Joint Main TALC / TALC Direct and Capital Taxes Sub-Committee
Finance Bill 2025 Meeting

Combined list of issues raised by ITI, Law Society and CCAB-I for discussion at the joint Main TALC / TALC Direct Capital Taxes Sub-Committee meeting on 23rd October 2025

Finance Bill 2025, *As initiated* Section No.	**Issue**	**Issue raised by**
Capital Gains Tax Issues:		
No issue raised.		
Residential Zoned Land Tax Issues:		
Section 99 – Residential zoned land tax	In July, a submission was made by the Law Society, with the support of the Institute and CCABI, to the Department of Housing, Local Government and Heritage, the Department of Finance and Revenue regarding a number of issues which had been discussed at RZLT Subgroup of the TALC Direct/Capital Taxes Sub-committee and which Revenue had confirmed were policy matters rather than administrative issues. The Finance Bill does not address the issues raised in this submission. We would like to understand the policy rationale for this approach, i.e., has a decision been taken in respect of the issues raised in the submission?	**ITI**
Section 99 – Residential zoned land tax	We refer to section 99 Finance Bill 2025 and to the Submission lodged with both the Department of Housing and Department of Finance in July of this year (the "**Submission**"). The Submission was accompanied by a table of issues and proposed solutions and we are attaching an updated version that just confirms that none of the issues appears to have been addressed by section 99 of the Finance Bill 2025. It had been believed that the issues highlighted in the Submission – including issues to address significant impediments to forward funding of housing projects (which is delaying projects in practice) – were to be addressed in Finance Bill 2025 but this has not been the case. We would wish to highlight these in the case that Revenue has a different view on the changes in section 99 Finance Bill 2025.	**ITI**

	The Law Society's RZLT taskforce has certain technical comments on section 99, as follows:- 1. Section 99(c) – s653B(iia)(III) (NEW) – this section deals with criteria for inclusion on a map and the new category of exclusion of land from the map for RZLT. Maps for the valuation date of 1 February 2026 have been published at this point. Will the inclusion of this new provision, which will apply from the passing of the Finance Act 2025, serve to have affected sites removed from the map for the valuation date of 1 February 2026? This question arises due to the two-stage process involved in RZLT being charged – the placing on the map and the application of the charge. 2. Section 99(j) – s653AG – new SS(7) is introduced. This follows interaction between the RZLT subgroup and Revenue where the previous terms of ss(7) were not possible to meet for developments where commencement notices were served historically. The amended subsection continues to be of concern in that: a. The requirement that the notification to Revenue is completed within 30 days of the commencement notice continues to be problematic for sites where construction is already underway and the commencement notice may have been served historically; b. The new alternative of linking it to 30 days of first becoming a 'relevant site' does not address the issue on timing. A site will become a 'relevant site' under section 653O TCA once it appears on a 'final map'. A taxpayer may have no notice of this and there is also the issue that the first final map for these purposes was published in 2024. It is submitted that this notification can properly be addressed in the return for a liability date where the factual position and provisions of the section can be declared. There is no requirement or reason for this notification to be outside the return itself. The RZLT sub-group members will talk to these matters at the meeting.	

Stamp Duty Issues:		
Section 76 - Amendment of section 83D of Principal Act (repayment of stamp duty where land used for residential development)	Section 76 proposes an amendment to Section 83D of the SDCA 1999, specifically extending the timeframe for completion of acquisition and construction from 30 months to 36 months for Large-Scale Developments (LSDs), as defined under Section 2 of the Planning and Development Act 2000, or Section 82 of the Planning and Development Act 2024 once commenced. However, section 76(2) explicitly states that the extended 36-month period will not apply to refund claims submitted prior to the commencement of the amendment upon enactment. For example: A claim submitted under Section 83D SDCA in September 2025, even if it meets the LSD criteria, would remain subject to the existing 30-month timeline. In contrast, an identical claim lodged post-enactment would benefit from the extended 36-month period. This distinction is problematic and we believe that the effective date of the amendment should be reviewed as the current approach would seem to be contrary to the objective of the amendment which acknowledges that the 30-month timeline is impractical for LSDs. We understand several developers have failed to meet the 30-month requirement despite genuine efforts and alignment with the policy objectives of Section 83D.	**ITI**
Section 79 – Amendment of Part 7 of Principal Act (Exemptions and Reliefs from Stamp Duty)	Companies will be listing on a stock exchange with the objective of growing in value so capping the exemption at €1 billion would seem to be contrary to this objective. Where an Irish company chooses to list on a European stock exchange which does not have a facility to collect stamp duty, the €1 billion cap will be problematic. In such a scenario, there is no mechanism to collect the stamp duty when the company surpasses the €1 billion market capitalisation threshold and the exemption no longer applies.	**ITI**
Capital Acquisition Tax Issues:		
No issue raised		

Income Tax, Corporation Tax Issues:		
Section 7 - Amendment of section 235 of Principal Act (bodies established for promotion of athletic or amateur games or sports)	Section 235 exempts from income tax and corporation tax the income of certain bodies established for the sole purpose of the promotion of athletic or amateur games or sports where it can be shown to the satisfaction of the Revenue Commissioners that such income is applied solely for those purposes. The amendment would appear to provide that sports bodies will no longer be considered exempt until they make an application to Revenue for approved body status. We would like to understand the policy rationale for this amendment. We consider this amendment is likely to impact many sports clubs that inadvertently rely on this exemption for fundraisers and may never be required to approach Revenue for approval as they don't seek donations to which relief under section 847A would apply.	**ITI**
Section 8 - Amendment of section 847A of Principal Act (donations to certain sports bodies) **Section 10 –**	Sections 8 and 10 provide that elections under sections 847A and 847AA become irrevocable on certain dates. Taking a chargeable person as an example, if a return is not made by the specified return date the election will become 'irrevocable' on that date. We would like to understand what this means in this context, given that there would be no previous election to revoke. Also, in what context is the date of 1 December intended to be relevant? The specified return date for a chargeable person would normally be the previous 31 October. For PAYE taxpayers it seems that the election is irrevocable from the date on which the claim is made but if a claim is made after 1 December of the year following the donation, what does 'irrevocable' mean in that context? Is 1 December intended to be a deadline for making a claim for relief in the first place	**ITI**
Section 13 – Annual returns by qualifying fund managers	The section provides for a new reporting requirement of ARF information by qualifying fund managers. We would like to understand if there have been any discussions with qualifying fund managers to ensure they have the systems in place to report the information given the reporting requirement will apply for the year of assessment 2026 onwards with reportable data being created from 1 January 2026 and the first return date being 31 March 2027.	**ITI**

Section 15 – Automatic enrolment retirement savings system	Given auto-enrolment (AE) commences on 1 January 2026, it would be helpful to understand the anticipated timeframe for the publication of Revenue guidance on Chapter 2E. Clarification is required as to what figure will constitute 'gross pay' for the purposes of AE in certain scenarios where the amount which is subject to PAYE is not necessarily the employee's gross pay. The Institute made a submission to Revenue in August which outlined a number of scenarios where this clarification is needed. These include: ***(i) Concession from AE for foreign employees working temporarily on assignment in Ireland*** Employees of a foreign company working temporarily in Ireland and whose earnings are reportable on a statutory payroll return are in scope of AE, even where they are a member of a foreign pension scheme. This is because the current definition of an "exempt employment" only covers arrangements where contributions are made through an Irish payroll to an Irish approved occupational pension scheme, qualifying PRSA or qualifying PEPP. Foreign pension arrangements do not generally meet this definition unless formal approval has been obtained from Revenue in relation to same under Section 770 TCA 1997, or where approval has been given by Revenue to apply Migrant Member Relief through Irish payroll. In the absence of a concession to exempt such foreign employments, AE pension contributions will be payable until the relevant opt-out period is available. The opt-out periods are generally after the first 6 months of AE enrolment but can be required again when a contribution rate change occurs. As these individuals are generally in Ireland for a short period and certainly no more than 5 years, the quantum of any resulting future pension benefits available under AE should be very low. Furthermore, as many foreign employers cover the incremental Irish tax costs for expatriates to Ireland under a tax equalisation policy, these contributions will increase the cost of such assignments, and the employer will need to ensure the employee meets all the relevant opt-outs period to manage such costs.	**ITI**

	We believe a concession, similar to what is provided under Paragraph 17.3 of Chapter 17 of the Pensions Manual, should be introduced by Revenue for AE purposes. This concession enables contributions to an unapproved foreign pension plan to be deemed to be an approved scheme for the purposes of treating employer contributions paid as a non-taxable benefit-in-kind and for the provision of personal income tax relief on employee contributions for up to 5 years. ***(ii) Confirmation that a non-resident employee of an Irish company working overseas and for whom an Irish PAYE Exclusion Order (PEO) has been obtained by the employer should be outside of AE for the duration of the PEO period.*** A PEO can be obtained to confirm no Irish payroll withholding needs to be deducted through Irish payroll. This exclusion from AE arises as the meaning of "gross pay" under the Act are those emoluments to which Chapter 4 of Part 42 TCA 1997 applies. A PEO disapplies this chapter. We would welcome confirmation that a non-resident employee of an Irish company working overseas and for whom an Irish PEO has been obtained by the employer should be outside of AE for the duration of the PEO period. ***(iii) PAYE Direction Cases*** Where an Irish employee performs duties only partially in Ireland, it is possible for an employer to obtain a PAYE Direction from Revenue to limit Irish payroll withholding to the income related to the relevant Irish sourced portion. As the foreign-sourced portion of such earnings are outside of PAYE withholding, this would suggest this portion of non-Irish earnings could be outside of AE contributions. Confirmation of how this would work in practice is needed including how Revenue and NAERSA will implement this in practice. ***(iv) At retirement*** Distributions of AE funds (after any lump sum taken) to a participant will be treated as taxable employment income through the PAYE regime by NAERSA. As currently drafted, the rules provide that PAYE should apply to such distributions even if the recipient is not Irish resident at the time of receipt. In general, where living in a tax treaty location at the time of the drawdown of pension annuity income, the new home	

	location usually has primary taxing rights over such income and Ireland should cease to tax the income. Guidance on the future taxation of these distributions would be helpful, for example: • Are these to be treated like a PRSA/ARF? • Is it possible for the fund to be used to purchase an annuity? • Given that a portion of the pension pot will have been funded by Government funds, confirmation of the relevant article of a tax treaty which could apply to limit Irish taxation on annuity income.	
Section 22 – Amendment of section 825C of Principal Act (special assignee relief programme)	We welcome the extension of the special assignee relief programme (SARP) for a further five years to 31 December 2030. While we also welcome the additional opportunity to make a claim, extending it to 180 days, the curtailment of relief where a claim is made between 90 days and 180 days seems unduly punitive. We appreciate that this is a policy matter and we will therefore raise this concern separately.	**CCAB-I**
Section 31 – Estimate of tax due	A new section 9595AX TCA 1997 permits Revenue to make an estimate of tax. As Revenue can already issue an assessment under section 959AC TCA 1997 where a person fails to deliver a return, clarification would be welcome as to the policy rationale for this section and its interaction with section 959AC.	**ITI**
Section 31 – Estimate of tax due	This provision appears to represent a further strengthening of Revenue powers, without any rebalancing of the rights of taxpayers. Can Revenue comment on how this provision is expected to interact with section 959AC TCA?	**Law Society**
Section 34 – Amendment of Chapter 2 of Part 29 of Principal Act (scientific and	Section 34(1)(b)(ii) provides for an amendment to the definition of "relevant expenditure" in section 766A TCA 1997 to include: *"expenditure incurred by the company on the construction of a laboratory for use in the carrying on of research and development activities but does not include expenditure…..*	**CCAB-I**

certain other research)	*which is incurred on the construction of any part of the laboratory for use as an office or for any purpose ancillary to the purpose of an office."* Most modern R&D activities require analysts and technicians to perform "desk-based R&D work". Also, it would be very uncommon for a lab not to have a space where results from the lab testing are documented/ processed/ reviewed/ analysed etc. We would welcome clarification that the exclusion of offices (and spaces ancillary to the purpose of an office) will only apply to distinct areas occupied by non-technical staff who are not connected to the R&D activity and that it will not extend to areas where scientific works are carried out.	
Section 34 – Amendment of Chapter 2 of Part 29 of Principal Act (scientific and certain other research)	Section 34(1)(b) amends the definition of "relevant expenditure" for the purposes of section 766A by extending the definition to expenditure incurred on the construction of a qualifying building to laboratories but excludes any part of that building that is for use as an office or any purpose ancillary to the purpose of an office. We would welcome clarity by way of guidance that a facility within that laboratory for reviewing results which may be akin to an office will not be excluded from this new definition. We would also welcome a meeting of the R&D subgroup before the year-end to discuss the changes in more detail and also to discuss the Department of Finance's ongoing review of the R&D tax credit following this year's public consultation.	**ITI**
Section 35 – Taxation of certain foreign body corporates	We understand from Revenue's comments at the Business Tax Stakeholder Forum (BTSF) meeting on Monday that Section 35 stems from discussions at TALC around the classification of UK LLPs. Revenue indicated at that meeting that the intention of the new section 1009A TCA 1997 is to preserve the existing case law in this area regarding the classification of foreign entities. As currently drafted, the section requires all Irish taxpayers to consider the potential application of the provision to interests they have in bodies corporate. As the term 'body corporate' is not defined in legislation, taxpayers must assess an entity based on case law. This is not a straightforward exercise. If a taxpayer considers that the foreign entity is a body corporate, they then must consider whether it has characteristics that mean it is "substantially similar" to an Irish partnership. However, as there is no list of characteristics of	**ITI**

	an Irish partnership in legislation, the provision will require the taxpayer to undertake a second analysis to determine whether the entity has characteristics similar to an Irish partnership. An assessment must then be made as to whether the shared characteristics of the foreign entity and an Irish partnership are substantially similar. As the entity must be regarded as a body corporate under the new section 1009A TCA 1997, clearly the foreign entity will not be identical to an Irish partnership. In these circumstances, it is unclear how similar the entity needs to be to an Irish partnership for the new provision to apply. The Institute made a submission to Revenue in June, via the TALC Direct/Capital Taxes Sub-committee, regarding the classification of UK LLPs. In our submission, we noted that the experience of practitioners is that some UK LLPs are opaque and some UK LLPs are transparent, and that the correct treatment depends on the facts and circumstances of each case. We highlighted in our submission that in concluding on the tax treatment of income/gains of any particular UK LLP, in our view, the correct approach should be to examine the features of the LLP and decide on the basis of the rights and obligations of the members/participants whether they represent the characteristics of a transparent partnership or an opaque company. We believe it is important that the position regarding UK LLPs, which we outlined in our submission, is maintained and that section 35 is not intended to change this position. We would welcome confirmation from the Department of Finance and/or Revenue in this regard. We would also welcome guidance by way of examples to illustrate the intended scope and application of the section.	
Section 35 – Taxation of certain foreign body corporates	Part 43 Taxes Consolidation 1997 has been amended to include a new section 1009A Taxes Consolidation Act 1997. We would welcome clarity behind the addition of this new section and what it seeks to achieve. There is some commentary that it may relate to certain issues with UK LLPs, but we welcome clarity if possible. While welcome, we would just like to consider potential unintended consequences and the extent to which this has already been considered.	**CCAB-I**

Section 35 – Taxation of certain foreign body corporates	Set out below are some comments on section 35 of FB 2025 which we have separately relayed to the Department of Finance, following Monday's meeting of the Business Tax Stakeholder Forum (BTSF). While we understand the mischief it is directed at and agree with that object, the provision itself is very broadly drafted and seems like a significant change to Ireland's international tax regime that could have unintended consequences. In addition, we think it will be difficult to apply in practice and will increase the compliance burden associated with holding interests in foreign bodies corporate. ▪ The provision will require all Irish taxpayers to consider the potential application of the provision to all holdings they have in foreign bodies corporate. Determining whether an entity is a body corporate in the first instance (particularly the type of entities the provision is directed at) is not straightforward. 'Body corporate' is not a term that is defined in legislation and will require taxpayers to make an assessment of an entity under a multifactorial legal test based on case law. ▪ Once a taxpayer is satisfied that a foreign entity is a body corporate, they will then need to consider whether it has characteristics that mean it is substantially similar to an Irish partnership. There is no list of characteristics of an Irish partnership in legislation. The provision will require the taxpayer to undertake a second multifactorial analysis of the entity to determine whether the entity has characteristics that are similar to those of an Irish partnership. ▪ At that point, the taxpayer needs to determine whether the shared characteristics of the foreign entity and an Irish partnership are substantially similar. As the entity will be regarded as a body corporate under the first limb of the provision, it seems clear that the foreign entity won't be identical	**Law Society**

	to an Irish partnership but it is unclear how similar it needs to be for the new provision to apply. ▪ The consequences of triggering section 1009A TCA will be far-reaching for any Irish taxpayer holding an interest in a foreign entity that satisfies its conditions and that is currently not treated as transparent. The parameters that apply to trigger the provision should be more distinct so that it is clear to taxpayers when they are within the remit of the provision. One way to solve this would be to provide that the section applies to entities that are limited partnerships or limited liability partnerships under their domestic law. ▪ One set of entities that Irish corporate taxpayers will need to consider in light of the provision as currently drafted are US LLCs. Initial views are that LLCs would not be in scope of the provision as they are not similar enough to partnerships from a legal perspective. Is it intended from a policy perspective that US LLCs would be in scope? Is it intended that a single analysis on that question would apply to all US LLCs? Or must that analysis be carried out on a state-by-state basis or on an entity-by-entity basis. If it is the latter, this will impose a significant burden on groups (both Irish and US) with operations in the US. As mentioned at the BTSF, given the potentially broad application of the provision, we expect that taxpayers will need time to assess their current foreign holdings to determine what is in-scope of the new provision. If the provision cannot be changed, perhaps it could be made subject to a Commencement Order to provide taxpayers with adequate time to prepare.	
Section 38 – Exemption from dividend withholding tax for certain	The Bill amend sections 172A, 172C and Schedule 2A TCA 1997 to allow dividends to be paid free from dividend withholding tax (DWT) to an Investment Limited Partnership (ILP) authorised under the Investment Limited Partnerships	**ITI**

investment limited partnerships	Act 1994 or to an "equivalent partnership" authorised in the EEA in certain circumstances. Regarding the exemption from DWT, it is important that Revenue makes the relevant form/declaration available in a timely manner and well in advance of the year end given the exemption will apply to distributions paid from 1 January 2026.	
Section 38 – Exemption from dividend withholding tax for certain investment limited partnerships	Part 6 TCA is amended to provide for the dividend withholding tax (DWT) exemption for certain investment limited partnerships (ILPs). We welcome this change following engagement throughout the year. We also welcome the simplification of the reporting requirements for ILPs. We would welcome a comment on the interaction with the Outbound Payment Defensive Measures and its interaction with the DWT exemption. Simply for avoidance of any doubt	**CCAB-I**
Section 38 – Exemption from dividend withholding tax for certain investment limited partnerships	While it is of course welcome that there is going to be a DWT exemption for payments of dividends by Irish resident companies to ILPs where there is 51% ownership etc. in reality this, in most circumstances, will not achieve the objectives that advisors and the funds industry were seeking which was the ability to use Irish holding companies below widely held ILPs to hold portfolio investments – and in effect provide a "one jurisdiction shop" for setting up tax transparent fund vehicles for private equity fund promoters so as to be able to compete with other jurisdictions such as Luxembourg that offer such a single jurisdiction solution. The ability to have both entities in a single jurisdiction presents a more robust structure from a substance and economies of scale perspective. The problem is that the new exemption still has the overlay of the outbound payments rules and their expansive concept of association for partnerships derived from the use of the connected person concept from section 10 TCA (introduced into the outbound payments rules by the Finance (Local Property Tax and Other Provisions) (Amendment) Act 2025. This means in practice that an ILP seeking to rely on this DWT exemption is going to have to restrict investment in any amount from investors that are resident in a zero tax country (such as the Cayman Islands) and is going to have to interrogate any partner that is itself a partnership on who its	**Law Society**

	partners are (or more likely restrict investments from partnerships). There is a limited carve out to the outbound payments rules in s817U(3A) but that doesn't apply to ILPs and in our view even if extended to ILPs the maximum 5% holding would be problematic – and a more realistic cap around 50% would be needed. In our view without changes to the outbound payments rules this ILP DWT exemption is not going to result in material take-up of the use of Irish holding companies under widely held ILPs – which is what we understood the amendment was intended to achieve in implementing the recommendation in the Funds 2030 report.	
Section 40 – Enhanced deduction for eligible construction expenditure	Section 40 introduces a new section 81E TCA providing for an enhanced deduction for certain construction expenditure. As you may be aware, this legislation has not been received well by the industry given it potentially causes issues for certain arrangements that would be considered typical by that industry. We understand that there is and will be direct engagement with the Department of Finance by certain bodies. We would just like to highlight two areas of particular concern for our members: o The beneficial ownership requirements in the definition of 'relevant person' for the purposes of the draft section 81E(1) is likely to cause substantial uncertainty and confusion for forward-funding arrangements. o The exclusion of developers with income from an excepted trade in the definition of 'relevant property development trade' in section 81E(1) seems to unfairly limit the relief. It should only be limited to expenditure incurred in relation to that part of the trade that is excepted	**CCAB-I**
Section 40 – Enhanced deduction for	We consider amendments to the drafting of this provision will be necessary to ensure that it will fulfil the underlying policy	**ITI**

eligible construction expenditure	objectives. We understand that these are under discussion separately with the industry.	
Section 41 – Amendment of section 291A of Principal Act (intangible assets)	We would welcome clarification as to Revenue's interpretation of the effect and scope of the proposed changes to section 291A. In particular, given the mechanics of section 284 and section 288, it would be helpful if confirmation is given that Revenue are of the view that it remains possible for allowances to be made in future periods in respect of amounts still unallowed due to s291A(6) in circumstances where allowances are deemed to have been made in respect of that expenditure via the newly proposed subparagraph (6)(b)(ia) for all other purposes of Part 9 in the year in which the amount was unallowed.	**ITI**
Section 41 – Amendment of section 291A of Principal Act (intangible assets) **Section 42 – Amendment of section 400 of Principal Act (company reconstructions without change of ownership)**	Section 41(c)(iii) of the Bill amends the provisions of section 291A relating to intra-group transfers of specified intangible assets to clarify their interaction with section 400 TCA 1997. Section 42 of the Bill contains two amendments to section 400 TCA 1997 which allows a successor company to step into the shoes of a predecessor company for the purposes of continuing to avail of certain tax attributes, including capital allowances and balancing charges, where the relevant conditions are met. These amendments apply for accounting periods commencing on or after 1 January 2026. We would welcome clarification on the position for trade transfers which occur prior to 1 January 2026, i.e., that these amendments are intended to put Revenue's existing interpretation on a statutory footing.	**ITI**
Section 41 – Amendment of section 291A of Principal Act (intangible assets) **Section 42 – Amendment of section 400 of Principal Act (company reconstructions without**	There is a concern that the interaction of the amendments to section 291A and section 400 could cause substantial complexity in practice. Ideally the effective dates for the changes should be aligned to 1 January 2026. To the extent that this is a policy decision, we would welcome clarity as to why a portion of the changes in section 41 are effective from 8 October 2025 while the balance of changes will be effective from 1 January 2026.	**CCAB-I**

change of ownership)		
Section 43 – Amendment of section 481 of Principal Act (relief for investment in films)	We would welcome a discussion on this amendment, in particular, the meaning of a visual effects project. For example, it would be helpful to understand the distinction between a qualifying film in parts (a) and (b) of the definition of a 'visual effects project'.	**ITI**
Section 45 – Amendment of section 831B of Principal Act (participation exemption for certain foreign distributions)	**Not for discussion.** CCAB-I Flagging their concern regarding this Section The amendment to the dividend participation exemption are overall welcome. While the legislation still remains complex, this is overall a step in the right direction. One aspect which is challenging to understand from a policy perspective is in relation to the application of withholding tax and the exclusion of entities where there is a partial or indeed nominal refund of tax applied. This is due to the fact that a company with a headline rate of say 15%, with a refundable portion of say 5%, would be precluded from relief, whereas a company subject to a rate of only 5% would be within the relief. We appreciate this is a policy matter so we are just flagging our concern and will raise where appropriate	**CCAB-I**
Section 47 – Amendment of section 840A of Principal Act (interest on loans to defray money applied for certain purposes)	The Bill amends section 840A TCA 1997 to allow an interest deduction for the acquirer of an asset where, subject to certain conditions, there is an intra-group sale of the asset for bona fide commercial purposes, which is funded by connected party borrowings, and the seller was entitled to a deduction for interest payable on a loan used to acquire the asset concerned immediately before the intra-group sale. The deduction is limited to interest on the principal outstanding on the borrowings of the seller on the asset immediately prior to the acquisition of the asset by the acquirer. We understand from discussions at the BTSF meeting on Monday that this provision is intended to be a relieving measure. Can Revenue confirm that the amendment also applies to any future refinancing of the connected loan? **Borrowing by the connected seller:** Subsection (7A)(b)(i) should be amended to make it clear that relief will be	**ITI**

	available where the asset is acquired from a connected seller who is not resident in Ireland, but who would have been entitled to a deduction for interest on the borrowings had they been so resident. This would require the following amendments to that provision: **"** *the connected seller had borrowed to acquire the asset, such that the interest on the borrowings of the connected seller gave rise to a reduction or relief in computing the amount of profits or gains of the connected seller to be charged to corporation tax under Schedule D, prior to the acquisition of the asset by the investing company, or would have done, if the connected seller were tax resident in Ireland,***"** **Limitation on the principal of the loan:** Subsection (7A)(c)(i) limits the deductibility of interest on borrowings to the principal on the borrowings that is not in excess of the principal outstanding on the borrowings of the connected seller at the time of the transfer. Due to the limited circumstance in which subsection 7A can apply, we consider that there are sufficient safeguards elsewhere in the legislation so that the limit on the deducibility contained in (c)(i) of this subsection is not necessary.	
Section 47 – Amendment of section 840A of Principal Act (interest on loans to defray money applied for certain purposes)	There are certain anomalies with the draft legislation. We understand that these may require legislative amendment and are a matter of policy. We are flagging now for completeness and can provide further information if necessary.	**CCAB-I**
Section 90 – Amendment of section 811C of Principal Act (transactions to avoid liability to tax)	We would be grateful for clarification regarding the policy rationale for this amendment	**ITI**
Section 96 – Amendment of section 959AP of Principal Act (payment of preliminary tax by direct debit)	Section 96 amends section 959AP TCA 1997 (payment of preliminary tax by direct debit) to facilitate Direct Debit Modernisation for preliminary income tax. The section removes the requirement for the Collector-General to debit the taxpayer's bank account on the 9th of each month under a direct debit arrangement for preliminary	**ITI**

	income tax. We would welcome clarification regarding the date on which the preliminary tax will be deducted from the taxpayer's account under a variable direct debit arrangement and confirmation that this will be addressed in guidance, i.e., will the variable direct debit be deducted on the 9th of each month?	
Section 97 – Amendment of section 959AU of Principal Act (date for payment of tax: amended assessments)	There would appear to be an error in section 97(b) where it refers to the 'assessment, before its amendment, did not contain a full and true disclosure'. Should the section refer to the '**return**, before its amendment, did not contain a full and true disclosure?	**ITI**
Section 98 – Amendment of section 959I of Principal Act (obligation to make a return)	As drafted, subsection (5) will apply to "a claim for an allowance, deduction or relief". For the avoidance of doubt, it should be made clear that it applies to the making of an election after the specified return date (where there is no other specified time limit that applies): The provision should be amended as follows: *"Where a chargeable person as respects a chargeable period prepares and delivers to the Collector-General after the specified return date for the chargeable period a return in the prescribed form, nothing in this Chapter shall operate so as to prevent the chargeable person from making an election or a claim for an allowance, deduction or relief under the Acts in the return, unless a provision of the Acts (other than this subsection) prevents the chargeable person from making an election or a claim for the allowance, deduction or relief where the return is delivered after the specified return date, or the return is delivered later than the date specified by a provision of the Acts (other than this subsection) for making an election or a claim for an allowance, deduction or relief."*	**ITI**
Section 98 – Amendment of section 959I of Principal Act (obligation to make a return)	This is a welcome change which will provide much needed comfort to taxpayers. The draft legislation omits elections, however. We would welcome a comment as to whether this a policy choice or if the wording could be updated to "…so as to prevent the chargeable person from making a claim for an allowance, deduction, relief or election under the Acts…" from "…so as to prevent the chargeable person from making a claim for an allowance, deduction or relief under the Acts…"	**CCAB-I**