

Minutes of TALC Indirect Taxes Sub-Committee Meeting

10:30am, Thursday 26th February 2026

Conference Room – Bishop’s Square, Dublin 2

Item 1: Minutes of previous meeting

The draft minutes of the November 2025 meeting were agreed.

Item 2: Matters arising

2.1 Action Points from last Meeting

- a) Provide written responses to scenarios relating to Second Sale Post Completion/Two Year Rule Revenue issued a response to the Indirect TALC members on 13 February. The Law Society advised that they are reviewing Revenue’s response and will revert in due course.
- b) Law Society to submit factual/contractual scenarios to inform examples for Revenue guidance on 9% rate for apartments.
Revenue thanked the Law Society for sending the documentation as agreed.

2.2 TALC Sub-groups

As previously agreed, the sub-group on **VAT Groups** will remain active for a further period to provide a forum where practitioners and Revenue can discuss any additional matters that arise in this regard. Revenue advised that they have not received many queries relating to the updated guidance for VAT Groups and encouraged the members to engage with Revenue as soon as possible if issues or questions occur.

A meeting of the **Co-ownerships/ Partnerships** sub-group is scheduled for 19 March.

A meeting of the **VAT Modernisation** sub-group was held on 13 February. Next meeting will be scheduled when necessary to meet.

2.3 Second Sale Post Completion/Two Year Rule

As per update at point 2.1 above.

Item 3: VAT Modernisation Update

Revenue advised that the definition of a Large Corporate for the purposes of Phase I of VAT Modernisation is entities established, or with a fixed establishment, in Ireland, whose tax affairs are dealt with in Large Corporates Division. The definition was provided on 10th February. Revenue confirmed they will shortly be communicating with those included.

Revenue are continuing to engage with stakeholders who have reached out to us. This will continue throughout 2026. Sectoral workshops are expected to be scheduled in 2026.

Explanatory notes for the DRR (2nd draft), Single VAT Registration (1st draft) and Platform (1st draft) were published by the Commission last week. These will be discussed at Group on the Future of VAT meeting on 3rd March and the VAT Expert Group on 13th March.

The Law Society raised two queries:

1. The understanding is it will be mandatory to issue sales e-Invoices in a structured electronic format (for example, XML) that complies with a European Standard called EN16931 from 1 November 2028. Subsequently in order to recover the input tax by the said taxpayers a valid invoice is required to make a claim. Are we saying come 1 November 2028, taxpayers under the LCD should investigate if all Accounts Payable transactions are processed with a valid e-invoice to be eligible to claim VAT refunds as well?

Revenue advised that such taxpayers are obliged to issue structured eInvoices, and to receive structured eInvoices when their supplier issues one. They have no obligation to check whether the issuer is issuing a correct format i.e. eInvoice or otherwise.

2. The Phase One publication does not specifically explain on single VAT registration or VAT Groups that have tax affairs monitored under the LCD. Could you confirm if a member of a VAT Group that is monitored by the LCD have any obligation(s) to the e-invoicing as a stand-alone taxpayer or not? Would the member use their own VAT number when issuing e-invoices?

Revenue advised that if the taxpayer is managed in LCD (presumably they are), they are also obliged to issue an eInvoice. The test is where their tax affairs are dealt with, and all group entities should be in the same Division. There is no change to what VAT number is included on the eInvoice – those rules stay the same.

Item 4: EU Update

Revenue provided an update on EU developments relevant to VAT. The following were the main points:

The current file being negotiated is on granting auto access to EPPO (European Public Prosecutors Office) and OLAF (anti-fraud office) to VAT data. There have been three meetings to date and two versions of the text. The next meeting will take place on 4th March. While it was previously intended that the file would be ready for submission to March ECOFIN, it will not go to that meeting.

Ireland will take over the Presidency of the European Council on 1 July 2026. The overall themes and priorities for our Presidency and with the trio (Ireland, Lithuania, Greece) continue to be prepared and will be published shortly before the presidency term commences.

VAT items Revenue expected under Ireland's Presidency:

- EPPO and OLAF file closure (if not already achieved by Cyprus, current Presidency);

- Expected proposal for extension of the optional reverse charge mechanisms in articles 199a and 199b, which are due to expire 31 December 2026;
- Existing proposal for removal of the €150 limit for use of IOSS which is dependent on progress under Customs Reform;
- Existing proposal for extension of IOSS to supplies from a new form of customs warehouse which is dependent on progress under Customs Reform;
- New proposal regarding the Travel Operators Margin Scheme, expected from the Commission in Q4 2026, following the public consultation in late 2025 and a Fiscalis in March 2026.

Other EU matters mentioned included:

- Securitisation of IOSS number which is currently being considered by a Fiscalis project group. A “right to use” token is the current preferred option. A pilot is due to start in July 2026 and run throughout 2026 and view to make recommendations in early 2027.
- €3 per item customs duty expected to be introduced in July, and a handling fee expected to be introduced in November. EU is working through the process of introducing the duties at the moment. Revenue will issue guidance when the details are clarified.

The ITI asked for an update on the Commission’s Financial Services review. Revenue advised that it is still being considered.

Item 5: Any Other Business

5.1 VAT treatment of Debt factoring and invoice discounting

Revenue is reviewing the VAT treatment of debt factoring and invoice discounting following the judgement issued by the Court of Justice of the European Union (CJEU) in the case of Kosmiro (C-232/24).

5.2 Self-Directed Bonds

Revenue advised that they are reviewing this TDM as part of the normal review process and would like to know if these products are still sold and if so, are they still the same as those that are covered by the TDM. The members agreed to consider the existing guidance and provide information on the current use of self-directed bonds.

5.3 2026 Work Plan

The work plan for 2026 was agreed.

CAI asked about VAT56A, which remains on the workplan. Revenue confirmed their work on this matter is continuing and that they will engage with Indirect TALC later in 2026.

5.4 New and Updated Guidance

Revenue noted the range of VAT guidance (both new and updated) that had issued in recent months, some following the recent Finance Act measures:

- VAT rate for qualifying apartments (8 October 2025 to 25 November 2025)
- VAT treatment of the supply and construction of qualifying apartments and apartment blocks from 26 November 2025 to 31 December 2030
- VAT treatment of the hire of a room
- VAT treatment of broiler chicken services (updated)
- VAT treatment of the Special Flat-rate scheme for Farmers (updated)
- VAT treatment of Waiver of Exemption
- VAT Treatment of Extended Warranties
- VAT Deductibility for Insurance & Reinsurance
- VAT Treatment of establishing and managing a pension scheme
- VAT Treatment of the management of pension schemes
- Transitional VAT Groups
- VAT groups
- Territorial Scope of VAT Groups

5.5 VAT Treatment of Apartments

The Law Society raised a query relating to application of the anti-avoidance rules under S.64 of the VAT Consolidation Act 2010 where there is a reduction in the rate of VAT on the sale of apartments between connected parties. Revenue advised that it does not see an issue in this regard.

Revenue indicated that the guidance relating to the Capital Goods Scheme is currently being reviewed and may be updated to include the CGS anti-avoidance rules in the future as they are currently not provided for in the guidance.

5.6 Registrations

The ITI advised that its members are still having problems in relation to VAT registrations. They are gathering more information and may wish to include the item on the agenda at the next meeting.

Next Meeting

The next meeting of Indirect TALC will take place on 10 June 2026.

Action Points

Action Points	Agenda Item	Responsible	Timescale
Circulate the text of the Law Society's VAT Modernisation query to members	3	Secretary	After meeting
Members to provide information on the use of self-directed bonds	5.2	Indirect TALC Members	Before next meeting

Attendees

Chartered Accountants Ireland

Gearóid O'Sullivan (attended remotely)

Irish Tax Institute

Oonagh Carney

Gabrielle Dillon

Barry McNamara

Lorraine Sheegar

Law Society

Matthew Broadstock

Donal Kennedy

Revenue

Anne Dullea

Chad Egan

Ita Foster

Deirdre Hanlon* - Indirect TALC Chair 2025

Amy Prendiville - Secretary

*Designated Public Official, Regulation of Lobbying Act 2015