

TALC AUDIT Sub-Committee Meeting Minutes

Thursday 19th March 2026 10am
Revenue Office Bishop's Square and MS Teams

Attendees

Organisation	Name
Revenue	Emily Swift (chair) Miriam Scahill (presenter) Sarah Keegan (secretary) Eve Arrowsmith (guest presenter)
Law Society	Trish McCarvill
Irish Tax Institute	Mary Healy Aidan Lucey Sandra Brennan Tim Lynch Fergal Kenzie Mark Ludlow Gemma Tugwell
CAI	Grainne McDermott Gerry Higgins
Apologies:	Jennifer Fanning (Revenue) Gearóid O'Sullivan (CAI)

Item 1 – Minutes of meeting held on 3rd December 2025

Emily Swift introduced herself as chair for this meeting of the TALC Audit Sub Committee. The Work Plan for 2026 was previously circulated and agreed.

As a matter of procedure, it was noted that there should be a maximum of 6 representatives from each body at every meeting. A discussion followed and it was agreed that each body will revert with a listing of their representatives for 2026.

It was noted that the minutes of the meeting of 3 December 2025 had been agreed and published.

Outstanding matters:

- December 2025 : Revenue issued a press release reminder for Karshan disclosures in January 2026.
- September 2025: practitioners sought confirmation as to whether the payment made with the Karshan disclosure will be tax deductible for the employer. RLS were consulted on this matter. Revenue advised that standard practice applies, in that, based on the application of the wholly and exclusively test no deduction is available for Income Tax, USC and employee PRSI paid by the employer on these settlements. The employer PRSI is a liability of the employer, not the employee and this amount should be tax deductible.

Item 2 – Discussion with Medium Enterprises Division (MED) Representative

Eve Arrowsmith presented to the committee for this item.

MED's Assistant Secretary is Orla Fitzpatrick. MED is comprised of 12 national branches, 10 of which represent sectoral based compliance Branches, along with Divisional Office, which hosts Service for Compliance, and an RTS Branch. MED have responsibility for individual companies or groups of companies with an aggregated Irish turnover over of €15million to €350million together with their related proprietary directors. Previously the MED threshold was €8.8million to €190million. MED also have responsibility for individuals identified as having a net asset worth of between €10-20m. The division has 520 staff spread primarily over 13 geographical locations.

In MED, the divisional excise functions have been incorporated into the Wholesale Branch. The divisional customs functions continue to be managed by the Motor Transport and Utilities Branch. Going forward the Non Resident & Online Branch will be known as "EU e-commerce VAT Branch" (EU VAT). Construction Branch continues to provide RCT service for Compliance on a divisional basis.

The MED case base consists of 119,612 live cases, including 93,072 non-resident cases. There are 2,875 groups and 25,691 corporate entities in the case-base.

Eve outlined the Division's priorities for 2026 which includes continuing to increase the Level 2 & 3 coverage by sector in all branches. The majority of MED audits and investigations are conducted by way of field intervention.

Eve highlighted a number of risk areas of focus for 2026, including:

- Enhanced reporting requirements (ERR) – for example, travel and subsistence payments including "country money". In January 2026 MED commenced a Level 1 compliance project writing to employers who have not made any ERR submissions to date and this will continue for the rest of the year.
- Payroll taxes (PAYE, USC, PRSI) - director's loans, T&S, usage of credit cards, company vehicles, country money, BIK, misclassification of employment and share based remuneration.
- Misclassification of employment – verifying disclosures received in January 2026. (Identification of potential misclassification of employment which will be incorporated as part of payroll taxes compliance interventions in 2026).
- Share-based remuneration – Eve made a number of points, for example:
 - some employers are failing to complete the "share based remuneration field" in the payroll return.
 - The employer return of share- based remuneration (e.g. RSS1 and ESA) must be completed by the 31st of March of the following year.
 - Employers should check if the share based remuneration reported in the payroll return is correct and matches to the RSS1/ESA return.

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- VAT - deductibility and apportionment rates for dual use inputs, VAT implications of customs duty issues, Postponed accounting, RCT – linkage to VAT – correct operation or non-operation of the Reverse Charge for VAT, VAT on Emergency Accommodation.
- Corporation Tax: for example:
 - XBRL filing – issues with companies claiming an exemption to filing xbrl under option 3. MED are encountering companies who are not computing the gross asset test correctly and companies availing of the exemption where the employee numbers test is not computed in accordance with S317 Companies Act.
 - R&D Claims Issues: Currently no backlog with the processing of R&D claims in MED and processing of new claims for refunds is in hand. In general, the R &D errors has reduced. Some errors are still occurring and these were noted.
- CESOP Compliance: PSP Filing Compliance Programme
- High Wealth Individuals - Taxing of ETFs (exchange traded funds), Cryptoassets, intergenerational transfers

Public Admin Branch continues to focus on major capital projects funded from the Exchequer. In 2026 the branch will have a focus on tax compliance on large scale entities in the case base, key sectoral projects include Education sector, Arts sector, Health sector and Approved Housing Bodies. The branch will also conduct a programme of Profile Interviews with larger Public Bodies including large Government Departments/Agencies/Health sector.

MED's approach, unless considered grievous, will be to open an audit/risk review on one or two years. However, the scope of the audit may be extended to other periods where they believe material tax defaults have arisen.

Practitioners commented on the usefulness of Revenue's video guidance in relation to R&D credits, and thanked Revenue. It was noted that errors are occurring less frequently.

Practitioners queried why investigations are increasing. Eve noted that the level of intervention depends on the risks identified. Caseworkers are now in the field more and delving deeper into the case base. Therefore, audits and investigations have increased year on year.

Practitioners asked if cases would be leaving CCF as part of the changes in thresholds and associated case base moves. Eve to consult with LCD on the matter and revert back. Revenue noted that the core principal of case base segmentation is that cases are assigned to the appropriate Division.

Settlement arrangement arising from Revenue v Karshan (Midlands) Ltd trading as Domino's Pizza (Note 1)

In advance of the meeting, practitioners had requested an update on the settlement arrangement and Eve dealt with the items raised as part of her presentation.

Eve provided an overview of the settlement opportunity and an update on the position.

By the deadline of Friday 30th of January 2026, Revenue had received over 280 submissions with total tax adjustments in excess of €26 million that involve over 6,600 employees.

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The disclosures were received from a wide variety of businesses across the operational Divisions and the submissions varied widely in size from employers who were regularising only one employee to others who were regularising over 100 employees. Revenue will be publishing aggregated statistics at a future date on the outcomes of the Karshan Settlement Opportunity, while also protecting taxpayer confidentiality.

Revenue confirmed that all submissions will be verified by caseworkers to ensure compliance with the terms published in September 2025. As part of this process, tax assessments for 2024 and 2025 will need to be raised to bring the sums paid to account and ensure that the Phased Payment Arrangements are in place.

Revenue caseworkers will liaise with employers on a case by case basis in relation to the required updates to the employee's PRSI records. Revenue advised that caseworkers will be in contact with employers.

Practitioners noted that Revenue should be aware that jobseekers allowance may be impacted while Revenue are verifying the disclosures and Revenue noted same.

Practitioners asked if Revenue had an expectation as to the number of employees that have been misclassified. Revenue noted that there was a high level of engagement with the initiative, the headline figures are available and that the Chairman recently stated at PAC that a report will be published in due course.

The practitioners thanked Eve for her presentation.

Item 3 – Application of the late filing surcharge

In advance of the meeting, practitioners had sought clarity on the application of the late filing surcharge in instances where no tax geared penalty arises on a tax underpayment (innocent error/technical adjustment/self correction without penalty) (Note 2).

Revenue has asked RLS to consider the matter and will revert shortly.

Practitioners suggested that the matter be reflected in the late filing surcharge Tax and Duty Manual (TDM) and Revenue agreed to consider this.

Item 4 – Updates to the Code of Practice for Revenue Compliance Interventions

In advance of the meeting, practitioners had sought an update on revisions to the Code (Note 3).

Revenue presented on this item. The current Code of Practice for Revenue Compliance Interventions was published in May 2022 in tandem with the introduction of the Compliance Intervention Framework, the CIF. It has been a useful reference for practitioners and Revenue caseworkers in the intervening four years as compliance activity moved into the CIF structure, but updates are required.

Revenue anticipate that the Code will be updated on a phased basis.

Revenue are actively working on identifying required updates with a view to making the initial phase of updates in the first half of 2026.

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Revenue noted the headline areas that are listed for update. The initial phase will be focused on general updates, clarifications, expanded text in certain areas and updated graphics.

A discussion followed and practitioners raised some areas for consideration.

Practitioners asked Revenue to consider allowing self correction without penalty to up to the extended ROS filing deadline. Revenue agreed to consider the matter.

Practitioners were asked to submit any suggestions for future updates to the Code by mid-April. A final draft will be circulated to all stakeholders, including this committee, before updates to the Code are published.

Practitioners requested that an Appendix with details of the changes be included in the updated Code and Revenue agreed to this.

Item 5 – General briefing on analysis of intervention data

In advance of the meeting, practitioners requested a general briefing on analysis of intervention data (Note 4).

Revenue reported that it continually analyses the compliance intervention data available from their Revenue Case Management (RCM) system and key metrics, such as case progression and the nature and level of non-compliance detected in compliance cases, are actively monitored. Reflecting the approach Revenue takes to case base management, this analysis and monitoring is done primarily at an operational level.

Revenue also undertakes data analysis at a more centralised level with the intention of detecting underlying trends in compliance activity across the organisation, and they are currently looking at developing a set of standardised performance indicators which can be utilised at both a central and local level. Revenue will provide further information in due course.

Item 6 – Letters of No Audit (LONA) / Non Resident Vendor CGT Clearance

In advance of the meeting, practitioners requested the inclusion of a discussion on LONA/Non Resident Vendor CGT clearance, as an agenda item.

Revenue provided an update on the TDM (45-01-05 Requests for clearance – CGT and Non Resident Vendors) noting that there was a redraft of the TDM in 2025 following engagement with the Law Society. All issues have been dealt with except for a recent query from the Law Society regarding Section 1035 TCA'97 and a request for its inclusion in the latest draft. RLS input is required and publication will proceed once Revenue have clear direction on this point.

The Law Society reported that they are receiving new queries, particularly in relation to scenarios where there are joint owners selling, where one of the parties is non resident and the other is resident.

Revenue noted its intention to publish the TDM without undue delay and requested that practitioners submit the details of the queries as soon as possible.

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There was a discussion around estate/death cases. Revenue informed practitioners that they carried out a review of their processes for clearance in death cases last year and, based on feedback from practitioners and operational areas, there were a number of proposed changes to the TDM (46-01-02 – Requests for clearance in death cases). An initial draft has been circulated internally for consideration. It was agreed that, once the final draft of the TDM is ready, Revenue will liaise with the LONA members to discuss.

The practitioners raised a couple of matters in relation to estate/death cases and Revenue agreed to consider these as part of the proposed updates to the TDM.

Item 7 – AOB

Practitioners raised a query in relation to a case where Revenue challenged the entitlement to a relief based on the bona fide test and the agent is seeking no penalties on the grounds of a technical adjustment. Revenue agreed to review this matter.

There was a discussion in relation to the use of AI tools in Revenue in the handling of taxpayer data. Revenue agreed to follow up in relation to the security and governance practices in place surrounding the use of AI tools.

Action Points	Responsible	Timescale
1. Each representative body to provide a listing of their representatives for 2026 (maximum of 6 reps per body at each meeting).	Practitioners	In advance of the June meeting
2. Revenue to provide clarification in relation to cases leaving CCF as part of case base moves.	Revenue	Completed - see Appendix
3. Revenue to provide an update in relation to the matter raised by practitioners in respect of the late filing surcharge.	Revenue	In advance of the June meeting
4. Practitioners to submit suggestions in relation to Code of Practice.	Practitioners	April 2026
5. Practitioners to submit details of queries relating to CGT clearance for non resident vendors.	The Law Society	March 2026
6. Revenue to liaise with the LONA members regarding the final draft of TDM (46-01-02 – Requests for clearance in death cases).	Revenue	In advance of the June meeting
7. Revenue to review the matter of technical adjustment where a claim for relief failed the bona fide test.	Revenue	In advance of the June meeting
8. Revenue to provide clarifications on the governance in place with regard to the use of AI tools.	Revenue	In advance of the June meeting

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The next meeting is scheduled to take place on Monday 15th June 2026 at 11am.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee

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Appendix

Action Point 2: Revenue to provide clarification in relation to cases leaving CCF as part of case base moves.

Revenue Response: Where a Group is participating in CCF and no longer meets the criteria for being managed in LCD/HW&FSD, the relevant Division will write to the Group notifying it accordingly and explain that as CCF only applies to Groups which meet the criteria for assignment to LCD or HW&FSD, arrangements may need to be put in place to manage the orderly transition out of both CCF and LCD or HW&FSD. If the Annual Risk Review Meeting for the year has already been held, reallocation of the case to another Revenue Operational Division will only take place once all outstanding issues between Revenue and the Group, including matters raised at the immediately preceding and any other previous CCF Risk Review Meeting, have been finalised. Immediately where all outstanding issues have been resolved, Revenue will again write to the Group informing it that, with effect from a stated date, it will no longer be a member of CCF and that at some time subsequent to this date the Group will be reallocated to another Revenue Operational Division.