

Minutes of TALC Direct and Capital Taxes Sub-Committee Meeting

Thursday, 26 February 2026 via MS Teams

14.30 to 16.00

Minutes

Item 1: Minutes from meetings of 27 November 2025

The minutes of the meeting of 27 November 2025 will be finalised pending receipt of the remaining item for inclusion in the minutes.

Item 2: Matters arising from meeting of 27 November 2025:

a. Auto-enrolment

Practitioners had raised several queries regarding auto-enrolment to Revenue and the Department of Social Protection during the latter part of 2025. Among the queries raised were auto-enrolment issues relating to cross border matters, PAYE exclusion orders, and non-Irish resident non-executive directors. Practitioners confirmed that replies had been received relating to these queries. Therefore, it was agreed that this item could be taken off the agenda.

b. Interaction of VAT, RCT and PSWT

In advance of the meeting on 27 November 2025, practitioners had sought confirmation on the interaction of VAT, RCT and PSWT in relation to a contract to supply design and build services to a State or semi-State body. On the basis that RCT is applicable to the construction services only, practitioners sought confirmation that PSWT would apply to the design services.

Revenue agreed to expand existing published guidance to include such confirmation. The relevant guidance has now been issued. Therefore, it was agreed that this item could be taken off the agenda.

c. Interest Limitation Rules (ILR) and S110 companies

At the meeting on 27 November 2025, practitioners raised a technical issue concerning the application of the ILR to qualifying companies for the purposes of section 110 TCA, whereby the exceeding borrowing costs of the qualifying company is greater than its income. Practitioners outlined that:

- a. Sections 835AAD(7) & (8) Taxes Consolidation Act 1997 ("TCA") generally operate so that where an amount of deemed borrowing costs arise from a disallowable amount and, if not for the interest limitation rule, the deemed borrowing costs would have resulted in the relevant entity incurring a loss or a greater loss, then that deemed borrowing cost is to be treated as a loss.
- b. Relief for losses arising in a qualifying company is provided for in Section 110(3)(b) TCA. However, section 835AAD(8) only contemplates loss relief under certain provisions and does not mention that relief is available under section 110(3) TCA.

As a result, section 835AAD(8) does not appear to allow a qualifying company to treat a deemed borrowing cost as a loss in accordance with section 110(3) TCA, even if the conditions in section 835AAD(7) are satisfied.

Revenue has referred this issue to the Department of Finance, without objection, for comment and to consider if a legislative change is required. Revenue cannot comment further on this until a response is received from the Department of Finance. It was agreed that this item would remain on the agenda.

Item 3: Items remaining on the agenda from earlier meetings

- a. TDM on short lived assets:** Following a request from practitioners at the September meeting, Revenue revised the wording in the draft TDM relating to the application of section 80A TCA. The revised wording reflects the legislative requirement that regard must be given to the purpose for which the asset was acquired when determining the predictable useful life of such an asset. The updated TDM has now been published. It was agreed that this item could now come off the agenda.
- b. Dividend withholding tax deductions and S110 companies:** At previous meetings, there had been discussions on the status of the deductibility of foreign dividend withholding tax and qualifying companies for section 110 TCA purposes. At the November meeting, Revenue agreed to share examples on the application of Schedule 24 TCA with committee members before 16 January 2026. At this meeting, Revenue acknowledged the delay in sending the examples and committed to sharing them by mid-March 2026. It was therefore agreed that this item would remain on the agenda.
- c. CT1 form - Transfer Pricing documentation requirements for an Irish Branch:** In advance of the November meeting, practitioners had shared additional feedback in respect of the proposed updates to the TDM (previously circulated by Revenue to committee members) in respect of the transfer pricing documentation requirements for an Irish Branch. At that meeting, practitioners explained that it may be inferred from the wording of the proposed updates to the TDM that transfer pricing documentation would be required for arrangements with third parties. At this meeting Revenue stated that all documentation relating to third party transactions needs to be retained to the extent it relates to the profits attributable to the branch. Practitioners agreed to further consider the feedback and liaise directly with Revenue on this point. The group will be updated on any agreement reached. The item will remain on the agenda for further update at the next meeting.
- d. Leasing Guidance:** In advance of the meeting in November 2025, practitioners had provided written feedback to Revenue in respect of the draft TDM 09-02-01 'Leasing of Machinery and Plant – Scenarios where Section 299(1) Applies.' Revenue confirmed they are still in the process of reviewing the feedback, no further information is required at present, and an update will be provided at the next meeting. The item will remain on the agenda for the next meeting.
- e. Filing requirements for investment limited Partnerships:** In advance of the current meeting, Revenue circulated a draft TDM on investment limited partnerships and requested that feedback is provided to them on the draft TDM by 20 March 2026. The item will remain on the agenda for further discussion at the next meeting once the feedback has been considered by Revenue.

- f. Partnerships and association for the purposes of certain ATAD measures:** At the meeting in November 2025, Revenue noted plans to update several TDMs for commentary on partnerships. Revenue provided an update on the review of the TDM's and confirmed that the TDM on corporation tax loss relief and transfer of assets within a group are still being reviewed and updated. The updated guidance on the Interest Limitation Rule had been issued in December with similar language as included in the TDM on the Anti-hybrid rules. Revenue issued draft updated guidance on the application of section 247 TCA to partnerships in advance of this meeting which will be discussed under Item 6 below. Revenue outlined that they had completed a review of the guidance relating to the application of section 130 TCA in the context of partnerships and had concluded that an update was not required to that TDM, however practitioners were requested to provide any relevant comments in this regard. Revenue also confirmed that the TDM on Outbound Payment Defensive Measures would be discussed at the next TALC BEPS subcommittee meeting. It was agreed that this item would remain on the agenda for now.
- g. UK Limited Liability Partnership and meaning of partnership for purposes of the TCA:** In advance of the meeting, Revenue had indicated that the intention of the new section 1009A TCA is to preserve the existing case law in this area regarding the classification of foreign entities. Practitioners requested an update on the timeline for issuing guidance on the new provision and whether that guidance will include examples. Revenue intends issuing updated relevant guidance in the next few weeks which will not include examples. It was agreed that the item would remain on the agenda.
- h. Application of RCT to a contract where a part of the contract is for a construction operation:** At previous meetings Revenue had confirmed that RCT is only applicable to the installation element of a 'mixed contract' and apportionment is required if there is a single payment for the installation and supply of materials or goods under a 'mixed contract'. Practitioners outlined that although updated guidance had been issued, there is still uncertainty in this area resulting in transactions being delayed. Several areas of concern were highlighted at the meeting. Practitioner had also outlined additional queries regarding Tax and Duty Manual Part 18-02-01 – Relevant Contracts Tax: Relevant Operations in a submission. Revenue agreed to review the submissions made on this issue and consider if a further update to the TDM is required. It was agreed that the item would remain on the agenda.
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Item 4: Direct Tax Issues:

- a. Dividends paid to a foreign partnership:** A request had been made at a meeting in September 2024 for Revenue guidance to be updated to outline that dividends to foreign partnerships could be paid gross in certain circumstances. Practitioners requested an update on the relevant guidance at this meeting and Revenue confirmed that the updated relevant guidance should be issued in advance of the next meeting. It was agreed that the item would remain on the agenda.
- b. DAC 8 amendment to DAC 3: advance cross-border rulings that exclusively concerns and involves the tax affairs of one or more natural persons:**
At the meeting Revenue read out three statements which are included in appendix one of the minutes for reference. The first related to a DAC8 update to DAC3 and outlined that certain cross-border tax rulings pertaining to natural persons (individuals) will now be exchangeable under the Automatic Exchange of Information provisions with other European jurisdictions. The second statement relates to an amendment to the Common Reporting Standard commonly known as CRS2.0 and the third statement relates to the Crypto-Asset Reporting Framework, commonly known as CARF.

At the meeting, Revenue confirmed that these statements will be discussed at the next TALC BEPS subcommittee meeting. It was agreed that this item would be taken off the agenda.

Item 5: Capital Tax Issues

Definition of enhancement expenditure: Practitioners expressed uncertainty around what qualifies as enhancement expenditure for capital gains tax purposes and made a request for guidance to be updated to include clear examples in this area. In advance of the meeting, practitioners had provided examples which might be considered for inclusion in the guidance.

At the meeting Revenue acknowledged receipt of the examples and noted that the capital gains tax guidance is general in nature, while the examples provided appear to relate to specific circumstances. Revenue further noted that aspects of the examples relate to the issue of whether expenditure is capital or revenue in nature and therefore fall outside the scope of guidance on section 552 of the Taxes Consolidation Act 1997. Practitioners agreed to liaise directly with Revenue on this item and to provide feedback to the group in due course. It was agreed that the item would remain on the agenda.

Item 6: Revenue Guidance

a: Draft Tax and Duty Manual 26-00-02 – ‘Taxation of Life Assurance Companies - Old Basis Business and New Basis Business: Revenue outlined that further work was required in providing guidance regarding old basis business. Revenue has decided it is appropriate that guidance on this area should be split and Revenue will issue draft guidance on new basis business before the next subcommittee meeting. Work is continuing on the TDM covering old-basis business, and Revenue agreed to liaise with colleagues and confirm if engagement with the life insurance industry has been sought on this TDM. It was agreed that the item would remain on the agenda.

b: Tax and Duty Manual Part 04-06-13 Tax Treatment of Stocklending / Sale and Repurchase (repo) Transactions: A review by Revenue of additional feedback from practitioners is still ongoing. It was agreed that the item would remain on the agenda.

c: TDM Part 02-02-07 ‘Deposit Interest – Whether a Trading Receipt’: A revised TDM was published since the last meeting of this committee. It was agreed that the item would be taken off on the agenda.

d: Mandatory Disclosure Guidance Notes: Revenue noted the intention to issue a draft of this TDM in advance of the next meeting of this committee for comment and feedback. It was agreed that the item would remain on the agenda.

e: Anti-Hybrid TDM Part 35C-00-01: Revenue confirmed revised TDM was published on 27 November 2025. It was agreed that the item would be taken off the agenda.

f: Outbound Payments Defensive Measures TDM Part 33-05-01: It was noted that discussion on this TDM has been moved to the TALC BEPS subcommittee agenda. It was agreed that the item would be taken off the agenda.

g: TDM Part 20-01-02 -Company reconstruction and amalgamation: transfer of assets

Revenue will provide an update before the next meeting on the issuance of the updated TDM. It was agreed that the item would remain on the agenda.

h: Tax and Duty Manual Part 08-02-01 - Charges on income for corporation tax purposes

Details of a proposed partnership section to be included in this TDM had been circulated with the agenda to the meeting. Practitioners requested further time to review the draft section, and it was agreed that feedback would be provided to Revenue by mid-March. It was agreed that the item would remain on the agenda.

The Chair invited committee members to raise any additional areas of guidance for discussion and practitioners mentioned that the guidance on public private partnerships has been unavailable for some time. Revenue agreed to review this and for it to be included on the agenda for the next meeting.

Practitioners noted that a new TDM on Consanguinity Relief had been published in which an example was replaced noting that the reason for this change is unclear. Revenue confirmed that the TDM reflected its interpretation of the case law. Practitioners were requested to submit concerns on the new TDM in writing and Revenue will provide an update at the next meeting of this committee. Item to be included on the agenda for the next meeting.

Item 7: Workplan 2026

A workplan for the committee for 2026 had been circulated in advance of the meeting. The importance of the regular review and enhancements to the tax and duty manuals was acknowledged by the group. Practitioners noted the value provided by the inclusion of examples in the guidance.

In addition, practitioners noted the essential role of the committee in identifying and resolving matters of technical uncertainty.

The members discussed the terms of reference of the committee and the objections raised by members of making joint submissions to other Government bodies on policy matters. It was agreed that any submissions on policy or administrative matters will continue to be made by committee members on a standalone basis. It was agreed that an updated workplan for 2026 would be circulated to committee members for comment.

Item 8: Update from Residential Zoned Land Tax (RZLT) Subgroup

The most recent meeting of the RZLT Subgroup took place on 9 December 2025, and the next meeting is to be held in March 2026.

During 2025, submissions had been made to the Department of Housing and Department of Finance on areas of RZLT that remain problematic which relate to matters of policy and not administration.

The committee acknowledged the effective work of the subgroup.

Item 9: Update from the Research and Development Subgroup

A meeting of the Research and Development Subgroup was held on 18 February 2026. The subgroup discussed proposed changes to TDM 29-02-03 to reflect Finance Act 2025 amendments and the inclusion of additional examples in the guidance. Practitioners were requested to provide any relevant examples by 18 February 2026. It is intended that the updated TDM will be issued by the end of March.

Next meeting of the subgroup is not yet scheduled but is likely to be held in June.

Item 10: AOB:

The Chairperson of the committee encouraged members of the committee to actively bring forward matters of technical uncertainty for discussion and consideration throughout the year.

Attendees at this meeting:

Revenue	ITI	Chartered Accountants Ireland	Law Society
Tom James	Clare McGuinness	Enda Faughnan	Maura Dineen
Lucy Whelan	Stephen Ruane	(Chair)	Aidan Fahy
Anita Cassidy	Lorraine Sheegar	Ken Garvey	David Lawless
Aisling Dooley	Lorraine Mulligan	Joe Walsh	Caroline Devlin
Keith Noonan	David Fennell	Peter Vale	John Cudigan
Aine Gorman	Laura Lynch	Mairead Hennessy	Aileen Keogan
Mary Treacy	Sybil Smyth	Laura McKeown	
Clare Lucey		Noreen Lehane	
Lynda O'Keefe		Gearóid O'Sullivan	
Michelle Mangan			
Caroline Kennedy			
Rory Noone			
John Quigley			
John McGorry			
Aimee O'Regan			
David Macauley			
Karen Drake			
Sinead McNamara			
Ken Fleming			

Apologies: [Cillein Barry, Tom Maguire]

Appendix 1

DAC8 update to DAC3:

International Tax Division would like to remind attendees that from 1 January 2026, under DAC 3, which is provided for domestically in section 891GA TCA 1997, certain cross-border tax rulings pertaining to natural persons (individuals) will now be exchangeable under the Automatic Exchange of Information provisions with other European jurisdictions. This change was brought in under [DAC 8 in 2023](#) and is provided for under statutory instrument no. [S.I. No. 584/2025 - European Union \(Administrative Cooperation in the Field of Taxation\) Regulations 2025](#).

Specifically, after 1 January 2026, where an advance cross-border ruling exclusively concerns and involves the tax affairs of one or more natural persons, it will be subject to exchange where it is issued, amended, or renewed and –

- i) the amount of the transaction, or series of transactions, of the cross-border ruling exceeds €1,500,000 (or equivalent amount in any currency), if the amount is referred to in the ruling; or
- ii) the ruling relates to whether an individual is tax resident in the issuing Member State.

Notwithstanding this, the exchange of information on advance cross-border rulings concerning natural persons shall not include such rulings on taxation at source with regard to non-residents' income from employment, director's fees or pensions.

For further information please consult the [Revenue TDM Part 35-00-01](#).

CRS2.0 Update

Introduction

International Tax Division would like to remind attendees that from 1 January 2026 the Amendment to the Common Reporting Standard commonly known as CRS2.0 came into effect.

The amendment will affect DAC2/CRS registered Financial Institutions from the reporting period beginning 1 January 2026, which will be reported by 30 June 2027.

Summary of changes

The main changes are:

- The inclusion of digital money products
 - The definition Depository Institution has been expanded to include Entities that hold E-Money or Central Bank Digital Currencies for the benefit of customers. Previously E-money was included when the E-Money Institution was also a bank or similar business.
 - Subsequent changes to the Definition of Deposit account.
 - A carve-out is included for products that are created solely to facilitate a funds transfer pursuant to instructions of a customer and that cannot be used to store value.
 - New Category of Excluded Account for low-risk E-Money Products – rolling 90 day period average balance less than US\$10,000
- The inclusion of Crypto Asset derivatives.
 - Provision to avoid duplicate reporting with CARF
- Additional Details to be reported
 - If account is New or Pre-Existing.
 - If valid Self-Cert was collected.
 - If account is Joint Account, and number of Account Holders.
 - Type of Financial Account.
 - Role of Controlling Persons and Equity Interest Holders for Entity Accounts
- Entity Account Due Diligence to be in line with 2012 FATF Recommendations.
- Incorporation of OECD CRS FAQs

Legislative Basis

The amendment was made in Part II of the [International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard](#) – published by the OECD in 2023.

Subsequently, the EU amended [Council Directive 2011/16/EU](#) (DAC) to direct Member States to implement these changes from 1 January 2026. These changes were contained in Annex I [Council Directive \(EU\) 2023/2226](#) (DAC8).

The changes were transposed into Irish law by:

[S.I. No. 665/2025](#) - Mandatory Automatic Exchange of Information in the Field of Taxation (Amendment) Regulations 2025 – which amended [S.I. No. 609/2015](#) - Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015.

[S.I. No. 666/2025](#) - Returns of Certain Information by Reporting Financial Institutions (Amendment) Regulations 2025 - which amended [S.I. No. 583 of 2015](#) - The Returns of Certain Information by Reporting Financial Institutions Regulations 2015

Practical Filing Considerations

The additional reporting requirements are in place for the year 2026. This information is to be reported to Revenue by 30 June 2027.

The DAC2/CRS return is made in XML format and uploaded to ROS. The process is the same as previous years.

From 1 January 2027 all DAC2/CRS returns made to Revenue including previous year corrections must be made in conformance with CRS XML Schema 3.0 and [CRS XML User Guide 4.0](#)

Queries relating to the CRS2.0 changes can be made by email to AEOI@revenue.ie

There is no change to customer service for the existing DAC2/CRS i.e., Via MyEnquiries, selecting AEOI (Automatic Exchange of Information) and DAC2- CRS.

Changes to [TDM Part 38-03-26](#) Filing Guidelines for DAC2-Common Reporting Standard (CRS) – will be made if required ahead of the change over to the new schema.

Further Information and Guidance

The primary source of guidance for DAC2/CRS and CRS2.0 is the [OECD Published Guidance](#) including:

- The [Consolidated CRS and Commentary](#)
- OECD [CRS FAQs](#)

If Irish specific guidance is required [TDM Part 38-03-23](#) (Irish CRS FAQs) will be updated.

TDM Part 38-03-24 - Revenue Guide to Automatic Exchange of Information (AEOI) for Financial Account Holders will be updated.

In support of the above information will be available on the [Revenue Website](#).

CARF/DAC8 Update

Introduction

International Tax Division would like to remind attendees that from 1 January 2026 the Crypto-Asset Reporting Framework, commonly known as CARF, came into effect.

The amendment will affect reportable crypto-asset service providers (RCASPs), who will be obliged to register with Revenue and report certain details in relation to their reportable users.

Summary of changes

The [Crypto-Asset Reporting Framework](#) (CARF) is the agreed standard for Automatic Exchange of Information (AEOI) on reporting by crypto-asset service providers. It was published by the Organisation for Economic Co-operation and Development (OECD) in June 2023. Ireland is one of the 81 jurisdictions that have signed up to CARF.

[Council Directive 2011/16/EU](#) (DAC) provides for the exchange of taxpayer information between the tax administrations of European Union (EU) Member States. In 2023, the DAC was amended by [Council Directive \(EU\) 2023/2226 \(DAC8\)](#) to implement the CARF within the EU.

CARF/DAC8 obliges RCASPs who facilitate the purchase, sale, or transfer of crypto-assets, or carry out reportable retail payment transactions, to collect and automatically report information on certain crypto-assets users for whom they carry out these transactions.

Under the relevant legislation set:

- An RCASP must register by 31 December in the year it becomes ands RCASP,
- An RCASP must file a return by 31 May in respect of the previous calendar year.
- An RCASP provider must, by 31 May, provide a reportable user with a copy of their information as included in the return.

Revenue will exchange reported information with the relevant jurisdictions by the 30 September. Data exchanged with other EU Member States is done so under the DAC8 and with participating jurisdictions under CARF.

Legislative Basis

CARF was introduced in Part I of the [International Standards for Automatic Exchange of Information in Tax Matters: Crypto-Asset Reporting Framework and 2023 update to the Common Reporting Standard](#) – published by the OECD in 2023.

Subsequently, the EU amended [Council Directive 2011/16/EU](#) (DAC) to direct Member States to implement these changes from 1 January 2026. These changes were contained in Article 8ad and Annex VI [Council Directive \(EU\) 2023/2226](#) (DAC8).

These changes were transposed into Irish law by:

- **CARF:** Section 891HA [*as inserted by section 92 Finance Act 2025*] of the Taxes Consolidation Act (TCA) 1997, and
- **DAC8:** Section 891M [*as inserted by Regulation 2(g) S.I. No. 584 of 2025*] of the Taxes Consolidation Act (TCA) 1997.

Practical Filing Considerations

The registration and reporting requirements are in place for the year 2026. RCASPs are required to register with Revenue by 31 December 2026. The relevant information is to be reported to Revenue by 31 May 2027.

The CARF/DAC8 return will be made in XML format and uploaded to ROS or uploaded to ROS by API.

All CARF/DAC8 returns made to Revenue must be made in conformance with the [CARF XML User Guide](#).

Revenue will publish a TDM for with practical guidance on filing the return ahead of 1 January 2027.

Queries relating to the implementation of CARF/DAC8 can be made by email to carf@revenue.ie

Further Information and Guidance

The primary source of guidance for CARF/DAC8 be the [further guidance](#) issued by the OECD. This includes:

- [Commentary](#) on the CARF (which accompanies the CARF as published by the OECD),
- the [CARF Implementation Handbook](#), and
- the [OECD issued-FAQs](#).

A TDM will be published shortly to provide Irish specific guidance. Information will also be made available on the [Revenue website](#).