

## Minutes of TALC iXBRL Sub-Committee meeting

**Date:** 20 February 2018

**Location & time:** Revenue Large Cases Division, Ballaugh House, Mount Street, Dublin 2.

### Item 1: Minutes of previous TALC iXBRL Sub-Committee:

Minutes of the meeting of 22 November 2017 were agreed.

Minutes will be published in accordance with the procedures agreed at main TALC.

### Item 2: Update of Action Points arising from last meeting

**Three Action Points** from the prior meeting were addressed together by DR:

1. Revenue to review the withdrawal of the IE GAAP taxonomy following the closure of the consultation period on the DPL and release an eBrief setting a date for its withdrawal.
2. Revenue to issue an eBrief in respect of a date for withdrawal of the IE IFRS taxonomy.
3. Revenue to release an eBrief regarding Section 110 companies stating that the use of the FRS 102 taxonomy does not constitute an election to file Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP and advise that the FRS 102 taxonomy is to be used by such companies following the future withdrawal of the IE GAAP taxonomy.

DR advised that one eBrief would issue in respect of all of these Action Points. At the time of meeting, Revenue were in the process of working on the Detailed Profit and Loss (DPL) taxonomy, so DR stated that the eBrief would not be issued until such time as the work on the DPL was complete and Revenue had a better line of sight as to when it might be feasible to withdraw the IE GAAP and IE IFRS taxonomies.

Practitioners enquired into whether there would be a phase-out period for the old taxonomies and also asked whether the draft eBrief in respect of these matters might be distributed to the sub-committee before publication.

Revenue replied that sufficient time would be allowed for practitioners and software providers to deal with the withdrawal of the old taxonomies and stated that it would be possible for practitioners to see the eBrief before its issue and make suggestions which would be considered by Revenue before the eBrief issued.

**Action Point:** Revenue to update iXBRL FAQs with regard to superseded taxonomies – DR advised that this had been completed and published in January 2018.

**Action Point:** Practitioners to provide specific examples of incomes or expenditures not covered by the DPL for which they feel there should be a tag – DR noted that there had been no specific

examples provided by practitioners to date and advised that, following the closure of the DPL consultation period in November 2017, it had been suggested that there were no purchases tags in the DPL and, accordingly, Revenue would add a group of tags for purchases.

**Action Point:** Revenue to liaise with ROS colleagues in an effort to resolve the multiple financial statements upload issue and notify practitioners when resolved – DR noted that this issue had been resolved in November and practitioners responded that there were no current issues with this facility of which they were aware.

**Action Point:** Revenue to liaise with ROS colleagues to try to fix the issue of submissions being left at ‘processing’ – DR advised that ROS colleagues had been contacted about this issue and it was expected to be ongoing for now, although it was noted that this does not occur very often.

Practitioners enquired into the status of iXBRL submissions stuck at ‘processing’ and asked whether Revenue would clarify the actions to be taken by filers in such circumstances. It was pointed out that this issue could affect group relief claims on the basis that filers are obliged to self-restrict group relief where a CT1 return is considered incomplete, so clarity on this point would be welcome.

**Action Point arising:** Revenue to consider its position on iXBRL submissions stuck at ‘processing’ and whether there might be a need to update the iXBRL FAQs and other Tax and Duty Manuals, such as the Group Relief manual.

**Action Point:** Revenue to review method of counting the average number of employees and advise practitioners on proposed course of action to resolve the different methodologies apparently being used. Result of review to be published in FAQ and TDM.

DR advised that this item was not yet completed as senior management had yet to approve the recommendation that the method of calculating the average number of employees under S317 of the Companies Act 2014 should be sufficient to allow a Corporation Tax payer to avail of a waiver from iXBRL filing. This is on the basis that financial statements are prepared in accordance with the Companies Act 2014 and a person might have a reasonable expectation that the average number of employees as calculated in accordance with that Act would be the measurement criterion applied by Revenue in determining whether the company has an iXBRL obligation.

**Action Point:** Practitioners to provide information on different methods applied by districts in calculating average number of employees – DR noted that no written submissions had been received in this regard, although a number of examples had been provided verbally at the meeting of 22 November 2017.

**Action Point:** Revenue to review whether companies in liquidation might be able to self-certify that assets available for distribution are less than €25k and also investigate options with regard to the request to have an option on the CT1 for filers who have been granted the waiver.

Regarding self-certification, Revenue advised that the current practice is that applications for the waiver may be made on a case-by-case basis. This is a discretionary waiver that will not be given to all applicants, as such it would not be appropriate for Revenue to allow self-certification in such circumstances as Revenue would be foregoing its opportunity to review whether the applicant has

met “all obligations under company law and all tax related requirements” before granting the waiver or otherwise.

With regard to a box on the CT1 for filers who have been granted the waiver, Revenue replied that this would not be possible as the purpose of the iXBRL pages on the CT1 was to establish a company’s iXBRL status, so it would not be possible to put a box on the CT1 saying that a company has been granted a waiver when the waiver can only be granted after a company has acknowledged its iXBRL obligations on the CT1.

**Action Point:** Revenue to remind colleagues in the districts that financial statements should not be requested under any circumstances where they have already been filed via iXBRL – DR advised that this had been done.

**Action Point:** Revenue to notify practitioners and software providers where it is known that the test site will require downtime – this will be an ongoing action point and it was noted that there has not been any down time on the test site since the last meeting.

**Action Point:** Revenue to adjust FAQ to make it clear that the inactive company waiver also applies to LCD cases – DR advised that this was still to be completed.

### **Item 3: Revenue DPL taxonomy and mandatory use - update**

#### **Current status**

The combined entry points for the DPL released in October 2017 for use with the FRS 101/102 and EU IFRS taxonomies cannot currently be accessed.

Revenue explored solutions for addressing this issue and it has now become clear that it will be necessary to host the combined taxonomies on a third-party website.

The combined entry points of the DPL are currently being amended to reflect its move to the third-party website and it is hoped that this work will be completed in the coming weeks.

#### **DPL improvements**

During the consultation period on the DPL, it was pointed out that there were no tags for ‘Purchases’ in the DPL, so it is Revenue’s intention to update the DPL with a number of ‘Purchases’ tags at the same time that its combined entry points are amended.

#### **DPL mandatory items**

The current DPL contains mandatory tags for turnover, gross profit, profit before tax and income tax expense or credit.

As per the iXBRL FAQ “What items should be included in the iXBRL file to be submitted to Revenue?”, completion of the “Extract from Accounts” section of the Form CT1 is not mandatory

where the Financial Statements are submitted and fully tagged in iXBRL.

From Revenue's perspective there should be no loss of detail in the iXBRL Financial Statements in respect of items which previously would have been declared in the form CT1. However, an analysis of incoming data shows that there are a number of submissions where the minimum detail as required in the CT1 "Extracts from Accounts" is not tagged.

Accordingly, Revenue proposes to change the number of mandatory tags in the DPL and FRS/IFRS taxonomies to ensure that the same minimum detail as is required in the CT1 "Extracts from Accounts" is tagged in iXBRL submissions.

The proposed mandatory tags will be:

<b>CT1 Mandatory Item</b>	<b>iXBRL Mandatory Item</b>	<b>Taxonomy</b>
Sales / Receipts / Turnover	DPLTurnoverRevenue	DPL
Receipts from Government Agencies - GMS, etc.	DPLGovernmentGrantIncome	DPL
Other Income	DPLOtherOperatingIncome	DPL
Gross Trading Profits	DPLGrossProfitLoss	DPL
Salaries / Wages, Staff Costs	DPLStaffCostsEmployeeBenefitsExpense	DPL
Sub-contractors	DPLSubcontractorCosts	DPL
Profit (loss) on ordinary activities before taxation	DPLProfitLossBeforeTax	DPL
Shareholder's Funds	Equity	FRS/IFRS

Revenue will also remove the current mandate on DPLIncomeTaxExpenseCredit.

Practitioners welcomed the addition of the list of tags as it would help inform the format of the DPL which Revenue required.

Revenue replied that the mandatory tags were in no way intended to constitute a 'pro-forma' DPL or minimum tagging list. The purpose of the mandatory tags is to ensure that there is no loss of data between those Corporation Tax filers who complete the CT1 "Extracts from Accounts" and those who file iXBRL financial statements. As per the iXBRL FAQ "What format or layout does Revenue require for the iXBRL DPL?", Revenue's requirements should be met if a business fully breaks down its DPL income and expenditure items and uses all relevant DPL tags in the accepted taxonomies.

Practitioners asked whether Revenue would publish guidance on the use of the mandatory tags for non-standard accounts such as those of insurance companies, banks and S110 companies, much as they had done with Tax Briefing 53 of 2003 concerning the introduction of the CT1 "Extracts from Accounts".

**Action Point arising:** Revenue to consider what guidance on the use of mandatory tags may be of use to filers of non-standard accounts and whether that guidance might be included in the proposed eBrief as referred to in Item 4 below.

#### **Item 4: Future restrictions of the older taxonomies (i.e. IE IFRS and IE GAAP) and proposed**

**timeline for phasing out use of these older taxonomies.**

In line with practitioners' request that, where possible, significant updates and changes to the iXBRL filing process be grouped and scheduled for release together, it is Revenue's intention withdraw the IE IFRS and IE GAAP taxonomies from use at the same time as the updated DPL is made mandatory.

Accordingly, it is not yet possible for Revenue to propose dates for the withdrawal of the IE IFRS and IE GAAP taxonomies due to the ongoing work on the DPL.

Once the DPL is ready, Revenue will issue a draft eBrief to the sub-committee outlining the proposed dates for the withdrawal of the IE IFRS and IE GAAP taxonomies and the mandatory use of the updated DPL taxonomy, together with a statement that the use of the new FRS/IFRS taxonomies would in no way constitute an election to file Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP and advise that the FRS 102 taxonomy is to be used by such companies following the future withdrawal of the old taxonomies.

**Item 5: AOB**

Practitioners raised a query regarding companies with long accounting periods and how the Phase II criteria were applied in such circumstances, asking whether it might be appropriate to pro-rate values given the long accounting period.

Revenue responded that this would not be feasible due to the fact that turnover may not accrue evenly over the course of the accounting period, the balance sheet total at a particular CT1 period end could not be known and the calculation of the average number of employees would be calculated over the whole of the long accounting period.

**Action Point arising:** Revenue to add a new FAQ to the iXBRL FAQs to clarify their position in this regard.

Next meeting is scheduled for 18 April at 10.00 a.m. in Ballaugh House.

<b>Action Point</b>	<b>Responsible</b>	<b>Timeline</b>
Revenue to complete its review of how the average number of employees will be calculated for iXBRL purposes.	Revenue	As soon as possible
Revenue to adjust the FAQ to make it clear that the inactive company waiver also applies to LCD companies.	Revenue	As soon as possible
Revenue to consider its position on iXBRL submissions stuck at 'processing' and	Revenue	As soon as possible

whether there might be a need to update the iXBRL FAQs and other Tax and Duty Manuals, such as the Group Relief manual.		
Revenue to consider what guidance on the use of mandatory tags may be of use to filers of non-standard accounts and whether that guidance might be included in the proposed eBrief as referred to in Item 4 of these minutes.	Revenue	As soon as possible
Revenue to update the iXBRL FAQs with a new FAQ stating that companies with long accounting periods will not be able to prorate the iXBRL deferral criteria.	Revenue	As soon as possible

**Attendees:**

**Revenue:**

Eugene Creighton (Chairman)

James Fagan (Secretary)

Dave Russell

**CCAB-I:**

Kimberley Rowan

Aileen Carroll

**XBRL Ireland:**

Karen Angley

**ITI:**

Cáit Monagher