

**Minutes**  
**Indirect TALC Meeting**  
**03rd March 2021 @10.30 am**  
**Virtual Conference, Skype for Business**

**Item 1 – Minutes of the last meeting**

- The minutes of the meeting held on 02nd December 2020 were approved.

**Item 2 – EU Update**

- Revenue gave an overview of a number of current issues at EU level:
  - Portuguese Presidency - The main focus of the Portuguese Presidency in the first half of 2021 will be the proposal on VAT rates and the proposal on the VAT Committee. They have also advised that they will review options to modernise the current VAT system with new technologies.
  - VAT Rates Proposal - There have been a number of meetings held on this proposal this year. Discussions will focus on developing a set of principles to determine what goods and services should be included at the reduced rate. The Commission's proposal included the concepts of 'objective of general interest' and 'benefit of the final consumer', these will be reviewed and further developed by the Presidency. Once general principles are agreed, Annex III will be reviewed and a new 'positive list' will be drafted. When the draft positive list is developed, the Presidency will then consider other issues such as derogations.
  - VAT Committee Proposal - The Commission presented their proposal on the VAT Committee to Council last month. The main aim of the proposal is to ensure a more uniform application of the Directive by turning the VAT Committee into a comitology committee that would oversee the adoption of implementing acts by the Commission. The Committee would make decisions on the basis of QMV. The provisions covered by the proposal are wide ranging and focus on the interpretation and meaning of concepts within the Directive.
  - VAT in the Digital Age - The Commission have recently launched a study on their VAT in the Digital Age package to assess current measures in place in Member States. The package comprises the introduction of a single EU VAT registration, examining the use of transaction-based reporting and examining the VAT treatment of the platform economy. The study will feed into impact assessments and will inform proposals to be presented in 2022.
  - Financial Services Review - The Commission have recently launched a public consultation on VAT rules for financial and insurance services which will run until 3 May 2021. It will look at the application of exemptions, the structure of the sector and whether the VAT legislation is fit for purpose given the development of new products and services and the rise of fintech. An impact assessment will be developed following the public consultation to look at all options. It is expected that the Commission will present a proposal on this at the end of this year.
  - TAMS and Passenger Transport - Legislative proposals are expected in 2022 on TAMS and Passenger Transport.

### Item 3 – AOB

- VAT Registration – Members referred to businesses demonstrating an intention to trade and the significant difficulties arising due to Brexit, leading to delays. They also referred to Revenue being unwilling to accept alternatives to draft contracts when draft contracts were unavailable to the business. Revenue stated that we require evidence demonstrating an intention to trade in support of any such application to ensure Revenue's legal obligations and to prevent fraudulent abuse of the system of VAT registration. Members stated that they were experiencing inconsistency in the requirements being requested by Revenue. Revenue stated that we will consider the guidance material available to see if there's any room for improvement, but it will be done with reference to the fundamental requirement of a business providing sufficient and satisfactory evidence of intention to trade. The Chair stated that we would revisit it at the next meeting to discuss it further as it progresses.
- Charges from an Irish Head Office to a Foreign Branch – Members raised an item relating to a charge from an Irish Head Office to a foreign branch when that branch is in a jurisdiction which applies the CJEU precedence established in the Skandia case i.e. the reverse charge. Members opened by stating that this had only become an issue in the last few years but may also become more prevalent due to Brexit. Members queried whether Revenue would allow Irish VAT recovery in such a scenario. Revenue stated that there is no simple solution as the issue arises in another jurisdiction and the solution is likely to be found there. Revenue stated that the current application of the Irish VAT grouping provisions could not allow VAT recovery based on a supply that is fundamentally outside the scope of VAT in accordance with our provisions. The VAT grouping provisions would need to be reviewed in full in order to consider VAT recovery in these circumstances.
- CJEU Judgments – Members queried whether there had been a change in how CJEU judgements were being published, that is, regarding whether the judgement was made available in English as not all judgements seemed to be. Revenue stated that they were not in control of the form of the CJEU publications, but as far as Revenue were aware there had been no change in policy in this respect.
- Return of Trading Details – Members outlined various issues that they had with the new version of the form. Revenue stated that we had received the submissions from the Members, recognise the issues identified and appreciate them being brought to our attention. Revenue requested that members submit details of any other issues they are aware of to us within the next few days, so that we could forward them as appropriate with the aim of revising the form where possible.
- Defined Benefit Pension Fund Costs – Members stated that the wording in the Tax and Duty Manual was not as comprehensive as previous instruction that they had received from Revenue and quoted an email sent by Revenue in 2016. Revenue stated that nothing has changed with regards to the approach and we would look into whether there was a need to amend the wording of the guidance in the manual.
- Other – Members raised an item regarding a situation where a supplier in Great Britain, who is Irish VAT registered, arranges for Delivery Duty Paid imports to customers in Ireland. Members were concerned as to whether there would be an Irish VAT issue in such a scenario. Revenue stated that there was no VAT issue for the Irish customer in the case of Delivery Duty Paid imports.

<b>Action Points</b>	<b>Responsible</b>	<b>Timescale</b>
Members to submit observations with regards to issues encountered in the use of the revised Return of Trading Details form.	Members	As soon as possible
Revenue to consider if any amendment is required for clarification in the issued guidance on Pension Funds.	Revenue	Next Meeting

### **Attendees**

#### **ITI**

Oonagh Carney  
Lorraine Sheegar  
Alma O' Brien  
Eamonn McCallion

#### **CCAB-I**

Kevin Elliott  
Philip Nolan  
Maud Clear  
Crona Clohisey

#### **Law Society**

David Lawless  
Michael O' Connor (Acting Chair)

#### **Revenue**

Colin O' Farrell (Secretary)  
Ita Foster  
Dermot Donegan  
Gerard Moran\*  
Gerry Coone

\*Designated Public Official, *Regulation of Lobbying Act 2015*