

Minutes of TALC Indirect Taxes Sub-Committee Meeting

10:30am, Wednesday 10th June 2026

Conference Room – Bishop’s Square, Dublin 2

Item 1: Minutes of previous meeting

The draft minutes of the February 2026 meeting were agreed.

Item 2: Matters arising

2.1 Action points from last meeting

- a) *Circulate the text of the Law Society’s VAT Modernisation query to members*

This was done immediately after the February meeting.

- b) *Members to provide information on the use of self-directed bonds*

Revenue advised at the previous meeting that they are reviewing this TDM as part of the normal review process and requested feedback, if possible. The review is now completed and the TDM will remain as is.

2.2 TALC subgroups update

- a) Partnerships/Co-ownerships – A meeting was held on 19 March and Revenue are now preparing an internal report summarising their findings.
- b) VAT Modernisation – The subgroup met on 13 February. Although no further specific matters have arisen requiring detailed sub-group level discussion since then, VATMod (incl. ViDA implementation) continues as a standing agenda item for every meeting of the full Indirect TALC – see item 4 below.
- c) VAT Groups – This subgroup remains standing during the transition period for implementation of the new guidance on VAT Groupings that issued in late 2025, as a forum in the event that matters emerge on which TALC engagement would be useful. No meetings have been needed so far this year at this time. Revenue reminded the practitioner members of Indirect TALC to advise their clients to contact Revenue as soon as possible should they need to discuss the required restructuring and timelines. The members confirmed that their clients are taking the change seriously and are putting plans in place at the moment, but noted the advice to approach Revenue early in the event that issues arise.

2.3 Second Sale Post Completion/Two Year Rule

Following Revenue’s response in February to the Law Society’s queries about this matter, Revenue had received a further submission from the Law Society on 21 April 2026, and one too from the ITI on 9 June. Both further submissions are currently under consideration, and Revenue expects to reply before the next meeting.

Item 3: Finance Bill 2026

This item was added to the agenda with the agreement of the members. Revenue gave an update on the Finance Bill which is currently before the Houses of the Oireachtas and which had passed Second

Stage debate in the Dáil on the previous evening. The purpose of the Bill, which was published on 14 May, is to give a permanent statutory basis to the Excise Duty measures that were passed by the Dáil via a number of Financial Resolutions on 24 March and 14 April. The measures were part of the Government's package of emergency supports introduced to counter the adverse impact on businesses and households arising from the sharp increases in fuel prices on foot of the conflict in the Middle East.

Item 4: VAT Modernisation Update

Revenue gave the following update on the progress of the VAT Modernisation process:

- The next iteration of the EU Commission's draft of the explanatory notes for DRR and Platforms is due shortly for consideration at an online joint meeting of the VAT Expert Group and the Group on the Future of VAT on Thursday 25 June. There will be a further meeting in November with a view to publishing finalised versions of the explanatory notes in early 2027. The eCommerce guidelines are being updated for 1 January 2027 SVR changes with a total revision to be done for changes from 1 July 2028.
- The EU ViDA Implementation Work Plan for 2026 was published 21 May. Ireland's implementation is very dependent on clarity at EU level regarding a number of operational and policy matters. These include the definition of the Common Electronic Message, the finalisation of the Explanatory Notes for all three strands, and the decision on the amount and rate of VAT to be reported by the customer for cross-border supplies.
- The Fiscalis group which is considering reportable fields, also known as the Common Electronic Message, continues its work. This is expected to be finalised in Q3 2026.
- The EN standard for eInvoicing issued in March 2026.
- Revenue will participate in the Peppol ViDA pilot testing programme, which includes the first iteration of the digital reporting system build. The intention at EU level is to have the full digital reporting system available for public interface testing in 2028. The development of the national VIES system will follow in 2029, in preparation for the commencement of intra-community digital reporting in July 2030.
- Stakeholder engagement continues with businesses who have requested, software and service providers, tax practitioners, and industry representative groups. Insights, queries and engagement requests can be submitted to vatmodernisation@revenue.ie. Revenue is also engaging with other Member States who are at different stages of implementation. A Fiscalis is being organised in Dublin in October to do a deeper drive.

Revenue reminded practitioner members that letters issued in April to LCD customers who are likely to be included in Phase 1 as well as to their agents. The letters issued to ROS inboxes. Revenue noted that there has been a relatively low level of engagement with these notices so far, and encouraged

the representative bodies to remind their members to open the correspondence and to engage accordingly.

Finally, Revenue noted that a new VAT3 web service is available for testing in the PIT3 environment. This is to allow software packages integrate to ROS to auto upload VAT3s. Heretofore, figures had to be manually input into ROS.

The ITI asked when further guidance would be published in relation to the Irish VAT Modernisation process. Revenue reconfirmed its commitment to providing clear guidance as soon as possible throughout the VAT Modernisation process, and that this needs to be balanced with ensuring the position is sufficiently clear at EU level to avoid issuing national level guidance that could later need to be amended. As indicated earlier, several matters remain that require more clarity and resolution at EU level in order to inform national implementation and national guidance. Revenue advised that the outlook on some of these could become clearer following discussions at the EU meeting scheduled for 25 June.

Item 5: EU Update

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

- The proposal to grant EPPO and OLAF access to VAT data under Regulation 904/2010 was agreed at ECOFIN on 4 May under the Cyprus presidency. The proposal is currently going through the formal adoption process (next step expected to be in July 2026 when the legal linguistic version of the proposal should be approved) and it will be effective 20 days after publication in the Official Journal. Ireland has announced its intention to join EPPO in 2027.
- The Presidency programme, logo and website were published and launched by the Taoiseach, Tánaiste and Ministers McEntee, Byrne and Canney later on the day of the meeting (10 June). The overall priorities will be focused on three broad thematic pillars: the areas of competitiveness, values and security. These themes are mutually reinforcing and will guide all aspects of the Irish Presidency's work. There will be a televised opening ceremony on 1 July 2026 at Dublin Castle.
- The agenda for the online joint meeting of the VAT Expert Group and the Group on the Future of VAT on 25 June also includes a presentation on the final reports from studies on the taxation of Financial Services, and the challenges of VAT beyond ViDA.
- The new €3 Customs Duty on B2C parcels with an intrinsic value of €150 or less is coming into effect on 1 July 2026. The EU has published guidelines on its operation.
- EU Inc – The 28th Regime Corporate Legal Framework. The current iteration of the text allows Member States to request additional information before issuing a VAT number. The intention is to have a finalised legal text by the end of the year.

Revenue advised that the following VAT files are expected to progress under Ireland's Presidency:

- IOSS – the removal of the €150 limit for use of IOSS and extension to new IOSS warehouses. This was not finalised by Cyprus so will be picked up by Ireland. Several Member States have reservations regarding the security of IOSS. The Fiscalis Group FPG053 continues to work on this and are proposing to introduce a fast track approach for platforms to secure IOSS when the €3 customs duty comes into effect, using a 'right-to-use' token. They expect to have it rolled out in early Q4 2026.
- 199a/199b – These Articles allow the use of reverse charge for certain high-risk sectors and are due to expire at the end of 2026. The Commission is to publish a proposal, after the summer, to extend the date.
- TOMs – A proposal is expected to be published by the EU Commission and presented at one of the working party meetings before the end of the year. There was a Fiscalis on 19 and 20 March on the topic. There are diverging views, as expected, in line with the factual summary report on the public consultation which was published by the EU Commission in May 2026.
- ViDA implementation – There will be a half day working party meeting for updates to be provided by all Member States on their implementation plan, towards the end of the Irish Presidency.

Revenue noted that, on the Excise side of Indirect Taxes, the Tobacco Tax file will also be a considerable active file during the Irish Presidency. Discussions have been underway at EU Council Working Party since the EU Commission's publication in July 2025 of its proposal to recast the Tobacco Tax Directive. The recast proposal has two key strands:

- to change the basis on which minimum rates are calculated for tobacco products and to increase the minimum rates that a Member State may apply. This strand of the proposal is unlikely to have a material impact for Ireland as, for public health policy reasons, Ireland's taxation of tobacco is practically the highest in the EU and the rates here of Tobacco Products Tax are substantially above both the current and likely future EU minimum rates.
- to extend the scope of the Directive beyond 'traditional' tobacco products to encompass also 'novel' or 'alternative' products including e-cigarettes/vapes and nicotine pouches. The proposal will introduce minimum rates for these products. Importantly, it will also bring them within the scope of the EU-wide Excise Movement and Control System (EMCS), which will support more effective application of the excise duty as part of the EU harmonised framework. This strand of the proposal will substantially strengthen the context within which Ireland's new E-Liquid Products Tax will operate in the future.

In addition, on the Energy side, discussions will be progressed in the Energy Working Group (a non-tax forum) during the Presidency about the EU Commission's recently published proposals for the

electricity market that will reference aspects of the Energy Tax Directive relevant to the taxation of electricity. As Ireland already operates very low rates of Electricity Tax (total yield c.€6m per year), this aspect of the proposal is not expected to have a material impact for Ireland.

Item 6: Any Other Business

6.1 Change in definition of accountable person

At the Co-Ownerships and Partnerships Subgroup meeting on 19 March it was noted that there had been a 2025 legislative change to the definition of an accountable person (arising from implementation of the SME scheme) that results in a change regarding election for VAT registration. The Irish Tax Institute has since submitted a note on this matter. Revenue thanked them for the note and advised that a review of the matter has commenced, and an update will be given once that has been completed.

The ITI noted that its members are facing practical challenges following updates to the TR1 and TR2 forms after the legislative change, in particular, where a taxpayer expects to reach the threshold and registers in advance it is now treated as an election to register, and therefore could be subject to a clawback of refunded VAT should they deregister in the future.

The Law Society noted that they are seeing some uncertainty in the market and added complexity in TOB cases.

6.2 Updates to the Tax and Duty Manual on Relevant Contracts Tax

This item was brought forward by the Irish Tax Institute following the update to TDM Part 18-02-01 Relevant Contracts Tax: Relevant Operations, concerning the VAT treatment of Relevant Operations when subject to, or not subject to, RCT. There was detailed discussion between practitioners and Revenue at the meeting. Practitioners raised concerns regarding the use of the term “materials” in the RCT TDM, as many services involve the provision of goods/materials. Typically, the VAT rate applying in such cases is based on the nature of the service as a whole, rather than there being a supply of a service and a separate supply of goods (for RCT purposes).

The updated RCT guidance also indicates that a “contract for the supply and installation of systems” should now be split for RCT and VAT purposes, which might now suggest that such transactions comprise two separate supplies for VAT purposes. There is a concern if it is now the case that RCT applies to only a portion of the payment and there are two separate VAT treatments (i.e. a supply of goods and a supply of installation services).

Revenue advised that they are currently reviewing the note submitted by the ITI and will engage with RCT/Direct taxes on the matter. They enquired as to whether the ITI had engaged with Direct TALC on the matter as it relates to RCT guidance. Revenue also invited ITI to send in further information regarding current and past practices in this area.

6.3 Update on the review of the VAT56B process

In response to a query from CAI regarding progress, Revenue advised that its internal review is continuing. In noting, with thanks, the CAI's offer to meet on the topic, Revenue reconfirmed its commitment to re-engage with TALC members when the internal work is complete.

6.4 VAT Guidance published since last meeting

- VAT Treatment of Debt Factoring and Invoice Discounting
- Guest and Holiday Accommodation
- Restaurant and Catering Services
- VAT and Customs Treatment of the Movement of Second-Hand Motor Vehicles from Great Britain and Northern Ireland

6.5 Next meeting

It was confirmed that the next meeting of Indirect TALC will be held on 9 September.

Action Points

Action Points	Agenda Item	Responsible	Timescale
Revenue to consider submissions relating to Second Sale Post Completion/Two Year Rule and issue response	2.3	Revenue	Before next meeting
Revenue to consider submissions relating to accountable persons and issue response	6.1	Revenue	Before next meeting
Revenue to consider submissions relating to RCT and consult with Direct Taxes	6.2	Revenue	As soon as possible
ITI to liaise with Direct TALC re RCT guidance	6.2	ITI	As soon as possible
ITI to consider submitting details outlining past and current practices re constructions services and materials.	6.2	ITI	As soon as possible

Attendees

Chartered Accountants Ireland

Noreen Lehane

Mairead Hennessy (attended remotely)

Irish Tax Institute

Oonagh Carney

David Duffy

Eamonn McCallion

Lorraine Sheegar

Law Society

Matthew Broadstock

David Lawless

Trish McCarvill

Revenue

Anne Dullea (attended remotely)

Chad Egan

Ita Foster

Deirdre Hanlon* - Indirect TALC Chair 2026

Amy Prendiville - Secretary

*Designated Public Official, Regulation of Lobbying Act 2015