Collection Manual

Guidelines for Phased Payment - Instalment Arrangements

This document was reviewed January 2019

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

Table of Contents

Part 1- Guidelines for Phased Payment - Instalment Arrangements

1 Scope

These guidelines are for all Revenue staff engaged in Debt Management case-working.
Ref: **Collection of Tax Debts** published by the Collector-General on the Revenue website. This document outlines Revenue's approach to the collection of taxes and our approach to assisting previously compliant taxpayers by allowing Phased Payment Arrangements in certain circumstances.

Revenue has published information on applying for a Phased Payment - Instalment Arrangement on our website. See **Tax Payment Difficulties**

- Any reference to Forms P30 or P35, within this document, remain relevant for periods up to 31.12.18

2 Summary

2.1 The following is a summary of the main points covered in this guideline to assist staff in dealing with requests and making decisions in relation to Phased Payment - Instalment Arrangements.

2.2 Revenue will assist in dealing with tax payment difficulties by agreeing to Phased Payment Arrangements in appropriate cases provided that

- the liabilities are fully quantified,
- there is early, positive and honest engagement by the taxpayer, and
- the fundamentals of the underlying business are sound.

2.3 Revenue has introduced streamlined procedures and standardised requirements for those seeking Phased Payment Arrangements in relation to outstanding tax liabilities. A**ll** applicants with substantial debt must complete the **PPA1 Form** and submit the relevant supporting documentation. The requirements as set out on the PPA1 Form are determined by the size of the debt:

- Debt - Greater than €100,000
- Debt - Less than €100,000
- Debt - Less than €5,000 – All Phased Payment/Instalment Arrangements with a debt less than €5,000 previously dealt with by Customer Services Unit are now dealt with by DM Units. See **Paragraph 13** for further information.

2.4 The supporting documentation requirements and the Phased Payment Application **PPA1 Form,** together with an online interest calculator to provide an indication of the interest payable on the phased payments, are available in the **Tax Payment Difficulties** document on Revenue's website.

2.5 When considering the appropriateness of granting a Phased Payment - Instalment Arrangement all data showing the viability of the business and in relevant cases the capacity to meet the terms of a payment plan together with ongoing compliance in relation to future tax liabilities will be taken into consideration.
Caseworkers and Managers should deal with all applications as quickly as possible and notify the applicants, in a timely fashion, of any issues requiring clarification or any additional information required.

2.6 A Phased Payment - Instalment Arrangement cannot be finalised if there are outstanding tax returns. All proposals should address the total liability, i.e. all outstanding tax, full interest and outstanding penalties, if appropriate. Reference: **Guidelines for Auditors and Caseworkers** for information on how "**Agreed**" and "**Court Determined**" **penalties** are dealt with under a Phased Payment - Instalment Arrangement.

2.7 While seeking the maximum repayment amount and the minimum repayment period based on the circumstances of the case, the caseworker should be reasonably satisfied that the terms and conditions of the Phased Payment - Instalment Arrangement can realistically be met by the taxpayer.

2.8 When a Phased Payment - Instalment Arrangement is agreed the Phased Payment Proposal Form setting out the precise terms of the Arrangement will issue to the applicant for their signature.

2.9 The following is a summary of caseworking instructions and procedures:

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

- Advise the taxpayer that a higher down-payment is more advantageous as it will result in payment of less interest on the debt – they can examine this in more detail on the Revenue website Interest Calculator.
- Stress that all current tax and returns must be paid and filed at all times.
- Advise the taxpayer that Revenue requires their agreement that any repayable - refundable amounts that arise during the lifetime of the Phased Payment - Instalment Arrangement will be considered available for offset against the debt.
- Do not close the intervention during negotiations.
- Make clear that if a Phased Payment - Instalment Arrangement breaks down, enforcement will be undertaken as soon as possible.

- Unpaid Direct Debits under a Phased Payment - Instalment Arrangement should be replaced immediately by a bank draft, or the Instalment Arrangement may be cancelled, depending on the overall success of the Arrangement. **See Paragraph 8 - Unpaid Direct Debits**.

- The taxpayer should pay tax at Enforcement to the Sheriff or Solicitor **See Paragraph 4.6.**

- In some circumstances Interim Arrangements which do not address the full debt can be granted. **See Paragraph 11.**

3 Introduction

3.1 Taxpayers are legally obliged to pay their full liability at once, but Revenue recognises that in some cases this could cause undue hardship and may be impossible for some taxpayers. To facilitate the taxpayer in paying the liability Revenue may grant the extra-statutory concession of paying the liability over a period of time.

3.2 In advance of agreeing to consider a Phased Payment - Instalment Arrangement, caseworkers should insist that a taxpayer first explores the possibility of seeking a loan from a Financial Institution to clear the outstanding taxes.

3.3 If a taxpayer cannot secure a loan and enforcement of the legal obligation is not practical, the caseworker will request the taxpayer to submit their application on the prescribed PPA1 Form together with the relevant supporting documentation. Having considered the information supplied, the caseworker may agree to grant a Phased Payment - Instalment Arrangement on the basis that it is the best method of collecting outstanding tax liabilities, i.e. if refusal to do so would result in failure to collect any money.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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4 Phased Payment - Instalment Arrangement Criteria

4.1 The standardised requirements for Phased Payment - Instalment Arrangement applications are intended to facilitate speedy and appropriate caseworking decisions and to minimise the number of contacts with the taxpayer in order to provide a timely level of certainty in relation to addressing their tax difficulties.

4.2 Phased Payment applications arise where factors largely outside of the control of business, e.g. economic slowdown, have negatively impacted on its capacity to meet tax obligations in a timely fashion.

4.3 There are certain criteria that must be met before a Phased Payment - Instalment Arrangement can be granted. In all applications concerning amounts in excess of €5,000, the decision to grant a Phased Payment - Instalment Arrangement is contingent on a number of factors including:

- **Liabilities Quantified**: All outstanding tax returns must be submitted.
- **PPA1 Form:** The application being submitted by the business on the prescribed PPA1 Form and accompanied by the mandatory supporting documentation as specified on page 6 of the Form.
- **Business Viability**: The business concerned must demonstrate that it is viable and has the capacity and commitment to meet all future tax payment obligations when they fall due. In addition to the documentation specified by Revenue, the taxpayer may also submit other information that they consider relevant to their application.
- **Timeliness**: It will be significantly influenced by the level and timeliness of meaningful engagement with Revenue.
- **Terms & Conditions**: The taxpayer must sign the Instalment Agreement and commit to adhering to the conditions specified in relation to the debt while also maintaining current or future compliance.
- **Debts less than €5,000**: The taxpayer should contact the Collector-General's Office on 01 7383 663 in advance, in order to clarify the relevant documentary requirements. **See also Paragraph 13**

Note: One of the terms included on the **Instalment Agreement Form** specifies that the business **does not have fixed charges on its book debts**. However, it is acknowledged that a number of companies may have invoice discounting arrangements in place. **These arrangements will not preclude a company from availing of a Phased Payment - Instalment Agreement provided that Revenue is notified of the exact terms of the Arrangements.** **See Paragraph 5 - Factoring & Invoice Discounting.**

4.4 **Realistic Payments:** The Phased Payment - Instalment Arrangement made with the taxpayer must be reasonable to Revenue, by addressing the arrears and to the taxpayer, by allowing the business to trade through its difficulties in a manner which allows the phased payments plus current - future liabilities to be paid when due. An unrealistic Arrangement will inevitably fail.

4.5 **Debt Quantified:** One of the pre-conditions for a Phased Payment - Instalment Arrangement is that all tax returns are filed to date. In commencing negotiations on an Arrangement, you must inform the taxpayer of the full amount of tax, interest and any appropriate penalties owing. This total, together with projected interest calculated over the life of the Arrangement, must appear on the Instalment Agreement Form.

Note: Revenue will not consider granting a Phased Payment - Instalment Arrangement for CGT liabilities unless, in exceptional circumstances, the taxpayer can provide evidence that an Arrangement is warranted.

4.6 **Periods at Enforcement:** The taxpayer should be informed that any periods at enforcement will not be included in the Phased Payment - Instalment Arrangement and that **granting the Phased Payment - Instalment Arrangement is conditional on the taxpayer making Arrangements with the Sheriff or Solicitor to pay all amounts due, including costs**, on the enforced periods. **In exceptional circumstances and only with the prior agreement of the Enforcement Agency,** periods at Enforcement may be included in the Arrangement on condition that any agency Enforcement costs due must have been paid by the taxpayer.

4.7 **Possible Offsets:** Future tax refunds, repayments, claims and credits must be taken into account in negotiations, e.g. VAT refunds, IT refunds, CT refunds, PSWT credits or RCT credits. You should examine the case history to determine if the customer is regularly in a refund or repayment situation. The customer must be asked if they anticipate any significant tax refunds or repayments, claims or credits during the term of the Arrangement and details of the discussions should be noted in ICM. Where it is apparent that the customer is due refunds during the term of the Phased Payment - Instalment Arrangement, these must be specifically addressed during negotiations and offsets should be included as a condition of the ongoing Arrangement where appropriate. VAT repayments are **not** to be included as a condition, however VAT refunds and the refund portion of a VAT refund or repayment combination may be included.
Revenue reserves the right to re-examine the Phased Payment - Instalment Arrangement in cases where refunds or repayments arise at a later date. The amount of the refund or repayment and the total debt should be taken into account by the caseworker in all cases.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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4.8 **Avoid Enforcement:** The caseworker should emphasise that the onus for fulfilling the terms of the Phased Payment - Instalment Arrangement is on the taxpayer. Therefore,
if current taxes are not paid and returns not filed by the due dates or

if the Direct Debits for the Phased Payment - Instalment Arrangement are not paid,

the Arrangement fails and the arrears, including all accrued interest, will be enforced. [Ref: Paragraph 8 – **Unpaid Direct Debits**]

4.9 **Interest & Penalties:** You will have established that collection of the full liability in one sum is not practical and therefore a Phased Payment - Instalment Arrangement offers the best prospect of collection. Full '**accrued**' and '**projected' interest** and any appropriate penalties owing and outstanding must be included in every Phased Payment - Instalment Arrangement. Situations can arise where there is a

requirement to forego some accrued interest, for example, in a case where it could result in causing hardship to the customer. This concession must be approved by a manager at Assistant Principal Officer level or higher.
Similarly, where a business or taxpayer is adjudicated insolvent, has ceased to trade with no assets and where the collection of the tax is uneconomic to pursue. Where tax is foregone in these circumstances, the associated interest automatically falls but could be reinstated along with the tax if the taxpayer's financial circumstances subsequently improve.

4.10 **Negotiation Timeframe**: At the outset it should be made clear to the taxpayer that a satisfactory Phased Payment - Instalment Arrangement must be completed within 15 days of commencing negotiations and that in the event of failure to adhere to the agreed time-frame; Revenue’s first option will be Enforcement of all amounts due. This places an onus on the taxpayer to present realistic proposals promptly.

Any attempt to, or request by the taxpayer to extend the negotiating period should be referred to your team manager (HEO) for approval.

4.11 **Save Instalment Worksheet:** A Phased Payment - Instalment Arrangement cannot be entered into unless all outstanding Returns are received. The instalment worksheet screen can be saved during the negotiation period but it should never be ‘agreed’ until all Returns have been received.

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4.13 **Tax Clearance**: The down-payment can be in the form of a bank draft for Tax Clearance cases. Otherwise, the issue of the Tax Clearance Certificate must be delayed until the Direct Debit for the down-payment has been cleared, i.e.15 days after the debit date or the ROS payment is cleared.

4.14 **Methods of Down-Payment**: Down-payments may be made by ROS filers on-line or included in the Instalment Arrangement by Direct Debit. The facility to pay the down-payment by bank draft or credit card is also available.

4.15 **Payment Timeframe:** Phased Payment - Instalment Arrangements should be completed within the shortest possible timeframe. While a short-term Arrangement is most desirable, long-term Arrangements may occur. Arrangements exceeding two years should be the exception and must be approved by the team manager (HEO).

4.16 **Direct Debit:** Taxpayers should be told that the granting of an Arrangement is conditional on the liabilities being paid by Direct Debit. Post-dated cheques are not acceptable as a means of paying liabilities under an Arrangement. The Direct Debit payments will cover both the initial down-payment and the monthly payment amounts. The Direct Debit Mandate is included as part of the documentation that issues to the taxpayer for the Arrangement.

Post-dated cheques are not acceptable and should be returned to the taxpayer immediately. Failure to provide the Direct Debit Mandate means that the Phased Payment - Instalment Arrangement is not agreed - this should be brought to the taxpayer's attention and Enforcement of the outstanding liabilities should proceed as normal.

4.17 **Re-state Terms & Conditions:** At the time of concluding an Agreement, it must be made clear to the taxpayer that failure to honour the terms, particularly for current taxes as they fall due, will lead to Enforcement of the full amount of tax, interest and any appropriate penalties as shown on the Instalment Agreement Form. It must also be emphasised that failure to pay future liabilities on time constitutes a breach of the Arrangement.

5 Factoring and Invoice Discounting

5.1 The difference between factoring and invoice discounting, in brief, is that factoring is a disclosed facility where debtors are informed that the client has assigned its debt to a Factor and debts are paid directly to the Factor. The Factor keeps the ledger of account debtors and collects the receivables. Invoice discounting is a confidential form of debt purchasing, where the invoice discounter acquires the debts from the client, but the client collects the debts as the undisclosed agent of the discounter.

5.2 The legal basis of both factoring and invoice discounting is the purchase of receivables. As debt purchasing results in the transfer of ownership of the debts rather than a charge on the assets, the assigned assets fall outside the ambit of any security. Ownership of the debts through factoring and invoice discounting provides lenders with an alternative to the burden of trying to obtain a fixed charge on debts.

5.3 Regarding obtaining details of the factoring or invoice discounting Arrangement, it should be noted that as factoring is a purchase Arrangement and not a security interest, no registration is required. The nature of the Arrangement will however be detailed in the Contract of Sale or Master Agreement or Assignment between the Factor and Company. It is only through sight of this Agreement that it would be possible to clarify that all funds in the account are subject to the Arrangement.

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6 Preliminary Income Tax

6.1 Apart from cases in which Direct Debit is used to pay Preliminary Tax, only payments made on or before 31 October qualify as preliminary tax payments for the current tax year. Therefore, it is not possible to pay preliminary tax by instalment, as any payment made after 31 October does not qualify.

6.2 If a taxpayer is unable to pay a sufficient amount by 31 October, the caseworker should outline the possibility of payment through the Direct Debit scheme. Direct Debit for Income Tax is not mandatory because it involves the payment of portion of the tax in advance but it should be offered as it will be attractive to many taxpayers. To minimise the interest charge, the taxpayer should pay the maximum amount possible by 31 October and submit the balance of tax liability for the year as quickly as possible thereafter. If appropriate, interest charges will be raised and pursued by Revenue in due course.

7 Variation of Direct Debit Amounts

7.1 During the course of the agreement, it is possible that the taxpayer will contact a caseworker requesting minor variation(s) in the payment schedule. For example, due to cash flow difficulties, the taxpayer might ask that:

- a Direct Debit deduction be delayed a few days until money is in the account or
- a particular Direct Debit payment be reduced with the balance paid at a later date

In effect, this is a request to vary the terms of a Phased Payment - Instalment Arrangement and a decision to agree to this will obviously depend on the individual circumstances of each case. Minor variations should generally be accepted if the Arrangement has otherwise been working satisfactorily and the debt is continuing to decrease. Constant requests for changes should be discouraged.

7.2 Any request for variation in the Direct Debit amounts being paid under an Arrangement should be dealt with by the caseworker responsible for the Arrangement, or by the relevant caseworking team if the caseworker is no longer in place.

8 Unpaid Direct Debits

8.1 Where there is an unpaid Direct Debit in a Phased Payment - Instalment Arrangement, the ICM intervention will exit B-F to the caseworker responsible for the Arrangement, or to the relevant caseworking team if the caseworker is no longer in place.

8.2 The caseworker can then decide, after consulting his or her team leader or team manager (HEO), whether to seek a replacement bank draft from the taxpayer or to cancel the Arrangement. The decision will be influenced by the overall success of the Arrangement, e.g. the debt is decreasing and current taxes are being paid when due.

8.3 If the decision is taken to continue with the Arrangement, the taxpayer should be warned that recurring non-payment of Direct Debits requiring follow up contact by Revenue to secure replacement payments would lead to the cancellation of the Arrangement.

9 Interest Payments at End of Instalments

9.1 In accordance with standard practice, the interest payable under a Phased Payment - Instalment Arrangement will be covered by the final Direct Debit payment(s) under the Arrangement. Experience has shown that when the tax element has been paid, some taxpayers attempt to avoid payment of the interest. Where there is a request to cancel the Direct Debit Arrangement at this late stage it should be pointed out to the taxpayer that

- if they insist, the Direct Debit will be cancelled but that interest charges will be raised separately and pursued;
- if they fail to honour the terms of the Arrangement, Revenue will also significantly reduce their flexibility in any future dealings with the taxpayer.

9.2 Where the taxpayer cancels the Direct Debit without informing Revenue, the caseworker should charge and pursue interest on late payment (ILP). Any interest paid up to this point should be deducted from the total ILP amount and the balance should be demanded and enforced, as appropriate.

10 Only One Replacement Arrangement will be allowed

In general, where an Arrangement has broken down, the granting of a second or replacement Phased Payment - Instalment Arrangement should be considered only in very limited circumstances and when certain conditions are met:

- The taxpayer submits a written explanation outlining the reason(s) for the Arrangement breaking down, and
- The taxpayer also outlines, in writing, the changed circumstances that will allow the new Arrangement to succeed.

The previous payment history, the extent of the Arrangement breakdown and the outcome of the post-breakdown contact with the taxpayer should also be considered, with particular emphasis on the taxpayer’s record of paying current taxes by the due dates over the course of the Arrangement. **The granting of a second or replacement Phased Payment - Instalment Arrangement requires team manager (HEO) approval**. The liability should be enforced without delay if the second Arrangement breaks down, i.e. issue a **7 day letter** for the instalment amount and, or a **Final Demand** for the current taxes.

11 Interim Arrangements

11.1 Occasionally, caseworkers may encounter a taxpayer who claims inability to simultaneously pay current or future taxes while addressing an arrear through a formal Phased Payment - Instalment Arrangement. The taxpayer will usually promise to pay current and future taxes and to make some reduction in outstanding liability. Before agreeing to such an Arrangement the caseworker should be satisfied that the taxpayer will be in a position to address all the tax debt within a reasonable timeframe. This is especially important where the taxpayer is still trading.

11.2 The taxpayer should be asked to provide evidence that they cannot obtain sufficient credit to address the full debt and also provide information confirming that their current financial difficulties are of a temporary nature. Adequate evidence, including the following, must be produced:

(i) Debt – Greater than €100,000

- Up to date bank statements;
- List of all or any assets and encumbrances thereon;
- Outline of cost-cutting measures implemented in the business including details relating to drawings by owners and directors;
- Cash flow projections for following 6 months;
- Up-to-date management accounts;
- Letter from Financial Institution confirming loan disapproval.

(ii) Debt – Less than €100,000

- Up to date bank statements;
- List of all or any assets and encumbrances thereon;
- Outline of cost-cutting measures implemented in the business including details relating to drawings by owners or directors;
- In some cases, cash flow projections for following 6 months and up-to date management accounts will also be requested;
- Letter from Financial Institution confirming loan disapproval.

11.3 If the caseworker, having consulted with and secured the approval of their manager (HEO), is satisfied that the taxpayer's financial difficulties are temporary, she or may grant an Interim Arrangement. When an Interim Arrangement is being granted the taxpayer should be advised of the following:

- A monthly payment to reduce the outstanding liability is expected;
- All current/future taxes must be paid by due dates;
- Interest on late payments may be raised;
- Failure to adhere to the terms of the Arrangement will result in all amounts due being referred for enforcement.

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12 Case Decision Escalation Framework (CDEF) Arrangements

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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13 Phased Payment - Instalment Arrangements < €5,000

All Phased Payment - Instalment Arrangements with a debt less than €5,000 previously dealt with by Customer Services Unit are now dealt with by Debt Management Units.

Customer Services Unit will maintain any existing Instalment Arrangements and finalise them to a successful conclusion.

Customers who have an overall debt not exceeding €5,000 may be granted a once off concession of a Phased Payment Arrangement without entering into a Formal Instalment Arrangement.

13.1 Conditions & Criteria for Informal Instalment Arrangements

- The value of the debt outstanding must not exceed €5,000
- Only one such arrangement is to be allowed in each case
- **Debt Quantified**: All outstanding returns must be submitted prior to the arrangement being agreed
- **Preliminary Tax**: Any outstanding Preliminary Tax must be paid before a Phased Payment - Instalment Arrangement can be agreed
- **Current Compliance:** It is emphasised to the taxpayer that current or future taxes must be paid when due
- **Payments:** Payments **must** be made via Revenue Online Service (ROS)
- **Timeframe**: Informal Arrangements should be **completed within 12 months** however the caseworker should take account of the next filing deadline particularly in Income Tax only cases
- **Interest Charges:** The taxpayer is to be made aware of potential interest charges on all late payments.
- **Possible Offsets:** The taxpayer should be advised that any tax repayment or overpayment arising during the term of the arrangement may be offset against liabilities covered by the arrangement.
- **Liabilities at Enforcement:** The taxpayer must deal directly with the relevant Enforcement Agent in relation to any liabilities at referral stage. The

taxpayer should provide **written confirmation of payment** from the Enforcement Agent when submitting the required instalment documentation.

- The taxpayer must be advised that should they fail to comply with the conditions causing the arrangement to break down any balance due may be referred to enforcement.

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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Appendix A – Draft Agreement – Penalty Indicator - Scope Screen: YES

REFERENCE NUMBER:

DATE:

TAXPAYER or BUSINESS or COMPANY NAME
REGISTERED OFFICE
THE MAIN STREET
MY TOWN
MY COUNTY

Re: Phased Payment Proposal

Dear Sir or Madam,

I refer to your request to discharge your tax debt by Instalments.

Please find attached the following:

A schedule showing the liabilities to be covered by the Arrangement
An agreement form setting out the payment Arrangements
An instalment direct debit mandate form

Please sign the agreement form and complete the Arrangement direct debit mandate form for the payment of the arrears and return them to me.

Payments will commence upon return of the signed agreement and completed direct debit mandate form. A copy of the agreement will be returned to you by way of an acknowledgement.

Yours faithfully,

____
Caseworker's Name
Telephone: 01 7383 663 Ext:
Direct Line:

Appendix A – Continued
Phased Payment Proposal
REFERENCE NUMBER:

TAXPAYER or BUSINESS or COMPANY NAME
REGISTERED OFFICE
THE MAIN STREET
MY TOWN
MY COUNTY

I hereby acknowledge my debt of tax and interest as shown overleaf and agree to the following terms: Down-payment of €xxxxx by direct debit on receipt of signed agreement Balance by xx monthly direct debit payments of €xxxx per month commencing ___ days after down-payment Current taxes to be filed and paid by due date Alert Revenue if payment difficulties arise

If there is any departure from the above terms or default in the payment of current tax, collection will be enforced for all tax and full statutory interest due, to the date of enforcement

Revenue reserves the right to re-examine the Arrangement in cases where repayments or refunds arise

I confirm that there is no fixed charge on the book debts or receivables of the company and no such charge will be granted for the duration of this agreement. (Condition applies only to companies).

The Collector-General is not bound by this agreement unless this form is completed, signed and returned within 15 days, together with completed Arrangement direct debit mandate.

Signed: ____
Status: ___________________________
Date: ___/___/___

Company Seal

Any queries on this agreement should be directed to: Caseworker's Name
Telephone: Ext:
Direct Line: Fax:

Accepted by:	Date:
For official use:	

Appendix A – Continued

*** (With effect from 1/1/2019 PAYE/PRSI will be referred to as Employer Income Tax/PRSI/USC/LPT)**

Schedule of Outstanding Taxes

Name:

As at: INPUT DATE

Reg No	Tax	Period	Tax Amount	Penalty	Totals
	* PAYE/PRSI	1/2/2012 to 29/2/2012	4,445.00	2000.00	
	PAYE/PRSI	1/3/2012 to 31/3/2012	3,505.00	0.00	
	PAYE/PRSI	1/4/2012 to 30/4/2012	2,457.00	0.00	
	PAYE/PRSI	1/5/2012 to 31/5/2012	10,340.00	0.00	
	PAYE/PRSI	1/7/2012 to 31/7/2012	5,359.00	0.00	
	PAYE/PRSI	1/8/2012 to 31/8/2012	10,340.00	0.00	
	VAT	1/7/2012 to 31/8/2012	7,732.00	0.00	
	CT	1/6/1992 to 31/5/1993	0.72	0.00	
Taxes					44,178.72
Interest					8,694.37
Penalty					2,000.00
Total:					€54,873.09

Any departure from the agreement will result in the enforcement of the outstanding liability including full statutory interest.

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The Schedule of Outstanding Taxes showing penalty amounts applied to VAT periods with no tax balance

Schedule of Outstanding Taxes

KZTXTCK LTD

Reg No	Tax	Period	Tax Amount	Penalty	Totals
	VAT	1/11/2013 to31/12/2013	744.00	0.00	
	VAT	1/5/2014 to 30/6/2014	356411.00	0.00	
	VAT	1/11/2014 to 31/12/2014	0.00	250.00	
	VAT	1/1/2015 to 28/2/2015	0.00	250.00	
	VAT	1/3/2015 to 30/4/2015	0.00	250.00	
	VAT	1/5/2015 to 30/6/2015	0.00	250.00	
Taxes					357,155.00
Interest					31,743.69
Penalty					1,000.00
Total:					€389,898.69

Appendix A – Continued

Phased Payment Direct Debit Mandate

Reference Number:

Please enter below the necessary bank account details to enable payment of the amounts agreed on the attached schedule.

Instruction to your Bank/Building Society

1. The Manager

   ______________________________ **Bank**

   ______________________________ **Branch**

   ______________________________ **Address**

2. Name

   ______________________________ **Account Holder**

3. ______________________________ **Address**

4. BIC [   ]

   IBAN [   ]

I/We instruct you to pay direct debits from my/our account at the request of the Collector-General

The amounts are variable and may be debited on various dates

I/We will inform the bank/building society in writing if I/We wish to cancel this instruction

I/We understand that if any direct debit is paid which breaks the terms of the instruction, the bank will make a refund.

Signature(s) ______________________________

____

Banks may return direct debits presented on some types of account.

A BIC (Bank Identifier Code) is a unique, global identifier for your bank. You will find it printed on every current account statement you receive from your bank.

An IBAN (International Bank Account Number) is an international version of your existing bank account. It allows your bank account to be recognised internationally. You will find it printed on every current account statement you receive from your bank.

Appendix B – Draft Agreement – Penalty Indicator - Scope Screen: No

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

REFERENCE NUMBER:

DATE:

TAXPAYER or BUSINESS or COMPANY NAME:

REGISTERED OFFICE
THE MAIN STREET
MY TOWN
MY COUNTY

Re: Phased Payment Proposal

Dear Sir or Madam,

I refer to your request to discharge your tax debt by Instalments.

Please find attached the following:

A schedule showing the liabilities to be covered by the Arrangement
An agreement form setting out the payment Arrangements
An Arrangement direct debit mandate form

Please sign the agreement form and complete the Arrangement direct debit mandate form for the payment of the arrears and return them to me.

Payments will commence upon return of the signed agreement and completed direct debit mandate form. A copy of the agreement will be returned to you by way of an acknowledgement.

Yours faithfully,

____
Caseworker's Name
Telephone: 01 7383 663 Ext:
Direct Line:

Appendix B – Continued
Phased Payment Agreement
REFERENCE NUMBER:

TAXPAYER or BUSINESS or COMPANY NAME
REGISTERED OFFICE
THE MAIN STREET
MY TOWN
MY COUNTY

I hereby acknowledge my debt of tax and interest as shown overleaf and agree to the following terms: Down-payment of €xxxxx by direct debit on receipt of signed agreement Balance by xx monthly direct debit payments of €xxxx per month commencing ___ days after down-payment Current taxes to be filed and paid by due date Alert Revenue if payment difficulties arise

If there is any departure from the above terms or default in the payment of current tax, collection will be enforced for all tax and full statutory interest due, to the date of enforcement

Revenue reserves the right to re-examine the Arrangement in cases where repayments or refunds arise

I confirm that there is no fixed charge on the book debts or receivables of the company and no such charge will be granted for the duration of this agreement. (Condition applies only to companies)

The Collector-General is not bound by this agreement unless this form is completed, signed and returned within 15 days, together with completed Arrangement direct debit mandate.
Signed: ____
Status: ___________________________
Date: ___/___/___
Any queries on this agreement should be directed to: Caseworker's Name

Company Seal

Telephone: Ext:
Direct Line: Fax:

Accepted by:	Date:
For official use:	

Appendix B – Continued

*** (With effect from 1/1/2019 PAYE/PRSI will be referred to as Employer Income Tax/PRSI/USC/LPT)**

Schedule of Outstanding Taxes (Tax period end date is before 1st July 2013)

Name:

Date:

Reg No	Tax	Period	Tax Amount	Totals
	*PAYE/PRSI	1/2/2012 to 29/2/2012	4,445.00	
	PAYE/PRSI	1/3/2012 to 31/3/2012	3,505.00	
	PAYE/PRSI	1/4/2012 to 30/4/2012	2,457.00	
	PAYE/PRSI	1/5/2012 to 31/5/2012	10,340.00	
	PAYE/PRSI	1/7/2012 to 31/7/2012	5,359.00	
	PAYE/PRSI	1/8/2012 to 31/8/2012	10,340.00	
	VAT	1/5/2012 to 30/6/2012	97.00	
	VAT	1/7/2012 to 31/8/2012	7,732.00	
	CT	1/6/1992 to 31/5/1993	0.72	
Taxes				44,275.72
Interest				8,751.76
Total				€53,027.48

Any departure from the agreement will result in the enforcement of the outstanding liability including full statutory interest.

………………………………………………………………………………………………

Schedule of Outstanding Taxes (Tax period end date is after 1st July 2013)

Name:

Date:

Reg No	Tax	Period	Tax Amount	Totals
	PAYE/PRSI	1/2/2012 to 29/2/2012	4,445.00	
	PAYE/PRSI	1/3/2012 to 31/3/2012	3,505.00	
	PAYE/PRSI	1/4/2012 to 30/4/2012	2,457.00	
	PAYE/PRSI	1/5/2012 to 31/5/2012	10,340.00	
	PAYE/PRSI	1/7/2012 to 31/7/2012	5,359.00	
	PAYE/PRSI	1/8/2012 to 31/8/2012	10,340.00	
	PAYE/PRSI/USC/LPT	1/1/2013 to 31/12/2013	15,221.00	
	VAT	1/5/2012 to 30/6/2012	97.00	
	VAT	1/7/2012 to 31/8/2012	7,732.00	
	CT	1/6/1992 to 31/5/1993	0.72	
Taxes				59,496.72
Interest				8,751.76
Total				€68,248.48

Any departure from the agreement will result in the enforcement of the outstanding liability including full statutory interest.

Appendix B – Continued

Phased Payment Direct Debit Mandate

Reference Number:

Please enter below the necessary bank account details to enable payment of the amounts agreed on the attached schedule.

Instruction to your Bank or Building Society

1. The Manager

   ______________________________ **Bank**

   ______________________________ **Branch**

   ______________________________ **Address**

2. Name

   ______________________________ **Account Holder**

3. ______________________________ **Address**

4. BIC [ ]

   IBAN [ ]

I/We instruct you to pay direct debits from my/our account at the request of the Collector-General

The amounts are variable and may be debited on various dates

I/We will inform the bank/building society in writing if I/We wish to cancel this instruction

I/We understand that if any direct debit is paid which breaks the terms of the instruction, the bank will make a refund.

Signature(s) ______________________________

____

Banks may return direct debits presented on some types of account.

A BIC (Bank Identifier Code) is a unique, global identifier for your bank. You will find it printed on every current account statement you receive from your bank.

An IBAN (International Bank Account Number) is an international version of your existing bank account. It allows your bank account to be recognised internationally. You will find it printed on every current account statement you receive from your bank.

Appendix C – Instalment Agreement – Warning Letter

Date:

Reference No:

MR SRAPUZ JCORUD
MY REGISTERED OFFICE
THE MAIN STREET
MY TOWN
MY COUNTY

Re: Instalment Arrangement

Dear Sir or Madam,

[I have made several attempts recently to contact you about the Arrangement which you entered into to clear your arrears of tax by instalments.]

I refer to the Arrangement which you entered into with this office to clear your arrears of tax by instalments and our recent conversation.

As you are aware the conditions of the instalment Arrangement include the timely payment of current taxes and that the arrears payments are met as per the agreed schedule.

It appears from our records that you are not honouring the agreement. Please bring forward proposals immediately to rectify this situation.

If we have not resolved the situation satisfactorily within seven days of the date of this letter, the Instalment Arrangement will be terminated and collection of the full liability rigorously enforced.

Yours faithfully,

____
Caseworker's Name

Telephone: Extn:

Direct Line:

Fax:

Appendix D - Letter to Taxpayer Cancelling Instalment Arrangement

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

[…]

Reference No:

Name:

Address:

Re: Instalment Arrangement

Dear Sir or Madam

I refer to the Instalment Arrangement which you entered into with this office on (input by caseworker) to clear outstanding arrears of tax.

Despite previous contact with you, it still appears from our records that the conditions of this agreement are not being honoured by you. In the circumstances the agreement is now being terminated and all outstanding amounts of tax and interest will be referred for enforcement of collection.

Yours faithfully,

Caseworker's Name

Telephone:

Direct Line:

Fax Line:

Appendix E – Letter - Informal Instalment Arrangements

Date:
Taxpayer or Business or Company Name
Address:
Ref:

Dear

I refer to recent correspondence regarding your outstanding Tax Liability of €xxxx. I am in a position to offer you a once off xx-month Informal Instalment Arrangement.

The conditions of the Arrangement are as follows:

Monthly payments of €xx must be submitted and the full liability must be paid on or before date, month, year. The onus is completely on you to submit payments. You will not receive any reminders from Revenue.

Payments must be made through ROS (Revenue On-Line Service) – see note on ROS Registration below.

It is important to understand that the Arrangement for the above taxes is granted by Revenue as a concession and that once an Instalment has been put in place, any future taxes must be paid on time.

Late payments are liable to interest charges and this agreement does not preclude Revenue from charging such interest separately at a later date.

Any repayment or overpayment of tax arising during the lifetime of this Arrangement may be offset by Revenue against liabilities covered under the Arrangement.

If Tax Clearance is being sought, a down-payment will be required.

Any departure from the agreement will result in the arrangement being terminated and enforcement of the outstanding liability including full statutory interest.

ROS Registration:

If you have any queries relating to registering for ROS, please contact the ROS helpline 01 7383 663 or mail roshelp@revenue.ie

Queries in relation to this Instalment Arrangement should be directed to the undersigned.

Yours sincerely

____
Caseworker's Name
Customer Service
Direct Line: