

Minutes

Indirect TALC Meeting

10:30, 22 November 2023

Basement Conference Room, Stamping Building, Dublin Castle

Item 1 – Minutes of the Previous Meeting

Draft minutes of meetings on 14 June, 6 September and 26 October were agreed.

Item 2 – Matters Arising

- **TALC Sub-groups**
 - Revenue are finalising an internal report for senior management on the matters discussed at the sub-group on VAT Groups. Once senior management have considered the report and relevant decisions have been made, the next meeting of the sub-group will be scheduled. As agreed previously, the work of the sub-group on Partnership/Co-Ownerships will get underway as soon as the VAT Groups one reaches completion.
 - A sub-group on VAT Modernisation will be set up in the coming days and have its first meeting before year end. Revenue asked Sub-Committee members to each submit 2 nominations. It was noted that the sub-group will run for a number of years so more than the normal approach of one member per representative body will facilitate continuity.

- **Indirect TALC Sub-Committee Chair for 2024**
 - Oonagh Carney will be the new Chair for 2024 on behalf of the ITI.

- **VAT Registrations**
 - A presentation on the subject of VAT Registrations and the issues raised at previous meetings will be given by Revenue at the next meeting

- **Agency services and shares**
 - Revenue confirmed that the proposed amendment in Finance Bill 2023 to paragraph 6(1)(a) of Schedule 1 to the VATCA, 2010 has no impact on Revenue's current interpretation relating to the VAT treatment of new stocks, shares, debentures or securities for raising capital nor has it changed their interpretation regarding the issue of new shares which is considered to be outside the scope of VAT. There is also no consequential impact on paragraph 7(1).

Item 3 – VAT 56A

Revenue advised that an interim arrangement had been put in place whereby the recent end-October renewals were dealt with on a case-by-case basis. This interim approach was introduced following its discussion at a meeting in October about the matters arising from the CCAB-I's proposal relating to the auditor confirmations that are statutorily required as part of the application process for s.56 authorisations. The interim arrangement facilitated dealing with the renewals while Revenue examines the broader issues raised by the proposal. Revenue's key concern is for the authorisation process to be effective in addressing the Exchequer risk that arises with section 56. Revenue will organise a further meeting shortly, and aims to have the matter clarified in the coming quarter. The CCAB-I welcomed the interim arrangement for the renewals, and emphasised the need to progress the wider discussion quickly to bring clarity on the way forward, in light of the revised accountancy standard. Revenue confirmed that they will engage with the group in the new year.

Item 4 – EU Matters

The ViDA package remains the current priority at EU level. The Spanish presidency is progressing the matter with a file expected to be presented at the ECOFIN meeting on 8 December. Belgium will be taking over the presidency from 1 January and will pursue the outstanding matters including the Digital Reporting Requirements. It is expected that progress will be made on these matters before the next European Parliament elections in June 2024.

Revenue also gave updates on the other packages being considered by the EU:

- Travel and Tourism package – the Commission is still working on this at a high level and there was a meeting on the topic in September, however, it is expected that it will be a file for the next Commission.
- Financial Services – this review has been paused and it is not expected that there will be any legislative proposals from this Commission, but Revenue will keep the Sub-Committee updated on any changes.

Item 5 – Any Other Business

- **Section 94(8)(b)**
 - Revenue is revising TDMs relating to Building Services and Fixture & Fittings. It is their intention to cover the issues raised by the ITI in these TDMs. This is a significant job which includes updating the information on the Revenue VAT Rates Database. Revenue aim to publish the guidance by early January, subject to other work commitments. Revenue confirmed that the current interpretation can still be relied upon.
- **Central Electronic System of Payment Information (CESOP)**
 - This is a new EU provision entering into force on 1 January 2024 , which requires payment service providers (e.g. banks, credit unions, credit card companies) to report certain details to the national tax authority where a person or entity has more than 25 cross-border payment transactions in a calendar quarter. Revenue advised that a Statutory Instrument will be signed in December to insert new provisions into the VAT Act giving effect to the provisions of the relevant EU Regulation and Directive. TDM guidance and an eBrief will issue on the new legislation.
 - Registrations will open on 1 January and filing will be via ROS. The first reporting period is Q1 2024 with filing during April. The reporting system is being tested at the moment and is expected to open in late March. Revenue has had continuous engagement with the payment services sector about the development and introduction of the new arrangements, and they are participating in the systems testing process.
- **Valid Invoices – Eircodes**
 - The ITI have sought clarification on whether an Eircode could be used instead of the full address on a VAT invoice and whether the invoice would remain valid.
 - Revenue confirmed that they would not accept the sole use of an Eircode to be sufficient. Revenue advised that the VAT Regulations are clear and require that the full address must be stated on the invoice.
- **Postponed Accounting**
 - The ITI advised that they had received feedback in relation to Postponed VAT accounting where some members were having issues registering. They asked if Revenue could provide further information on the process involved.
 - Revenue provided a brief overview of how postponed accounting requests are processed and confirmed that they are not aware of any issues and that no problems have been identified during their quality assurance procedures. Revenue will investigate any specific issues if the ITI can provide details.

- **VAT Modernisation**

- The public consultation on VAT Modernisation is still underway and Revenue are engaging with various groups as part of the process. Revenue is keen to get views from across all areas of the VAT community and encouraged Indirect TALC member organisations to respond to the consultation, and also asked that they encourage submission from their own members and from members' clients.
- The Law Society raised the issue that some of the data required at European level would breach solicitor-client confidentiality and that they expect this to be an issue across the Member States. Revenue said it would be useful to include issues such as this as part of their submission to the consultation process.

- **Guest Accommodation**

- The Law Society raised an issue regarding the VAT treatment of serviced apartments for business clients. They noted the removal of the 28-day requirement from primary legislation but not from the regulation. They noted Revenue's published guidance and queried whether the 28 days is still in effect.
- Revenue advised that the primary legislation covered the application of VAT to accommodation and lettings and the regulation was no longer valid. In addition, it was pointed out that the time period is no longer relevant and that whether a guest is using accommodation for business purposes or not does not impact the VAT status of the supply. Instead, it is dependent on the nature of the supply and whether added value is provided.

- **Administration**

- The 2024 meeting schedule will be proposed when the dates for Main TALC become available, to enable reporting to each Main TALC meeting. In the meantime, the next meeting was provisionally scheduled for 14 February 2024.
- For the year ahead, it was agreed all relevant documents (including agenda, draft minutes, papers or matters for discussion) will be issued by the Secretary to members a full week prior to the meeting. To facilitate this, members are asked to provide their materials or proposed agenda items 3 working days before that. Draft should be circulated for comments within two weeks of the meeting.
- It was requested that all TALC correspondence between Revenue and members of the Sub-Committee should be copied to the Secretary. Where possible, it would be helpful if such correspondence to Revenue could come from the TALC member's principal contact or a nominated person.
- Revenue will support the Chair with preparing a draft for the end-2023 report to Main TALC.

Action Points	Agenda Item	Responsible	Timescale
Setting up of VAT Modernisation Subgroup - Sub-Committee members to make nominations. Meeting to be organised by Revenue as soon as possible	2	Revenue and All Members	In the coming days
VAT56A – Revenue to organise meeting in the new year	3	Revenue	Q1 2024
2024 Indirect TALC meetings – dates to be proposed once Main TALC dates are released in January. 14 February 2024 tentatively agreed for first meeting	5	Secretary	January 2024
Section 94(8)(b) – Revenue to include this matter in forthcoming TDM revision	5	Revenue	January 2024
Postponed Accounting – ITI to provide details of relevant cases to Revenue’s National Business Tax Registration Unit.	5	ITI	N/A
VAT Modernisation – member organisations asked to encourage engagement with public consultation process by their own members and their clients	5	All Members	N/A

Attendees

Consultative Committee of Accountancy Bodies - Ireland

Mairéad Hennessy (Chairperson)

Gearóid O’Sullivan

Irish Tax Institute

Gerry Brennan

Oonagh Carney

Deirdre Hogan

Lorraine Sheegar (attended virtually)

Law Society

Matthew Broadstock

Donal Kennedy

David Lawless

Patricia McCarvill

Revenue

Chad Egan

Ita Foster

Deirdre Hanlon*

Michael Reilly (attended virtually)

Amy Prendiville (Secretary)

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