

Deposit Interest Retention Tax (“DIRT”) – Manual for Deposit Takers

Part 08-04-11

This document should be read in conjunction with Chapter 4, Part 8 TCA 1997

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For the purposes of [Return of Payments \(Banks, Building Societies, Credit Unions and Savings Banks\) Regulations 2008 \(S. I. No. 136 of 2008\)](#) this manual is a subsequent version of the document entitled “**Deposit Interest Retention Tax Guidance Notes for Deposit Takers**” dated January 2006 referenced in Schedule 2 thereof.

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1 Introduction

The term “Deposit Interest Retention Tax” does not appear in the Tax Acts. However, “appropriate tax” as defined in s.256(1) of the Taxes Consolidation Act 1997 (“TCA 1997”) is colloquially referred to as “Deposit Interest Retention Tax” or “DIRT”. For the purposes of this guidance the term DIRT will be used.

1.1 DIRT

In general interest paid or accrued in respect of deposits is chargeable to DIRT as follows –

- For the year of assessment 2019, a sum representing income tax on the amount of the payment at a rate of 35%.
- For the year of assessment 2020 and each subsequent year of assessment, a sum representing income tax on the amount of the payment at a rate of 33%.

For details of historic DIRT rates please refer to [Appendix I](#).

1.1.1 Deposits where Interest cannot be determined

S.260 TCA 1997 provides that where deposit-takers do not actually pay (or credit) interest on a deposit in a year of assessment (for example, long term savings products where interest is paid at the end of a fixed period) they will account on an annual basis for DIRT on the accrued interest on the deposit.

S.260 TCA 1997 does not alter in any way the liability to tax of the depositor who will continue to be chargeable to DIRT in respect of the interest for the year in which it is actually paid (or credited).

S.260(2) TCA 1997 states that “specified interest” shall be deemed to accrue from day to day and will be relevant interest paid by the relevant deposit taker in each year of assessment to the extent that it is deemed to accrue in that year of assessment and it is not paid in that year of assessment. The relevant deposit taker must account for the DIRT.

“Specified interest” means interest in respect of a “specified deposit” other than so much of that interest that is payable annually or at more frequent intervals or cannot be determined until the date of payment notwithstanding that the terms under which the deposit was made are fully complied with.

“Specified deposit” means a relevant deposit made on or after 28 March 1996 in respect of which specified interest is payable other than such a deposit –

- a. Which is held in a special savings account or

- b. Which the interest payable is to any extent linked to or determined by changes in a stock exchange index or any other financial index, arrangements were put in place by the relevant deposit taker before 28 March 1996 to accept such deposits and the deposit is made on or before 7 June 1996.
- c. A derogation from this treatment is provided for in s.260(4) TCA 1997 provided certain conditions are met.

1.1.2 No minimum rate of interest guaranteed

Since interest does not accrue on such deposits until the deposit comes to term DIRT is not chargeable on the interest until the interest payment is actually made. Accordingly, the payment on account system does not apply in respect of interest on such deposits.

1.1.3 Minimum rate of interest guaranteed

Where some or all of the amount of interest on a deposit is guaranteed, the payment on account system applies in relation to that amount of the interest.

2 The scope of DIRT

Deposit-takers must operate DIRT. DIRT is deductible by any relevant deposit-taker from any payment of relevant interest.

2.1 What is a relevant deposit taker?

S.256 TCA 1997 defines a “relevant deposit taker” as:

- a licensed bank of any of the EEA states,
- a building society,
- a trustee savings bank,
- branches of non-EEA banks authorised under Section 9A of the Central Bank Act 1971,
- a credit union,
- a specified intermediary in relation only to a specified deposit (a “specified intermediary” for this purpose means a person appointed by the National Treasury Management Agency (“NTMA”) for the purposes only of taking “specified deposits”, “specified deposits” means a deposit of a class designated by the Minister for Finance), and
- the Post Office Savings Bank.

2.2 What is relevant interest?

Relevant interest is defined in s.256 TCA 1997 as any interest paid in respect of a relevant deposit.

As outlined in section 1 there are provisions for a deposit-taker to account for DIRT annually in respect of interest which is not paid annually or at more frequent intervals.

2.3 What is interest?

Interest is defined in s.256 TCA 1997 as any interest of money including any amount whether or not described as interest paid in consideration of the making of a deposit. Accordingly, DIRT applies in a broad range of circumstances, such as

- Interest on standard deposit accounts
- Interest on deposits which are linked to the performance of an index
- Bonus interest payments dependent on customer actions

and not just in relation to fixed or floating interest on deposit accounts.

2.4 What is a deposit?

A deposit is defined in s.256 TCA 1997 as a sum of money paid to a relevant deposit-taker on terms under which it or any part of it may be repaid with or without interest and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person to whom it is made. The essential feature of a deposit is, therefore, that it is a sum of money, paid to a relevant depositor, which is wholly or partly repayable.

2.5 What is a relevant deposit?¹

A relevant deposit is defined in s.256 TCA 1997 as any deposit held by a relevant deposit-taker other than a deposit -

- a. which is made by and the interest is beneficially owned by –
 - i. a relevant deposit taker,
 - ii. the National Treasury Management Agency (NTMA),
 - iii. a fund investment vehicle (within the meaning of section 37 of the NTMA (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner,
 - iv. the State acting through the NTMA,
 - v. the National Asset Management Agency (NAMA),
 - vi. the State acting through NAMA,
 - vii. the Strategic Banking Corporation of Ireland or a subsidiary wholly owned by it or a subsidiary wholly owned by any such subsidiary,
 - viii. the Minister for Social Protection in respect of account held under section 9 of the Social Welfare Consolidation Act 2005,
 - ix. the Central Bank of Ireland,
 - x. the Investor Compensation Company Limited,
 - xi. Icarom plc,
- b. which is a debt on a security issued by a relevant deposit taker and listed on a stock exchange,
- c. which is held at a branch situated outside the State of a relevant deposit taker resident in the State for corporation tax purposes,
- d. which in the case of a relevant deposit taker not resident in State for the purposes of corporation tax, is held otherwise than at a branch of the relevant deposit taker situated in the State,

¹ Further guidance on “relevant deposit” exceptions is contained in Tax and Duty Manual [Part 08-04-01](#)

- e. which is a deposit denominated in a foreign currency where the deposit was made before 1 June 1993 for individuals and before 1 January 1993 for persons other than individuals,
- f. which is made on or after 1 January 1993 by (and the interest is beneficially owned by)
 - a company which is within the charge to corporation tax in respect of the interest or
 - a pension schemewhere the relevant deposit taker has been supplied with the company's tax reference number or the SF (Superannuation Fund) number that was assigned to the pension scheme by Revenue when the scheme received approval,
- g. which no person resident in the State is beneficially entitled to any interest and has provided the authorised declaration, in accordance with s.263 TCA 1997, to the relevant deposit taker,
- h. which is a deposit of a charity, which is exempt from income tax or corporation tax, and who has provided the relevant deposit taker with the charity number that has been assigned to it by the Revenue Commissioners,
- i. which is a deposit where at any time during the year of assessment the individual beneficially entitled to the interest or the individual's spouse or civil partner has attained the age of 65 years, the total income of that individual in the year of assessment does not exceed the amount specified in s.188(2) TCA 1997 and an authorised declaration, in accordance with s.263A TCA 1997, has been made to the relevant deposit taker,
- j. which is a deposit where:
 - the individual beneficially entitled to any interest paid in that year of assessment or the individual's spouse or civil partner is permanently incapacitated, and the individual would be entitled to repayment of the DIRT if it has been deducted from that interest or
 - a person who is entitled to the interest as a trustee of a special trust for permanently incapacitated individuals and who would be entitled to repayment of the whole of the DIRT if it had been deducted,provided that an authorised declaration, in accordance with s.263B TCA 1997, has been made to the Revenue Commissioners and a notification has been issued by the Revenue Commissioners to the relevant deposit taker in accordance with s.263C TCA 1997
- k. made by a PRSA provider and which is held for the purposes of a PRSA and the PRSA provider has provided the relevant deposit taker with the number assigned to that PRSA provider by Revenue,
- l. made by a Real Estate Investment Trust (REIT) or a member of a group REIT (by virtue of s.705G(3) TCA 1997),

- m. which is an asset of an undertaking for collective investments which is not a company (by virtue of s.738(3)(c) TCA 1997),
- n. which is an asset of an investment undertaking to which the provisions of Chapter 1A of Part 27 TCA 1997 apply (by virtue of s.739C(2) TCA 1997),
- o. which is an asset of an exempt unit trust (by virtue of s.731(5)(iv)(c)(ii) TCA 1997),
- p. which is an asset of an approved retirement fund (by virtue of s.784A(6) TCA 1997),
- q. which is solely in respect of payment under the Magdalen Restorative Justice Ex-Gratia Scheme provided that an authorised declaration, in accordance with s.263D TCA 1997, has been made to the Revenue Commissioners and a notification has been issued by the Revenue Commissioners to the relevant deposit taker in accordance with s.263E TCA 1997.

3 Declaration forms

The relevant DIRT declarations, as authorised by the Revenue Commissioners under section 263 to 263C TCA 1997, are contained in [Appendix II](#).

This section of the guidance sets out, in general terms, how financial institutions should operate the declaration requirements of the DIRT regime. However, in recognition of the technological changes in how some such institutions operate, and the additional obligations that Know Your Client (“KYC”) / Anti-Money Laundering (“AML”) have placed on these institutions, paragraph 3.13 adapts these requirements where the institutions use a single view of customer approach.

Given the breath of institutions who operate DIRT it is necessary for this guidance to cover both paper based and IT based systems.

3.1 Non-resident individuals

S.256(1)(g) TCA 1997 provides that DIRT will not apply to deposits held by persons not resident in the State and which have made a declaration in accordance with s.263 TCA 1997.

S.263 TCA 1997 provides that these declarations be prescribed or authorised by Revenue and contain certain specified information.

The legislation in relation to the residence of individuals is contained in Part 34, sections 818 to 825A TCA 1997. Please refer to the [Tax Residence](#) section of www.revenue.ie for more detailed information regarding residence.

A person resident in an embassy of a foreign country located in the State is resident in the State for tax purposes and would not qualify for DIRT exemption. However, an account of an embassy, where the funds were beneficially owned by the foreign government, would be entitled to a DIRT exemption.

In order to qualify for an exemption from DIRT all the beneficial owners of the deposit interest must be non-resident. An account should not be made DIRT exempt where one or more of the account holders is resident.

3.2 Individuals, or their spouse / civil partner, aged 65 or over

S.256(1A) TCA 1997 provides that DIRT will not apply to deposits held by an individual:

- if at any time in the year the individual beneficially entitled to the interest or that individual’s spouse or civil partner has attained the age of 65 years, **and**
- whose, and his or her spouse’s or civil partner’s, total income, including the gross deposit interest, is less than the exemption limit set out in s.188(2) TCA 1997, **and**
- who has made a declaration, in accordance with s.263A TCA 1997, to the relevant deposit-taker.

S.263A TCA 1997 provides that this declaration be prescribed or authorised by the Revenue Commissioners and contain certain specified information. The [Form DE1](#) is the form that has been prescribed by the Revenue Commissioners.

Joint accounts do not qualify for the DIRT exemption unless the two account holders are a married couple or civil partners. In no other circumstances will joint accounts qualify for exemption [e.g. joint accounts with more than two account holders].

In some instances, a relevant deposit-taker may allow one person to have third party authority to operate a bank account on behalf of another person (usually a relative) without that person having formal Power of Attorney. Provided that the beneficial ownership of the account is unaffected, and all other qualifying conditions are met, the account can be operated as a DIRT-exempt account.

3.2.1 Completion of Form DE1

The Form DE1 should be completed by:

- the individual who is
- or the spouse or civil partner of an individual who is 65 years or older at any time in the tax year.

All sections of the Form DE1 should be completed and it should be signed by the beneficial owner or owners of the interest.

A separate Form DE1 is required to be completed in respect of each account for which DIRT exemption is sought. However, in accordance with paragraph 3.13, where the Form DE1 has been obtained electronically all accounts that are linked to, and in the sole name of, that individual may be treated as DIRT exempt.

The fully completed Form DE1(s) should be given directly to the deposit-taker and not sent to Revenue.

3.3 Permanently incapacitated individual

S.256(1B) TCA 1997 provides that DIRT will not apply to deposits held by an individual or his or her spouse or civil partner:

- who is permanently incapacitated by reason of mental or physical incapacity from maintaining himself / herself, **and**
- who has made a declaration, in accordance with s.263B TCA 1997, to Revenue, **and**
- a notification, in accordance with s.263C TCA 1997, has been issued by Revenue to the relevant deposit-taker.

S.263B TCA 1997 provides that this declaration be prescribed or authorised by the Revenue Commissioners and contain certain specified information. The [Form DE2](#) is the form that has been prescribed by the Revenue Commissioners.

3.3.1 Completion of Form DE2

The Form DE2 should be completed by:

- the individual, or on behalf of the individual, who is permanently incapacitated or,
- the spouse or civil partner of an individual who is permanently incapacitated or,
- a trustee of a special trust set up for the benefit of a permanently incapacitated individual.

The fully completed Form DE2 should be sent to the local Revenue office of the individual and not to the deposit-taker.

S.263C TCA 1997 sets out information to be included in the notification to be issued by the Revenue Commissioners to the relevant deposit-taker and a sample notification is contained in [Appendix II](#).

If a relevant deposit-taker has any doubts about the validity of a Notification received under s.263(C) TCA 1997 they should contact the Revenue district that issued the Notification to confirm the validity of the Notification before marking the account DIRT exempt.

3.4 Completion of declaration forms

Subject to Section 3.13 and the provisions of this Guidance Note.

All parts of a declaration form must be completed in full. No initials or abbreviations should be used when completing the declaration. The declaration should be dated and signed by the declarer.

A deposit account should not be given DIRT exempt status unless the deposit-taker is in possession of a fully completed and signed hard-copy declaration form.

Deposit takers should not accept declaration forms, whether obtained in a hard-copy or a scanned format, which contain any information that does not match with information obtained under their anti-money laundering and know-your-client procedures.

3.5 Retention of forms

In accordance with s.263(2) TCA 1997 a deposit taker should retain and make available for inspection by Revenue the declaration forms for the longer of:

- six years after the date the declaration was made, and
- three years after the date the account was closed or, ceased to be treated as DIRT exempt.

3.6 Minor form deficiencies

While Revenue expects all declaration forms to be completed in full, Revenue will not treat an account as liable to DIRT by reason of minor deficiencies in the completion of the declaration as set out in [Appendix III](#).

3.7 Details of deposit-taker

The full name of the deposit-taker should be inserted on the declaration form. Where there is a group of deposit-takers, particular care should be taken to ensure that the name inserted is that of the correct deposit-taker and not of another deposit-taker in the group that may have a more direct relationship with the depositor. A single form may, however, cover accounts with more than one deposit-taker in a group, provided that each deposit-taker and the accounts in each are clearly identified.

For a deposit-taker with a branch or divisional structure, and subject to the correct deposit-taker being identified in a group situation as mentioned above, the address to be inserted is that of the branch or division that deals with the account. Where an account is transferred to a different branch or division, a note by the deposit-taker to this effect should be made and retained in a manner that permits it to be readily retrieved. The insertion of the address or the branch/division will not be necessary where the records of the deposit-taker enable the branch/division dealing with the account at any given time to be readily identified.

3.8 Account numbers

The account numbers of all deposits covered by a declaration should be included, as provided for in the declaration form. Deposit-takers may accept a non-resident declaration in respect of a number of accounts, provided that all the accounts numbers to which it relates are listed and can be traced to that particular declaration.

Where an existing customer who has completed a non-resident, declaration opens a new account, the existing declaration will suffice, provided that:

- The new account is held in the exact same name(s) as the existing account(s).
- All the interest from the new account is beneficially owned by the same person(s) who beneficially owned the interest from the existing account(s).
- There is a documented link between the existing non-resident declaration and the new account.
- The deposit-taker satisfies itself of the continued exempt status of the depositor or all the depositors.
- The original declaration form should be annotated with the new account number.

Where an existing customer who has completed a non-resident, declaration opens a new account with another deposit taker within the same group, the existing declaration will suffice provided that:

- This action may only be taken when the account opened with the second deposit taker within the group is in the same name and same beneficial ownership as the account with the first deposit taker and,
- The original declaration may be held by one deposit taker and a certified copy held by the second deposit taker, who must annotate the certified copy with the relevant deposit taker and account number.

It should be noted that while a non-resident declaration may cover multiple accounts a Form DE1 is required for each account that is to be exempted from DIRT under the provisions of s.256(1A) TCA 1997 and a Notification, issued by Revenue, is required for each account that is to be exempted from DIRT under the provisions of s.256(1B) TCA 1997.

3.9 Non-resident declaration forms

Three types of declaration form are authorised:

1. declaration by [a non-resident individual](#),
2. declaration on [behalf of a non-resident individual](#), and
3. declaration by a [non-resident company](#).

3.9.1 Who makes the declaration?

The declaration should be made and signed by a person to whom the interest is payable (the recipient). The identity of the recipient should be clear from the bank documentation in relation to account opening and mandate instructions.

Where the recipient is an individual, the declaration should be made and signed by the individual or by someone who holds power of attorney from the individual and, in such a case, a copy of any such power of attorney should be obtained and retained in a manner that permits it to be readily retrieved.

However, in accordance with paragraph 3.13, a digital signature obtained as part of an electronic application or a DIRT declaration that forms part of an online application process is also acceptable.

3.9.2 The beneficial owner of the interest

The legislation provides that a declaration is made by the person to whom the interest is payable and must include details in respect of the beneficial owner of the interest.

The address to be given for the beneficial owner of the deposit is the person's principal place of residence. If there is more than one beneficial owner, the full names, addresses and countries of residence of each should be included in the form. The location of a person's principal place of residence is a question of fact and relates to the position at the time the declaration is being made, albeit temporary. Exceptionally, "None" would be a valid answer, if the circumstances were such that the person did not have any principal place of residence. This should not be confused with a correspondence address, which is not referred to in the form and which should not appear on the form. However, the obligation rests with the deposit-taker to be satisfied as to the depositor's non-resident status.

A further beneficial owner may not be added to an existing declaration, a fresh declaration is required.

In certain unusual situations a non-resident person may not have a residential address abroad ("none" would be entered on the form) or may not wish to have correspondence sent to their non-resident address. In such instances, a note fully documenting all the relevant facts should be made at the time when the account is opened. The onus is on the deposit-taker to document and retain evidence to show how it has satisfied itself as to the non-resident status of such persons.

3.9.3 Death of depositor

In the event of the death of a non-resident depositor holding a DIRT exempt account, the continued entitlement to DIRT exemption depends on the status of the person(s) who are then beneficially entitled to the interest (the beneficiaries of the estate) and on the completion of the appropriate declaration by a person to whom the interest is payable.

During the period of administration of the estate, this would normally be a personal representative of the deceased. In the intervening period until the status of the new beneficiary is established, the deposit-taker should treat the account as DIRT liable. In the case of the death of one of the holders of a joint account, where ownership passes to the other joint account holder(s), a fresh declaration is not required unless the original declaration was signed by the deceased person only, on behalf of all parties.

These provisions apply from the date when the deposit-taker comes into the possession of information of the death of a non-resident individual who was the beneficial owner of the interest payable in respect of a deposit account which has been given DIRT exempt status.

3.10 Declaration on behalf of a non-resident individual

This declaration may be completed in circumstances where either:

- The account is opened by a third party on behalf of a non-resident individual but the person who has power to operate the account is the third party - for example, a stock broking firm who manages the purchase and sale of

investments on behalf of a client and who places funds on deposit in the name of the client pending reinvestment of such funds or,

- The beneficial owner of the interest is not the account holder - for example a resident executor places funds on deposit pending finalisation of the estate where all beneficiaries to the estate are non-resident.

3.11 Declaration by a non-resident company

The authorised declaration form for non-resident companies requires a signature from the company secretary or an authorised officer of the company. Revenue is aware that some jurisdictions do not have the concept of a company secretary. It is accepted by Revenue that in these situations the declaration may be signed by an authorised signatory of a non-resident company provided the deposit taker can validate the authority to sign the declaration. Means of validation include a copy of the relevant board resolution, power of attorney or similar such evidence.

3.12 Revenue administrative practices

Revenue administrative practices allow for interest to be paid gross, without the deposit-taker obtaining a declaration of non-residence that would otherwise be required under s.263 TCA 1997, in the following circumstances:

- interest paid by a bank in the State to a non-resident bank;
- interest paid to a non-resident corporate where the deposit-taker paying the interest is satisfied, from relevant AML / KYC, identification and verification documents, the Foreign Account Tax Compliance Act ("FATCA") / Common Reporting Standard ("CRS") documentation or is otherwise satisfied, that the payee:
 1. is the beneficial recipient of the interest, **and**
 2. is non-resident;
- interest on certain deposits in the form of Medium Term Notes (MTN)², provided that conditions set out in [Appendix IV](#) are met;
- interest on short term deposits paid to certain bodies, listed in [Appendix V](#), resident in countries with which Ireland has Double Taxation Agreements, where the deposit-taker is satisfied as to their non-resident status.

Sources such as stock exchange listings, registers that are kept by Central Banks or Government Departments or listings that are held by commercial information providers such as Bloomberg's or the Bankers Almanac should be used to validate the status claimed by such depositors. Where there are no data protection issues, information collected in satisfaction of the requirements of AML, KYC, Savings

² Refer to TDM [Part 08-03-11](#) on the tax treatment of wholesale debt instruments.

Directive, CRS, the Directive on Administrative Co-operation (“DAC”) II, or FATCA may be used. This is likely to be of relevance to corporate accounts.

Where the interest is reported to Revenue for the purposes of FATCA or CRS there is no need also to report it on a return required under s.891B TCA 1997 as Revenue will have collected the information.

3.13 Electronic Account Opening procedures

Revenue is aware that many deposit takers are moving to a “single view of customer” model. Under this model, once a relationship is established between the deposit taker and the customer the relevant AML / KYC, identification and verification documents or FATCA / CRS information is obtained only once at a customer level. This information will not be requested again, provided the customer’s circumstances have not changed, when a customer wishes to open a new account.

The single view holds all the information regarding the customer in one place with all accounts held for the customer linked back to this information.

The information provided by a customer by electronic means contains all the information required in the hard copy declaration and is obtained via the customer entering details on multiple screens rather than completing a single declaration. Revenue will accept a declaration made in this manner without the necessity to obtain a hard copy declaration in the prescribed form, provided it is consistent with the KYC documentation. This information must be capable of being provided to Revenue if requested.

If there is a change to the circumstances of the customer, the single view is updated by the deposit taker and the status of all accounts held by the customer will be changed accordingly.

For example, if a customer was non-resident and the customer’s account(s) had been marked DIRT exempt by the deposit taker and subsequently information was obtained that the customer was now resident the single view of the customer would be updated and the DIRT exemption will be removed from the customer’s account(s).

In view of the move to a “single view of customer” model Revenue are prepared to accept that when

- an Individual aged 65 or over and his / her spouse or civil partner
- or
- a non-resident individual / company

enters into a relationship with a deposit taker all accounts that are linked to that individual / company may be treated as DIRT exempt provided, that at account opening stage

1. the Form DE1 (or online equivalent) / Non-Resident Declaration (or online equivalent), as appropriate, has been obtained and
2. the required exemption declaration information is consistent with relevant AMLK / KYC, identification and verification documents or FATCA / CRS information or other evidence that satisfies the deposit taker of its validity.

It is accepted by Revenue that where all other account opening information (including AML / KYC material) is obtained electronically, then scanned DIRT declarations may be accepted by deposit takers.

A digital signature obtained as part of an electronic application or a DIRT declaration that forms part of an online application form is also acceptable for the purposes of this section.

Once the deposit taker becomes aware of a change of circumstances of the customer the DIRT exempt status of all accounts linked to the customer should be examined.

4 Charities, Pension Schemes & Companies

4.1 Exempted charities

As outlined in Section 2 interest may be paid gross without deduction of DIRT to an exempt charity. Prior to DIRT exempt status being granted such a charity should first be asked for the reference number, known as the charity (CHY) number, that has been assigned to it by Revenue in recognition of that charity's entitlement to exemption from tax under s.207 TCA 1997. When making a return under s.891 TCA 1997, the details in respect of interest paid to such an approved charity should include the charity (CHY) number that has been assigned by the Revenue Commissioners to that approved charity.

Revenue maintain a [list of tax-exempted charities](#), which may be consulted, in cases of doubt.

4.2 Approved pension schemes

As outlined in Section 2 interest may be paid gross without deduction of DIRT to an approved pension scheme. Prior to DIRT exempt status being granted such a pension scheme should first be asked for the SF (Superannuation Fund) reference number that has been assigned to it by Revenue when the scheme received approval. When making a return under s.891 TCA 1997, details in respect of interest paid to such a pension scheme should include the SF reference number that has been assigned to that pension scheme.

4.3 Companies within the charge to Corporation Tax

As outlined in Section 2 interest may be paid gross without deduction of DIRT to a company within the charge to corporation tax. Before DIRT exempt status is granted such a company should first be asked for the reference number that has been assigned to it by Revenue under s.885 TCA 1997. When making a return under s.891 TCA 1997, details in respect of interest paid to such a company should include the reference number that has been assigned by Revenue to that company.

5 DIRT payments, statements and returns

Under s.258 TCA 1997 all relevant deposit-takers must make a DIRT Return to the Collector-General for every year of assessment whether relevant interest was paid by them or not. The return is to be made within 15 days (23 days when filed through ROS) of the end of the year of assessment to which it relates.

The return must include details of:

- the relevant interest paid by the deposit-taker in the year,
- the DIRT in relation to the payment of that interest, and
- the payment on account already made in respect of DIRT for that year of assessment.

5.1 DIRT payments to be made by a deposit-taker

DIRT in relation to the payment of relevant interest during a year of assessment shall be due at the time in which the return annual return is to be made and is payable to the Collector General, 15 days (23 days when filed through ROS) following the end of the year of assessment. However, a relevant deposit taker is required under s.258(4) TCA 1997 for each year of assessment to make interim payments of DIRT to the Collector General within 21 days (23 days when filed through ROS) of –

- 31 March,
- 30 June, and
- 30 September.

The payments of DIRT must be made by the dates they are due, without an assessment being made by Revenue. Interest is charged on any late payment of DIRT from the date when the amount becomes due and payable. From 1 July 2009 interest is charged at a rate of 0.0274% per day or part of a day, prior to 1 July 2009 interest was charged at a rate of 0.0322% per day or part of a day.

There is no provision for a refund of a payment on account of DIRT by a deposit-taker. Any overpayments are available for carry forward to be offset against future DIRT liabilities.

Interest includes interest that is credited to an account. Interest credited to an account is treated as having been paid on the crediting date.

Some deposit-takers may be calculating payments on account under provisions to ensure that the deposit-taker pays a full year's DIRT each year under the provision of s.259 TCA 1997. S.259 TCA 1997 applies to a deposit-taker if the amount of DIRT payable in respect of interest paid or credited by it in a year of assessment is less than the amount of tax appropriate to the interest which accrued on the deposits held by it in a specified period of 12 months.

The 12-month period ends on the deposit-taker's latest general crediting date in the year of assessment or, if it has no general crediting date, on the last day of that year.

When the section applies to a deposit-taker in respect of a year of assessment, its October payment on account of DIRT for the following year of assessment and for each succeeding year of assessment is to be the amount of DIRT on 12 months' interest accruing to 30 September in the year of assessment less the payments of DIRT it made in

- January
- April
- July.

5.2 Correction of errors

In circumstances where a deposit taker inadvertently deducts DIRT from a deposit which is not a relevant deposit [e.g. a deposit of a credit union (i.e. another deposit-taker) or where a valid non-resident declaration is in place at the interest payment date but the deposit-taker had omitted to flag the account as exempt from DIRT] it is in order for the deposit-taker to correct the error without recourse to Revenue.

In such circumstances, the next payment of DIRT to Revenue may be reduced by the amount deducted in error. This is the case irrespective of whether the error occurred in a previous tax year or not.

Each deposit taker must ensure that adequate controls are in place to ensure that no refund of DIRT is made in circumstances where a valid declaration/details of the customer's tax reference number is not in place at the relevant interest payment date(s) or, in the cases of exemptions not conditional on a declaration/tax reference number, that there is adequate documentation in place to support the claim to exempt status.

Any information indicating that an account may be a relevant deposit should be acted on, insofar as the DIRT treatment of the account is concerned, as soon as it is identified. However, the deposit-taker is liable to account for DIRT on the account by reference to when it came into possession of the information. This includes DIRT arrears detected in the course of ongoing vigilance, periodic review, account closure or internal audit work.

5.3 Statements for DIRT purposes

A deposit-taker is obliged, by section 262 TCA 1997, to provide a depositor with a statement showing:

- the amount of the gross relevant interest payment,
- the amount of the DIRT deducted from that relevant interest payment,

- the net amount of the relevant interest payment after the DIRT has been deducted, and
- the date on which the interest was paid or credited to the depositor's account.

The statement, which can be provided electronically by the deposit-taker, should identify the account with the full account number. A statement may include details in respect of a number of payments in a specified period as totals, provided that details of all payments in the period are included.

In a death case, the personal representatives will require a statement which show details of payments made before and after death separately. A statement provided for the period before death should not include interest accrued, but not paid or credited, at the date of death.

5.4 Requirement to return details of interest paid

Each deposit-taker has an obligation to return details on interest paid or credited under various sections of the TCA 1997.

Guidance on the returns to be made by deposit taker under various [Exchange of Information](#) provisions is available on www.revenue.ie.

5.4.1 S.891B TCA 1997

Under the provisions of s.891B TCA 1997 each deposit-taker is obliged to provide Revenue annually with a return of interest paid or credited in excess of €300.

In a year that an account is first opened the details of the account should be reported regardless of the amount of interest that is paid or credited to the account.

The associated regulations are [S.I. No. 136/2008](#), [S.I. No. 254/2009](#), and [S.I. No. 56/2015](#).

5.4.2 S.891 TCA 1997

Each deposit-taker is obliged to provide Revenue annually with a return of interest paid without deduction of DIRT (s.891 TCA 1997).

If a deposit-taker has included the details on interest paid in a return under the provisions of s.891B there is no need for the deposit-taker to also include the interest payment in a return required under the provisions of s.891 TCA 1997.

S.891 TCA 1997 does not apply to interest paid or credited by a credit union other than interest paid or credited in respect of DIRT exempt deposits for individuals aged 65 or over and those who are permanently incapacitated and their income fall below certain limits.

There is provision for the exclusion from such returns of non-residents who have given notice in writing to the effect that they wish to be so excluded. There is also provision

for an affidavit to be obtained where the deposit-taker is not satisfied as to non-residence of the person giving the notice.

The Revenue practices, contained in paragraph 3.12, modifying the requirements for non-resident declarations under s.263 TCA 1997 do not, however, cover the exclusion of such non-residents from returns of interest paid gross. The inclusion of interest on such accounts is obligatory in the absence of the notice referred to in s.891 TCA 1997.

5.4.3 Inter Banking Accounts

Details of interest paid in respect of Inter Banking Accounts need not be returned. Revenue reserve the right to request this information at a later date, subject to the terms and conditions set out in s.891 TCA 1997.

5.5 Returns by Persons in receipt of Income belonging to others

S.890 TCA 1997 provides that every person who is, in whatever capacity, in receipt of money, value, profits or gains arising from any source of or belonging to another person who is chargeable to tax in respect of such money, value, profits or gains (or would be chargeable to tax if resident in the State and not an incapacitated person) must, make a return of such income.

The return must be in a form prescribed ([Form 8-2](#)) and contain -

- a statement of all such money, value, profits or gains;
- the name and address of every person to whom all such money, value, profits or gains belong;
- a declaration on whether the person to whom the money, value, profits or gains belong is over 18, resident in the State, a married person or civil partner or an incapacitated person.

The person requested to make the return must also give the name and address of any person with whom he/she is jointly in receipt of money, value, profits or gains belonging to another person. Amounts under €635 belonging to any one person need not be returned.

5.6 Electronic Filing

All third-party returns should be filed in electronic format in accordance with s.898A TCA 1997.

5.7 Electronic Storage of Documents

In line with the principles enshrined in the Electronic Commerce Act, 2000, the following parameters should apply to the electronic storage of relevant documentation including the declaration forms.

Subject to paragraph 3.13 hard copy declarations should be scanned in a manner which ensures their integrity. The scanned document should be in a “read only” permanent format, i.e. the electronic copy of the document will not be amendable.

- The scanned declaration should be securely stored and should only be accessible to those who are authorized to access it.
- The document should be readily accessible to authorized staff and to Revenue where required.
- Adequate procedures should be in place to ensure that documents are not deleted.
- It should be possible to produce a paper copy of the scanned document if required. All subsequent annotations of the declaration should be carried out by printing scanned copy and manually annotating, and re-scanning as a new document.

As paragraph 3.13 provides that scanned declarations are acceptable, a paper copy of the scanned declaration, provided by the client or scanned by the deposit taker, is acceptable provided the scanned copy is consistent with KYC documentation.

5.8 Retention of documentation

All documentation referred to above should be retained and readily be available for Revenue inspection.

6 Systems and procedures of deposit-takers

6.1 General

The provisions of Section 257 require a deposit-taker to treat every deposit, as a relevant deposit **“unless satisfied that such a deposit is not a relevant deposit”**. Furthermore, where a deposit-taker has satisfied itself that a deposit is not a relevant deposit it is entitled to continue to so treat it until such time as the deposit-taker is **“in possession of information which can reasonably be taken to indicate that the deposit is or may be a relevant deposit”**.

Deposit-takers are expected to document fully all systems and procedures in relation to DIRT and to provide appropriate training to staff.

Revenue DIRT audits will check whether the systems and procedures of deposit-takers are adequate to enable them to satisfy the requirements of Section 257. These audits will also check if the systems and procedures are actually being applied in practice

The purpose of this part of the guidelines is to set out the **minimum standards** that Revenue considers necessary and should not be viewed as exhaustive. Depositor-takers should adopt such additional systems and procedures as they consider are appropriate to their own circumstances.

6.2 Account opening procedures

6.2.1 Introduction

The procedures adopted when an account is opened are critical to the correct DIRT treatment of the account. Similar procedures should apply to the reclassification of an existing deposit account as a DIRT exempt account.

6.2.2 Deposit-taker must be satisfied

The DIRT legislation places an onus on a deposit-taker to satisfy itself as to the status of the beneficial owner of the interest before making an account DIRT exempt. Obtaining a completed declaration is necessary but is not, of itself, sufficient to meet this requirement. The deposit-taker must also be satisfied that the information given in the declaration is accurate and correct. The onus is on the deposit-taker to retain documentary evidence to show that it has satisfied itself in this regard.

6.2.3 Verification of identity

Verification of the identity of the beneficial owner of the interest is vital to enable the deposit-taker to be satisfied as to the status of the person claiming DIRT

exemption. It is expected that KYC / AML rules would be followed for identity verification.

Please refer to paragraph 3.13 regarding Electronic Account Opening procedures.

In relation to existing customers deposit takers should be able to show how they satisfied themselves as to the correct status of the beneficial owner of the interest when the deposit account was first opened.

6.2.4 Information in possession of the deposit-taker

Account opening procedures should provide for the beneficial owner of the interest to be asked to identify any other accounts held (either directly with the deposit-taker, or elsewhere, in a group). All information, to which an official dealing with the depositor should have access to in the course of business, should be searched for indications that would support or contradict the status of the person claiming exemption.

Any information already in possession of the deposit-taker, to which an official dealing with the depositor should have access to in the course of business, in relation to the beneficial owner of the interest should be searched for indicators that would support or contradict the status of the person claiming DIRT exemption. This is particularly important in the case of non-resident individuals. This search should cover information, to which an official dealing with the depositor should have access to in the course of business in connection with any other account held by such a person with the deposit-taker. In a group situation, it should also include any information in the possession of another member of the group who introduces or otherwise facilitates the deposit. The annual review should also address this issue.

6.2.5 Review by senior staff

Revenue considers it best practice that the procedures for classifying accounts as DIRT exempt should include provision for review by an authorised official of appropriate rank, other than the official who dealt with the depositor, to ensure that the correct procedures have been complied with and are fully documented. The reviewer should be an authorised official of appropriate rank.

6.3 Account opening procedures - Non- residents

6.3.1 Definition of a non-resident

The legislation in relation to the residence of individuals is contained in Part 34, Sections 818 to 825A Taxes Consolidation Act 1997.

Please refer to the [Tax Residence](#) section of www.revenue.ie for more detailed information regarding residence of an individual.

Please refer to the [Company Residency rules](http://www.revenue.ie) on of www.revenue.ie for more detailed information regarding residence of a company.

6.3.2 All beneficial owners of interest must be non-resident

To qualify for DIRT exemption all of the beneficial owners of the interest must be non-resident. In no circumstance should an account be treated as DIRT exempt where one or more of the beneficial owners is resident.

6.3.3 Individuals

The following subparagraphs refer to individuals claiming non-residence. It is not suggested that the deposit-taker have procedures in place in relation to DIRT that unnecessarily duplicate procedures for other purposes, such as those in relation to KYC / AML. However, it is expected that procedures of the deposit-taker would address the issues raised in the following subparagraphs (6.3.4 and 6.3.5) in a robust and DIRT focussed manner.

Please refer to paragraph 3.13 regarding Electronic Account Opening procedures.

6.3.4 Initial deposit

The initial deposit to a new account may, in itself, provide valuable clues in relation to the residence status of a beneficial owner of interest who is an individual. Procedures should ensure that information is obtained and documented having regard to the residence status of such an individual. Factors such as the following should be reviewed in the context of the known circumstances of the depositor and the beneficial owner of the interest

- size of the deposit,
- form of the deposit - cash/cheque/draft,
- currency in which the deposit is denominated, and
- if the lodgement is by cheque, or any other type of financial instrument, whether it is drawn against an Irish based account.

Deposit takers may also wish to rely on the procedures used to satisfy the requirements of KYC / AML in this regard. If, having regard to these or any other factors, there is doubt as to the residence status of the beneficial owner of the interest, and satisfactory explanations are not provided and documented, the account should not be treated as DIRT exempt.

6.3.5 Particular areas of difficulty

The following are a number of situations in which a deposit-taker may have difficulty in being satisfied as to a claim of non-residence by an individual:

- use of an address that does not appear to be a normal, residential address,

- a request for correspondence to be held in the bank or issued to an Irish address,
- property in the State which is owned by the depositor and stated to be a holiday home rather than his or her principal residence,
- an Irish resident is mandated to operate the account,
- an Irish national is working temporarily abroad, especially where he or she has a residential property in the State or his or her family lives here or both.
- The association of more than one name with an account where one party is resident should also be regarded as a serious risk indicator and should give rise to queries to establish the full circumstances, which should be documented.
- Other life events that might suggest a potential risk include alterations in marital/domestic circumstances or address.

This list is not exhaustive and the onus remains with the deposit-taker to respond to any information that could be relevant.

Residence is determined by reference to the number of days spent in the State in a year. If detailed probing confirms non-residence and the deposit-taker decides to treat the account as DIRT exempt, the explanations and supporting evidence should be fully documented.

6.4 Ongoing operation of accounts

6.4.1 Ongoing review

As stated above, a deposit-taker is entitled to continue to treat an account as DIRT exempt only until such time as it is **“in possession of information which can reasonably be taken to indicate that the deposit is or may be a relevant deposit”**. Accordingly, procedures should require staff to be alert to indicators that suggest that an account is, or always was, a relevant deposit.

6.4.2 Formal review

All accounts conditional on a declaration should be the subject to a periodic formal review to ensure:

- the appropriate documentation is held and that there are no contra-indications on file as to DIRT exempt status
- that appropriate documented explanations have been obtained where there is information in the possession of the deposit-taker casting doubt on the status of the depositor.

The reviewer should be an authorised official of appropriate rank.

The review of accounts of non-resident individuals should be undertaken at least once a year. This review should include an examination of previously DIRT exempt accounts that had been closed or reclassified during the year

6.4.3 Non-resident accounts of individuals - factors to be considered

In addition to the factors referred to in the paragraphs dealing with account opening procedures, factors to be considered in the ongoing monitoring, including formal reviews, of non-resident accounts of individuals are dealt with in the following paragraphs.

6.4.4 Indicators of residence

The following should be regarded as indicators that there may be a problem with the non-residence status of an account

- lodgements/withdrawals made to an account in round sum amounts,
- frequent lodgements/withdrawals,
- reference to the account in the course of doing other business, in relation to a loan account, for example, and

Features such as these should be questioned and the explanations documented.

Where post is returned undelivered from the foreign address provided the account should be made DIRT liable.

6.4.5 Non-residents becoming resident

Given that the funds concerned have been lodged with a deposit-taker in this country, the possibility of non-residents, especially Irish emigrants, becoming resident is significant. One indicator of this would be a mortgage application for a residence in the state or a loan application for a car.

6.5 Internal Audit

DIRT should be a major item on the internal audit agenda of all deposit-takers.

Internal audit should ensure that documented systems and procedures in relation to DIRT are adequate and are adhered to in practice.

6.6 Bank staff

The Taxes Consolidation Act provides for penalties, both civil and criminal, for breaches of the DIRT legislation.

Accordingly, it is expected

- that a culture of compliance with DIRT would apply throughout the offices of each deposit-taker;
- that all staff dealing with DIRT- exempt accounts would be instructed and trained appropriately.

6.7 Electronic Storage of Documents

In line with the principles enshrined in the Electronic Commerce Act, 2000, the following parameters should apply to the electronic storage of relevant documentation including the declaration forms.

Subject to paragraph 3.13 hard copy declarations should be scanned in a manner which ensures their integrity. The scanned document should be in a “read only” permanent format, i.e. the electronic copy of the document will not be amendable.

- The scanned declaration should be securely stored and should only be accessible to those who are authorized to access it.
- The document should be readily accessible to authorized staff and to Revenue where required.
- Adequate procedures should be in place to ensure that documents are not deleted.
- It should be possible to produce a paper copy of the scanned document if required. All subsequent annotations of the declaration should be carried out by printing scanned copy and manually annotating, and re-scanning as a new document.

As paragraph 3.13 provides that scanned declarations are acceptable, a paper copy of the scanned declaration, provided by the client or scanned by the deposit taker, is acceptable provided the scanned copy is consistent with KYC documentation.

6.8 Retention of documentation

All documentation referred to above should be retained and readily be available for Revenue inspection.

Appendix I – Historic DIRT Rates

Period	Standard DIRT Rate	Higher DIRT Rate*
1 January 2018 to 31 December 2018	37%	
1 January 2017 to 31 December 2017	39%	
1 January 2014 to 31 December 2016	41%	
1 January 2013 to 31 December 2013	33%	36%
1 January 2012 to 31 December 2012	30%	33%
1 January 2011 to 31 December 2011	27%	30%
8 April 2009 to 31 December 2010	25%	28%
1 January 2009 to 7 April 2009	23%	26%
1 January 2002 to 31 December 2008	20%	23%

*From 2002 to 2013, a higher DIRT rate applied to interest earned on a deposit where the interest cannot be calculated annually or more frequently and the interest cannot be determined until it is paid. This higher DIRT rate was abolished as and from the 1st January 2014.

Appendix II – Prescribed Declarations

Non-Residents

The prescribed non-resident declarations in accordance with s.263 TCA 1997 are:

- Declaration and undertaking by a **Non-Resident Individual** to a Relevant Deposit Taker
- Declaration and undertaking **on behalf of a Non-Resident Individual** to a Relevant Deposit Taker
- Declaration and undertaking by a **Non-Resident Company** to a Relevant Deposit Taker

Individuals 65 or over

The prescribed Declaration in accordance with s.263A TCA 1997 is the [Form DE1 - Application to have deposit interest paid without deduction of DIRT where applicant and/or spouse or civil partner is aged 65 or over](#)

Permanently Incapacitated Individuals

The prescribed Declaration in accordance with s.263B TCA 1997 is the [Form DE2 - Application to Revenue by permanently incapacitated individual\(s\) or, by a trustee of a special trust for permanently incapacitated individual\(s\) to have deposit interest paid without deduction of DIRT.](#)

The notification in accordance with s.263C TCA 1997 is Notification to Relevant Deposit Taker of authority to apply DIRT exempt status to the account of an account holder under s.263(C) TCA 1997.

NON-RESIDENT DECLARATION

Declaration in accordance with Section 263, Taxes Consolidation Act, 1997.

(Declaration and undertaking by a Non-Resident Individual to a Relevant Deposit Taker)

<p>A. DEPOSIT TAKER</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>_____</p>	<p>ACCOUNT NUMBER(S)</p> <table border="1" style="width: 100%; height: 40px;"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>				
<p>B. BENEFICIAL OWNER OF INTEREST ON DEPOSIT</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>(“Address” in this part means the address of the person’s principal place of residence)</p> <p>Country of Residence _____</p> <p>(at the time this declaration is made)</p>					
<p>C. DECLARATION</p> <p>I hereby,</p> <ul style="list-style-type: none"> • declare that I am the beneficial owner of the interest on deposit mentioned at B above and that I am not resident in the State at the time this declaration is made, and • undertake to notify you if I become resident in the State. <p>Signature : _____</p> <p>Dated this : _____ day of _____ 20_____</p>					

Figure 1: Declaration and undertaking by a Non-Resident Individual to a Relevant Deposit Taker

NON-RESIDENT DECLARATION

Declaration in accordance with Section 263, Taxes Consolidation Act, 1997.

(Declaration and undertaking on behalf of a Non-Resident Individual to a Relevant Deposit Taker)

<p>A. DEPOSIT TAKER</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>_____</p>	<p>ACCOUNT NUMBER(S)</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>_____</p> <p>_____</p> <p>_____</p> </div>
<p>B. BENEFICIAL OWNER OF INTEREST ON DEPOSIT</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>(“Address” in this part means the address of the person’s principal place of residence)</p> <p>Country of Residence _____</p> <p>(at the time this declaration is made)</p>	
<p>C. DECLARATION</p> <p>I hereby,</p> <ul style="list-style-type: none"> • declare that the person mentioned at B above, the beneficial owner of the interest, is not resident in the State at the time this declaration is made, and • undertake to notify you if that person becomes resident in the State <p>Name _____</p> <p>Capacity _____</p> <p>Address/Business Address _____</p> <p>_____</p> <p>Signature : _____</p> <p>Dated this : _____ day of _____ 20 _____</p>	

Figure 2: Declaration and undertaking on behalf of a Non-Resident Individual to a Relevant Deposit Taker

NON-RESIDENT DECLARATION

Declaration in accordance with Section 263, Taxes Consolidation Act, 1997.

(Declaration and undertaking by a Non-Resident Company to a Relevant Deposit Taker)

<p>A. DEPOSIT TAKER</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>_____</p>	<p>ACCOUNT NUMBER(S)</p> <table border="1" style="width: 100%; height: 50px;"> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </table>				
<p>B. BENEFICIAL OWNER OF INTEREST ON DEPOSIT</p> <p>Name _____</p> <p>Address _____</p> <p>_____</p> <p>("Address" in this part means the address of the person's principal place of residence)</p> <p>Country of Residence _____</p> <p>(at the time this declaration is made)</p>					
<p>C. DECLARATION</p> <p>I hereby,</p> <ul style="list-style-type: none"> • declare that the person mentioned at B above, the beneficial owner of the interest, is not resident in the State at the time this declaration is made, and • undertake to notify you if that person becomes resident in the State <p>Signature of Company Secretary _____</p> <p>Dated this : _____ day of _____ 20____</p>					

Figure 3: Declaration and undertaking by a Non-Resident Company to a Relevant Deposit Taker

Notification to Relevant Deposit Taker of authority to apply DIRT exempt status to the account of an account holder under Section 263(C) Taxes Consolidation Act 1997



Name of Relevant Deposit Taker:

Address:

Include Eircode, if known

This Notification gives to you, the relevant deposit taker authority, to pay, without deduction of DIRT, any interest on the account detailed below that is held beneficially by the person(s) named hereunder. This authority is effective unless and until it is cancelled by the Revenue Commissioners.

Name of Account Holder(s):

Address:

Include Eircode, if known

PPS Number of Account Holder(s):

Bank Identifier Code (BIC) (if applicable) (Max. 11 characters)

International Bank Account Number (IBAN) (Max. 34 characters)

Signed: *On behalf of Revenue* Date:

Official Revenue Stamp

Financial Institution Date Received Stamp

This Notification is issued solely for the purposes of Section 256(1B) TCA 1997. Where a relevant deposit taker has any doubts about treating an account as a DIRT exempt account, they should notify the Revenue Commissioners immediately. Any queries regarding the validity of this Notification may be made to the relevant Revenue office that issued the Notification.

RPC007286_EN_WB_L_1

Figure 4: Notification to authority to apply DIRT exempt status

Appendix III – Minor Form Deficiencies

Appendix III mainly applies to paper declarations as it is expected that all information required on the declarations would be captured at account opening stage if the account has been opened electronically.

Revenue expects declarations to be completed, in full, prior to signature by the declarer. As set out below, Revenue will not treat an account as liable to DIRT by reason of minor deficiencies; deposit-takers are expected to rectify these deficiencies as they came to light.

Where it is stated that a deficiency may be rectified by annotation, the deposit-taker should, using a distinctively coloured ink, annotate the declaration:

- to insert the missing or corrected information, and
- identifying the date of the amendment and the official who made it.

In no other circumstance should a deposit-taker alter a declaration after it has been signed.

A. Missing Account Number

Where the account number is missing, but it is clear that a particular declaration relates to a particular account, it will be treated as a minor deficiency and can be corrected by annotation, thus validating the declaration retrospectively to the date of completion.

B. No deposit-taker specified

The omission of the name of a deposit-taker will be treated as a minor deficiency where the account number or a description of the account, included on the declaration, enables the deposit-taker to be identified.

Such a deficiency may be rectified by annotation.

C. Error in the name of the deposit-taker

Where the name of the deposit taker is incorrect, e.g. in a group situation, and the account number or description of the account enables the correct deposit taker to be identified, this will be treated as a minor deficiency and may be rectified by annotation.

D. Omission of address of deposit-taker

Such a deficiency may be rectified by annotation

E. Error in the address of the deposit-taker

Where the address of the deposit taker is incorrect, e.g. in a group situation, and the account number or description of the account enables the correct deposit taker to be identified, this will be treated as a minor deficiency and may be rectified by annotation.

F. Failure to repeat address

The failure to give a person's address in part of the declaration will be treated as a minor deficiency if it is given in another part of the declaration. Such a deficiency may be rectified by annotation.

G. Omission of name of declarer

The omission of the name of the declarer, who of course must have signed the declaration, will be treated as a minor deficiency if it is given in another part of the declaration. Such a deficiency may be rectified by annotation.

H. Dating of declarations

The omission of a date may be rectified by annotation. This will be treated as a minor deficiency only in respect of interest credited after the date of the annotation unless the earlier existence of the declaration is supported by reliable evidence.

I. Omission of country of residence

The omission of the beneficial owner's country of residence will be treated as a minor deficiency if the country of residence can be determined from an address provided for that person on the declaration. Such a deficiency may be rectified by annotation.

J. Charities, Companies, and Pension Funds

Any declaration completed in the past will be regarded as valid from the date of completion, provided that it shows the name of the company, charity or pension scheme and the relevant number.

Appendix IV – Medium Term Notes

The definition of deposit is broad and therefore encompasses items which are more in the nature of bank financing, than of deposit taking. Medium Term Notes (MTN) are one such instrument. Interest on deposits which are in the form of MTN may be paid gross, without obtaining a declaration of non-residence that would otherwise be required under s.263 TCA 1997 in certain circumstances. The conditions to be met in order for not obtaining a non-resident declaration are as follows:

- 1) The issuer will not sell any such deposit to Irish residents and will not offer any such deposit in Ireland;
- 2) As far as primary sales of such deposits are connected, the dealers as a matter of contract undertake to the issuer that their action in any jurisdiction will comply with the then applicable laws and regulations and that the dealers will also undertake as a matter of contract to the issuer that they will not knowingly make primary sales (or knowingly offer to do so, or distribute any material in that connection in Ireland) to any Irish residents or persons;
- 3) Statements to the effect of (2) above will be included in the information memorandum for the programme which will be available to investors (whether primary or secondary) at their request and that, in addition, the information memorandum will include wording to the following effect;

"Each dealer has confirmed that, with respect to these deposits, it will not knowingly offer to sell such instruments to an Irish resident, or to persons whose usual place of abode is Ireland and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such instruments..."
- 4) The deposits are cleared³ through a clearing system recognised for this purpose by Revenue, please refer to Tax and Duty Manual [Part 08-03-04](#); and .
- 5) The minimum denomination in which such a deposit is made will be €500,000 or its equivalent.

³ Interests in MTNs that are issued as Global Notes, held in a clearing system, may be exchanged for a Definitive Bearer Note which may be taken out of and cleared outside of a clearing system, it being acknowledged that Definitive Bearer Notes may be issued in exchange for interests in a Global Note held in in a clearing system (in accordance with the terms of the Global Note) and in the case of sterling denominated Global Notes, held on demand by the holder for as long as this is a requirement are not covered by the above.

Appendix V – Interest on short term deposits paid to certain bodies

Paragraph 3.12 lists Revenue practices which allow for interest to be paid gross to certain bodies without the deposit-taker obtaining a declaration of non-residence that would otherwise be required under s.263 TCA 1997, in certain circumstances and refers to conditions to be set out in this appendix.

The bodies⁴ for which a non-resident declaration is not required are the following:

- Building Societies of States outside the EU,
- Regulated Mutual Funds where the deposit-taker has taken reasonable steps to ensure that the fund is not acting on behalf of Irish resident persons,
- Life Offices,
- Local Authorities, and
- Regulated Finance Companies.

This practice applies only to a deposit where it is clear from the outset that the deposit will be for a period of less than three months. It does not, for example, apply to call deposits or interest bearing current accounts of indeterminate duration. Furthermore, it does not apply to clients who have an ongoing relationship with the bank and who roll over short-term accounts.

⁴ This material was previously Appendix III, paragraph 11.2, of the document entitled “**Deposit Interest Retention Tax Guidance Notes for Deposit Takers**” dated January 2006 referenced in Schedule 2 of S. I. No. 136 of 2008 - Return of Payments (Banks, Building Societies, Credit Unions and Savings Banks) Regulations 2008.