

Minutes
Indirect TALC Meeting
5th December 2018 @10.30 am
Basement Conference Room, Stamping Building, Dublin Castle

Item 1 – Minutes of the last meeting

- The minutes of the meeting held on 3rd October 2018 were approved.

Item 2 – Holding companies and deductibility - Larentia and Minerva (C-108/14)

- It was noted that a number of judgments were published by the CJEU recently which would be of assistance in finalising guidance in this area. Revenue stated that draft guidance was at an advanced stage and expected to be published in Quarter 1 of 2019.
- In response to a request for consultation on the text of the planned guidance, Revenue stated that while its preference is to consult and get input from the Committee, this had given rise to difficulties recently with the content of draft guidance being quoted in discussions with Revenue caseworkers about specific cases. In the circumstances, Revenue indicated that it would have to adopt a much more cautious position in relation to consultation in future unless it was satisfied that draft guidance would not be used in this way.
- Committee members agreed to consult with their representative bodies on the matter and the Committee can discuss again at a future meeting. There was strong consensus on the desirability and value of consultation when preparing guidance.

Item 3 – Website: Feedback on VAT content

- **Notification of changes to website content:** Members stated that because notifications do not issue when website content is updated, they do not know what content has been updated or when it was updated. Revenue noted this but highlighted that the main content that members relied on was in the TDMs for which notifications are issued. Revenue also noted that the majority of amendments to website content contain no VAT technical amendments but are merely content being rewritten in plainer language.
- **“Contact us” page:** Revenue advised the Committee that changes would be made very shortly to improve its clarity.

Item 4 – Administration of Electronic VAT Refunds

- It was noted that a detailed submission had been received in the last week from members in relation to the administration of Electronic VAT Refunds. Revenue agreed to consider the submission and revert with responses.

Item 5 – Transfer of Business

- The Committee asked for a response to questions raised with Revenue in July prior to the publication of the revised TOB guidance. Revenue responded that they had not planned to reply to the comments received in advance of publication; they had undertaken to review final comments and suggestions and then proceed to publication. In light of this request, Revenue will consider the questions raised and respond unless the content gives rise to the concerns expressed under item 2.
- It was agreed that this item could be removed from the agenda.

Item 6 – Vouchers

- It was noted that the regulations had been delayed slightly due to very late submissions by some of the industry players. Revenue stated that explanatory notes would be issued immediately on signing of the Regulation by the Minister.

Item 7 – Finance Bill 2018

- It was noted that Finance Bill 2018 was at Seanad stage and members were given an opportunity to raise questions in relation to Indirect Taxes amendments.
- The removal of section 94(7)(e) from the VATCA 2010 was discussed. In light of the amendment, members suggested that clarification of the meaning of “in the course of a business of developing immovable goods” in section 94(8)(b)(ii) would be helpful. Revenue agreed to consider this.
- Members queried the rationale for changes in relation to VRT. It was noted that this was a policy decision by the Minister and that his rationale for the change was provided in the Dail at Committee and Report stage and members can access this record.

Item 8 – EU Update

- Revenue provided an update on EU matters including the Administrative Cooperation Proposal, the General Reverse Charge Mechanism, E-publications, VAT rates, the Definitive regime, the SME package and implementation of the Ecommerce package. A more detailed note on these packages is attached.
- Revenue encouraged Committee members to keep up to date with legislative proposals, which can be very technical, and to communicate any concerns or issues they have so that these can be considered when adopting Ireland’s position.
- They were also reminded of the channels available through EU representative bodies to participate in the policy making process.

Item 9 – AOB

- Compulsory Purchase Order (CPO) – Revenue agreed to reconsider the wording in relation to CPOs on the website.
- Distance sales – Members queried when a distance seller was required to register for VAT in Ireland. Revenue stated that they were not aware of any issues in this area and that the position was clearly set out on the website and associated TDM.
- Food supplements – Revenue stated that guidance in this area would be issued soon.
- Chair for 2019 – It was noted that Kevin Elliot (CCAB-I) would take over as chair for 2019.
- Staff secondments - Revenue confirmed that they had received correspondence in relation to this topic and would respond in due course. Revenue agreed to consider the consistency of the wording used in the associated TDM.
- Companies moving to Ireland – Members queried Revenue’s approach to answering technical queries from companies moving to Ireland and suggested that difficulties can arise in getting necessary advice on the tax treatment of planned business activities. Revenue stated that while they cannot answer hypothetical queries, it is their policy to answer genuine technical queries and that any difficulties encountered should be raised with ITPLD. Revenue will raise awareness internally through the VAT Network.

Action Points	Responsible	Timescale
Revenue to issue guidance on holding companies' deductibility	Revenue	Q1 2019
Members to consult representative bodies in relation to the consultative process at Indirect TALC	Members	Next meeting
Revenue to consider submission received in relation to the administration of EVRs	Revenue	Next meeting
Revenue to consider publication of guidance clarifying the meaning of wording of S94(8)(b)(ii)	Revenue	Next meeting
Revenue to reconsider wording in relation to CPOs on the website	Revenue	Next meeting
Revenue to consider wording in staff secondments TDM	Revenue	Next meeting

Attendees

ITI

Gabrielle Dillon
Breen Cassidy
Finbarr O'Connell

CCAB-I

Kevin Elliott
Crona Clohisey

Law Society

Michael O'Connor
Donal Kennedy
David Lawless

Revenue

Gerard Moran* (Chair)
Sinéad O'Meara (Secretary)
Ita Foster
Dermot Donegan
Humphrey O'Sullivan
Ian McCarthy
Lena McNamara

Apologies

CCAB-I

Norah Collender

*Designated Public Official, *Regulation of Lobbying Act 2015*