Related Social Insurance (PRSI) and Local Property Tax (LPT).

**Table 2: Total Net Receipts**

Duties Taxes & Levies	2020 Net Receipts €m	2019 Net Receipts €m	2020 Net Receipts +/- 2019 €m
PAYE Income Tax	15,576	15,778	-202
PAYE USC	3,260	3,275	-15
Self Assessed Income Tax	1,828	2,014	-186
Self Assessed USC	572	522	50
Life Assurance Exit Tax	124	128	-4
Deposit Interest Retention Tax	37	64	-27
Professional Services Withholding Tax	759	696	63
Dividend Withholding Tax	487	408	79
Back Duty/RCT	4	54	-50
<b>Total Income Tax and USC</b>	<b>22,647</b>	<b>22,940</b>	<b>-293</b>
VAT on Imports	1,802	1,974	-172
Internal VAT	10,672	13,194	-2,522
<b>Total Value Added Tax</b>	<b>12,474</b>	<b>15,168</b>	<b>-2,694</b>
Tobacco Products Tax	1,034	969	65
Alcohol Products Tax	1,204	1,233	-29
Mineral Oil Tax	1,814	2,164	-350
Carbon	494	430	64
Vehicle Registration Tax	751	942	-191
Other Excise Duties	130	127	3
<b>Total Excise Duty</b>	<b>5,427</b>	<b>5,865</b>	<b>-438</b>
<b>Corporation Tax</b>	<b>11,833</b>	<b>10,887</b>	<b>946</b>
Stamp Duty on Shares	569	399	170
Stamp Duty on Property	519	717	-198
Other Stamp Duty	1,006	398	608
<b>Total Stamp Duty</b>	<b>2,094</b>	<b>1,514</b>	<b>580</b>
<b>Capital Gains Tax</b>	<b>950</b>	<b>1,076</b>	<b>-126</b>
<b>Capital Acquisitions Tax</b>	<b>505</b>	<b>522</b>	<b>-17</b>
<b>Customs</b>	<b>273</b>	<b>341</b>	<b>-68</b>
<b>TOTAL NET EXCHEQUER RECEIPTS</b>	<b>56,203</b>	<b>58,312</b>	<b>-2,109</b>
<b>Local Property Tax</b>	<b>482</b>	<b>474</b>	<b>8</b>
<b>TOTAL NET EXCHEQUER RECEIPTS AND LPT</b>	<b>56,685</b>	<b>58,786</b>	<b>-2,101</b>

Note: Any apparent discrepancies in totals are due to rounding of constituent figures

**Table 3: Volume of Business**

Activity	Volume in 2020	Volume in 2019	% Change 2020 v 2019
<b>PAYE Employments*</b>	3,223,595	3,183,789	1.3%
<b>Payroll submissions</b>	6,110,119	6,720,779	-9.1%
<b>Self Assessment Income Tax Registrations</b>	811,772	793,221	2.3%
<b>Company Registrations</b>	220,722	211,931	4.2%
<b>VAT Registrations</b>	263,611	256,005	3.0%
<b>LPT properties Returned</b>	1,963,913	1.915m	2.5%
<b>RCT Contract Notified to Revenue</b>	592,448	665,233	-10.94%
<b>RCT Payments Notified to Revenue</b>	1,442,243	1,622,895	-11.1%
<b>No. of electronic payments made to Revenue</b>	9,152,877	n/a***	n/a***
<b>Value of electronic payments made to Revenue</b>	€77.0bn	€64.8bn	18.83%
<b>No. of electronic repayments made to taxpayers</b>	1,471,364	1,312,083	12.12%
<b>Value of electronic repayments made to taxpayers</b>	€9.2bn	€8.2bn	12.2%
<b>No. of Electronic Returns received</b>	5,313,736	5,773,776	-8.0%
<b>Telephone Calls Answered**</b>	1,419,330	2,480,858	-42.8%
<b>Correspondence Dealt with (includes online enquiries)</b>	1,796,471	1,524,472	18%

\* Includes multiple employments and recipients of occupational pensions.

\*\* Includes 268,693 answered calls in respect of Local Property Tax handled by an external service.

\*\*\* Not available due to a change in the method of calculation

**Table 4: Customer Service Standards & Results**

<b>Service</b>	<b>Commitment</b>	<b>Delivery</b>
<b>Online Registrations</b>		
<b>ROS for Business</b>	Authentication process completed within one working day	100%
<b>myAccount</b>	100% of online registrations completed within 10 working days	100%
<b>IT, CT, PREM</b>	100% of online registrations completed within 3 working days	100%
<b>VAT</b>	100% of online registrations completed within 10 working days	85%
<b>RCT</b>	100% of online registrations completed within 10 working days	86%
<b>Returns, Declarations and Refunds</b>		
<b>ROS Returns and Declarations</b>	100% processed within 2 working days	100%
<b>ROS Refunds</b>	100% issued within 5 working days	100%
<b>Non-ROS returns, declarations, applications</b>	100% within 20 working days.	65%
<b>Non-ROS repayments or offsets</b>	100% within 20 working days.	77%
<b>Direct Customer Contact</b>		
<b>Correspondence</b>	100% within 30 working days.	85%
<b>Telephone Service</b>	100% answered within 5 minutes	56%
<b>My Enquiries</b>	100% dealt with within 20 working days	86%
<b>Public Office visit</b>	Average wait time no more than 10 minutes	75%
<b>Revenue Technical Service</b>	Reply received within 20 working days	38%
<b>Complaints</b>	100% processed within 20 working days	93%
<b>Tax Clearance</b>		
<b>Application for Standards in Public Office Tax Clearance Certificates</b>	100% processed within 5 working days	100%

**Table 5: Average Percentage of Tax Collected Within the Due Month (by Tax)**

Taxhead	2020
<b>PAYE/PRSI</b>	98%
<b>VAT</b>	95%
<b>Income tax (Non PAYE)</b>	100%
<b>Capital Gains Tax</b>	94%
<b>Corporation Tax</b>	99%
<b>Relevant Contract Tax</b>	95%

**Table 6: Return/Payment Compliance by Case Size**

Case Size	Due Month Compliance 2020	Due Month+1 Compliance 2020
<b>Large Cases</b>	94%	97%
<b>Medium Cases</b>	92%	96%
<b>Other Cases</b>	78%	87%

Note: Compliance rates include returns submitted and debt warehoused

**Table 7: Collection Enforcement Programmes in 2020**

Enforcement	No. of Cases	No. of Referrals	Value of Referrals €m	Yield €m
<b>Solicitor</b>	2,243	2,475	€32.7	€27.8
<b>Sheriff</b>	18,127	20,162	€94.9	€84.1
<b>Attachment</b>	2,210	2,675	€40.0	€14.9
<b>Total</b>	22,580	25,312	€167.6	€126.8

**Table 8: Debt Management Service**

Activity	2020
<b>Payments Requests/Estimates Issued</b>	161,919
<b>Final Demands Issued</b>	122,516
<b>Taxpayer Application for Phased Payment Facilities Processed</b>	7,591*
<b>Referrals for Enforcement</b>	25,312

\* Included rejected applications

*Table 9: Oversight of Corporate and Personal Insolvency*

<b>Activity</b>	<b>2020</b>
<b>Companies wound-up via Creditor Voluntary Liquidations</b>	409
<b>Creditor Meetings Attended</b>	204
<b>Revenue petitions to High Court for Appointment of a Liquidator</b>	8
<b>Receiverships</b>	68
<b>Examinerships</b>	33
<b>Revenue petitioned bankruptcies</b>	5

*Table 10: Relevant Opinions Provided to Companies and Other Entities*

<b>Category of Opinion</b>	<b>Number 2020</b>
<b>Trading</b>	2
<b>Reconstructions and amalgamations</b>	21
<b>Exemption from tax in respect of gains on certain share disposals</b>	1
<b>Elections to Tonnage Tax Scheme</b>	1
<b>Availability of interest relief for loans applied to acquire share capital in, or provide loan finance to, a trading company or a company holding shares in a trading company</b>	1
<b>Withholding taxes</b>	33
<b>Stamp Duty</b>	60
<b>Capital Gains Tax</b>	6
<b>Close company surcharges</b>	6
<b>Corporation Tax</b>	10
<b>Miscellaneous</b>	6
<b>Total</b>	147

*Table 11: Audit and Compliance Intervention Activity*

Intervention	Completed 2020	Yield €m	Completed 2019	Yield €m
<b>Comprehensive Audits/ Investigations</b>	748	78.4	1,628	103.7
<b>Multi Tax/Duty Audits</b>	246	12.5	466	24.2
<b>Single Tax/Duty/Issue/Transaction Audits</b>	500	37.2	935	94.7
<b>Total Audit/Investigations</b>	<b>1494</b>	<b>128.1</b>	<b>3,029</b>	<b>222.6</b>
<b>Aspect Query</b>	50,703	307.6	77,442	288.4
<b>Profile Interview</b>	1,048	33.2	2,742	15.7
<b>Appraisals (no further action)</b>	134,576		84,983	
<b>Assurance Checks</b>	396,340	5.9	375,367	7.05
<b>PAYE Checks</b>	10,982	12.6	22,719	13.9
<b>Total Non-Audit/Investigations</b>	<b>593,649</b>	<b>359.3</b>	<b>563,253</b>	<b>325.05</b>
<b>Total Interventions</b>	<b>595,143</b>	<b>487.4</b>	<b>566,282</b>	<b>547.65</b>

*Table 12: Random Audits Completed 2020 v 2019*

Category	2020 Programme	2019 Programme
<b>Sample Size</b>	500	150
<b>Completed</b>	200	113
<b>Total Yield</b>	€2,124	€76,358
<b>With Yield</b>	1	20
<b>Nil Yield</b>	16	46

**Table 13: Summary of Selected Sectoral Intervention Results**

Sector	No. of Audits/ Investigations	Yield €m	Risk Management Interventions (RMIs)	Yield €m	Total Interventions	Total Yield €m
<b>Accounting, Bookkeeping and Auditing Activities</b>	15	0.1	354	3.9	369	4.0
<b>Construction</b>	168	7.2	7,073	17.0	7,241	24.2
<b>Doctors</b>	42	4.4	174	2.6	216	7.0
<b>Solicitors, Barristers and Other Legal Activities</b>	21	15.8	268	2.6	289	18.4
<b>Pubs</b>	33	1.0	710	0.7	743	1.7
<b>Rental</b>	91	6.6	2,128	22.4	2,219	29.0
<b>Restaurants and Fast Food Outlets</b>	43	1.1	1,093	1.5	1,136	2.6
<b>Retailers</b>	131	22.7	4,663	10.7	4,794	33.4
<b>Wholesalers</b>	89	4.0	4,408	12.0	4,497	16.0
<b>Totals</b>	633	62.9	20,871	73.4	21,504	136.3

Note: These results are included in the overall results on Table 12. This table presents a sample of sectors in alphabetical order.

**Table 14: Publications**

Period	Number and Total of Settlements in €m		Number less than or equal to €100k	Number between €100k and €500k	Number between €500k and €1 million	Number greater than €1 million	Number and Total of Court determined penalties €k	
<b>Q1</b>	35	6.0	19	14	1	1	6	850,089
<b>Q2</b>	25	8.5	7	12	3	3	0	0
<b>Q3</b>	17	20.0	9	3	1	4	0	0
<b>Q4</b>	32	16.9	15	11	3	3	0	0
<b>Total</b>	<b>109</b>	<b>51.4</b>	<b>50</b>	<b>40</b>	<b>8</b>	<b>11</b>	<b>6</b>	<b>850,089</b>

*Table 15: Publications by Selected Sector*

Sector	Publications
<b>Company Directors</b>	10
<b>Construction &amp; Related Trades /Property Developers</b>	10
<b>Farmers / Agricultural Services</b>	11
<b>Hauliers</b>	4
<b>IT / Computer/Business Consultants</b>	4
<b>Landlords/ Short-term accommodation</b>	16
<b>Medical Consultants &amp; Related Services</b>	11
<b>Motor Dealers/Related Trades</b>	6
<b>Professionals/PAYE Employees</b>	14
<b>Publicans/Restaurateurs /Take Away Food Suppliers</b>	5
<b>Retailers</b>	11
<b>Wholesalers</b>	5

*A single publication case may fall into more than one sector e.g. someone described as Company Director/Landlord will appear as Company Director and as a Landlord in the table. This table presents a sample of sectors in alphabetical order.*

*Table 16: Drug Seizures*

Type of Drug	No. of Seizures	Quantity (kg)	Value (€m)
<b>Cannabis (Herbal &amp; Resin)</b>	5,053	1,439	28.6
<b>Cocaine, Heroin</b>	161	123.15	10.2
<b>Amphetamines, Ecstasy &amp; other</b>	10,500	3,059	6.0
<b>Total</b>	15,714	4,621	44.8

*Table 17: Excisable Products Seized*

Product	No. of Seizures	Quantity	Value €m
<b>Cigarettes</b>	3,132	48.2m	32.8
<b>Tobacco</b>	1,304	7,189kgs	4.2
<b>Alcohol (Beer, Spirits &amp; Wine)</b>	1,808	764,174 litres	4.2
<b>Illicit Mineral Oil</b>	8	12,038 litres	-
<b>Oil Laundries</b>	2	48,500	-
<b>Vehicles*</b>	501	501	5

*\* Vehicles seized for marked mineral oil offences, Vehicle Registration Tax offences and because of use in connection with alleged offences under Customs or Excise law*

*Table 18: Cash Seizures*

	2020	2019	% Change 2020 v 2019
<b>No. of Seizures</b>	40	52	-23%
<b>Value (€m)</b>	1.4m	809,896	+73%

*Table 19: Cash Forfeiture Orders*

	2020	2019	% Change 2020 v 2019
<b>No. of Forfeiture Orders</b>	35	37	-5%
<b>Value (€m)</b>	561,933	587,367	-4%

*Table 20: Prosecutions for Serious Evasion*

During 2020	Total
<b>No. of ongoing investigations</b>	60
<b>No. of cases referred to DPP</b>	8
<b>No. of cases for which DPP issued directions</b>	10
<b>No. of cases before the Courts</b>	40
<b>No. of convictions obtained</b>	21
<b>No. of summary criminal convictions</b>	248
<b>Total fines imposed €m</b>	<b>€895,545</b>

*Table 21: Civil Penalties for Not Filing Returns*

Non Filing Programme	Cases	Fines
<b>P35 Penalty Programme</b>	59	€0.2m
<b>VAT Penalty Programme</b>	0	0

*Table 22: Mutual Assistance Requests*

Mutual Assistance Requests	Received 2020	Received 2019	Sent 2020	Sent 2019	Closed in 2020	To Hand End 2020
<b>From/To EU Member States</b>	939	1,292	488	538	1,192	382
<b>From/To Other</b>	44	71	14	17	55	39
<b>Total</b>	983	1,363	502	555	1,247	421
<b>Europol</b>	463	538	144	117	607	0

*Table 23: Mutual Agreement Procedures (MAPs)*

	Opening Inventory 01/01/2020	Initiated	Completed	Ending Inventory 31/12/2020
<b>Transfer pricing cases</b>	43	48	11	80
<b>Other non-transfer pricing cases</b>	43	64	27	80
<b>Total</b>	86	112	38	160

*Table 24: Advance Pricing Agreements (APAs)*

Opening Inventory 01/01/2020	Requests Received in 2020	Granted in 2020	Withdrawn by taxpayer in 2020	Ending Inventory 31/12/2020	APAs in force as of 01/01/2020	APAs in force as of 31/12/2020
29	22	5	1	45	3	6

*Table 25: Percentage breakdown of female staff in each grade at end 2020 and 2014*

Grade	2020	2014
<b>Assistant Secretary</b>	38	13
<b>Principal Officer</b>	55	30
<b>Assistant Principal</b>	53	39
<b>Administrative Officer / Higher Executive Officer</b>	54	51
<b>Executive Officer / Staff Officer</b>	65	66
<b>Clerical Officer</b>	68	74
<b>Service Officer</b>	11	14
<b>Total</b>	62	63

*Table 26: FOI Requests*

Category	2020	2019
<b>Received</b>	242	337
<b>Full Release</b>	34	60
<b>Partial Release</b>	121	191
<b>Refused</b>	61	84
<b>Dealt with Outside of FOI/Withdrawn/Transferred</b>	22	37
<b>Request for Internal Review</b>	26	28
<b>Appeal to the Information Commissioner</b>	14	10

*Table 27: Internal & External Reviews*

Case Details	Internal	External	Total
Requests brought forward	2	5	7
Cases admitted in year	0	15	15
<b>Total</b>	<b>2</b>	<b>20</b>	<b>22</b>
Number finalised in year	2	14	16
Decision in favour of customer	0	0	0
Decision against customer	1	9	10
Decision revised/partly revised	1	2	3
Discontinued	0	2	2
On hands at year-end	0	6	6

*Table 28: Complaints Relating to Revenue Completed by the Ombudsman*

Total Completed and Outcome	Number of Complaints
Upheld	14
Partially upheld	2
Not upheld	11
Assistance provided	8
Discontinued/Withdrawn	2
Discontinued premature	0
Outside remit	0
<b>Total</b>	<b>37</b>

*Table 29: Compliance with Prompt Payment of Accounts Act*

Payment Made	Number	Value €	% of Total No. of Payments made
Within 15 Days	11,801	147,567,857	90.41
Within 16-30 Days	1,159	10,343,516	8.88
In Excess of 30 Days	92	366,736	0.71
<b>Total</b>	<b>13,052</b>	<b>158,278,109</b>	<b>100.00</b>
Additional Information	Number	Value €	
Late payment interest paid in 2020	48	2,276	
Compensation costs paid in 2020	48	2,300	

*Table 30: Training 2019*

Training Category	Training Days Delivered
<b>Audit Programme Training</b>	3,846.5
<b>Customer Services/Technical Taxes</b>	3,806.0
<b>Technical Customs &amp; Excise</b>	4,707.0
<b>Computer/IT/Systems</b>	244.5
<b>Management/Soft Skills/Online courses</b>	1,108.5
<b>Collection &amp; Compliance</b>	135.5
<b>Health &amp; Safety</b>	400.5
<b>UL Degree Training Days</b>	3,589.0
<b>Continuous Personal Professional Development</b>	309.0
<b>One Learning Training</b>	2,369.0
<b>Total</b>	<b>20,515.5</b>

*Table 31: Irish Tax Institute – Professional Qualifications*

Award Category	No. of awards 2020	No. of awards 2019
<b>Certificates</b>	483	249
<b>Tax Technician</b>	55	48
<b>Diploma in Tax</b>	31	50
<b>Chartered Tax Adviser</b>	0	4
<b>Total</b>	<b>569</b>	<b>351</b>

*Table 32: University of Limerick 3<sup>rd</sup> Level Qualifications*

Award Category	No. of awards 2020	No. of awards 2019
<b>Diploma in Applied Taxation</b>	137	169
<b>BA (Hons) in Applied Taxation</b>	19	24
<b>Customs Certificates</b>	18	18
<b>MBA</b>	3	3
<b>Total</b>	<b>177</b>	<b>214</b>

# Appendix 1 - Donation of Heritage Items

## Donation of Heritage Items

Section 1003 of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage items to the national collections. The following items were donated in 2020.

- Antique Irish 18th and 19th Century Silver Collection, valued at €550,000
- Comerford Collection and others, valued at €2,500,000

The value shown is the market value of the items.

## Donation of Heritage Property to the Irish Heritage Trust/Commissioners of Public Works in Ireland

Section 1003A of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage property to the Irish Heritage Trust or the Commissioners of Public Works in Ireland.

There were no donations under this scheme in 2020.





**Available via the Revenue website**

**[www.revenue.ie](http://www.revenue.ie)**

**ISSN 16495292**

**Dublin Castle**

**April 2021**