

Minutes of Main TALC meeting

19 May 2020

Skype meeting at 2.30pm

Item 1 Minutes of Meeting held on 11 February 2020

The minutes were agreed.

Item 2 Matters arising **i. TALC Operational Guidelines** **ii. DWT Real-time Reporting**

TALC Operational Guidelines

The draft guidelines, incorporating feedback from all bodies, were agreed. These will now be published on the Revenue website.

DWT Real-time Reporting

Revenue advised that the proposed roll-out of the system from 1 January 2021 has now been postponed. An eBrief is issuing to this effect. A report on the outcome of the public consultation will be published later this year.

Item 3 Tax Debt “warehousing” arrangements

Item 4 Treatment of “non-warehoused” tax debts

These two items were addressed in one agenda item.

Revenue outlined the main provisions of the recently announced proposed “warehousing” of certain COVID-19 related tax debt. The scheme will be formalised in legislation upon the formation of a new government. The main provisions include:

- Debt collection and the charging of interest on late payments is currently suspended for February – June (PREM) and for the January/February – May/June VAT periods. VAT and PREM debts comprehended by this suspension can be warehoused.
- Warehouse entry is automatic for SMEs, subject to the qualifying criteria, and on a case by case basis for MED and LCD customers. An essential pre-requisite for availing of the debt warehousing scheme is that all returns are up to date.
- The period covered by the arrangements is the duration of time during which the business was and is unable to trade or, was trading at a significantly reduced level, due to the Covid-19 related restrictions and includes two months after the business re-commences ‘normal’ trading.

- The warehouse debt will be afforded a 12-month payment moratorium with no interest charges or collection/enforcement activity. Businesses that can pay the warehoused debt during the 12-month moratorium will be afforded the option to do so at 0% interest.
- At the end of the 12-month payment moratorium, a reduced rate of 3% will apply on the repayment of the warehoused debt.
- Current taxes must be maintained for the duration of the warehouse period and for any subsequent arrangement period to guarantee the reduced interest rates of 0% (while in warehouse) and 3% (after the warehouse period ends).
- Tax Clearance will not be affected by businesses availing of the warehouse arrangements
- The Collector General's Office will commence a phone campaign to businesses shortly. However, non-SMEs wishing to avail of the debt warehousing facility should contact either the CG's Division or their relevant Divisional contacts.

Revenue advised that it is important that businesses continue to file all relevant returns and reiterated that where businesses have difficulty in completing fully accurate returns they should do so on the basis of a best estimate.

Practitioners queried the meaning of 'normal trading', noting that for some businesses, there will be continued disruption. Revenue advised that 'normal trading' is a subjective term and that this would require further consideration.

Practitioners raised a number of inquiries which include:

- The possibility of off-setting CT 2020 losses against 2019 liabilities
Revenue advised that practitioners should engage with LCD [where applicable] and that the response would depend on the nature of the business.

Item 5 Pay and File and a 'safe harbour'

Practitioners queried Revenue's approach to Preliminary Tax compliance in light of the potential difficulties with both quantifying and paying the liability. Revenue advised that the requirements in relation to PT have not changed but reminded practitioners of the option of 90% of current year where trading is significantly reduced in year. Cases with concerns are advised to contact the relevant Branch in Revenue. Revenue stated they will take a reasonable approach to cases where best efforts are made by taxpayers to comply with their compliance obligations.

Item 6 Impact of COVID-19 on compliance deadlines and alleviation of sanctions for late returns

Practitioners inquired if it would be possible to give deferrals or extensions to filing returns deadlines particularly for the last quarter of the year due to limited cashflow. Revenue advised that this was not their preferred approach. Revenue iterated that all businesses should file their returns by the specified deadlines. Cases involving a temporary and a permanent inability to pay will be considered on a case by case basis.

Practitioners emphasised the difficulties that are likely to be experienced by professional practices in the months ahead in helping clients to make best efforts to meet filing deadlines due to the ongoing and unpredictable impact of the COVID-19 pandemic. Revenue observed that it is too early to predict the potential impact of COVID-19 on tax administration and on compliance deadlines that fall later in the year. Practitioners and Revenue agreed to keep the impact on compliance deadlines under review and return to the matter over the months ahead.

Item 7 Recommencement of compliance activity

Practitioners queried when Revenue intended to recommence compliance activity and Revenue's approach to any additional interest charges that might arise where interventions are delayed due to the COVID-19 restrictions.

Revenue advised that while on-site compliance activity has been suspended due to the COVID-19 restrictions, compliance activity that does not require on-site visits has continued as normal. Interventions may be progressed by whatever means is appropriate, for example, by telephone and/or MyEnquiries and noted that a number of cases have been finalised recently.

Revenue also noted that where a taxpayer makes a settlement offer in respect of additional liabilities and makes the appropriate payment within a month of the offer, no further interest is charged in respect of the period of time after the settlement offer was made. Any individual cases where issues arise can be considered on a case-by-case basis.

There was a discussion on the format and conduct of interventions on the assumption that there may not be a general return to on-site engagement in the near future. It was noted that relevant books and records can be provided electronically, but that some practical aspects e.g. certainly with respect to commencement of the intervention (and end of the disclosure opportunity) may need to be managed carefully. No formal changes to the Code of Practice are proposed at this time but it was agreed that the matter will be discussed further at the Compliance Interventions Sub-Committee of TALC.

Practitioners requested that Revenue remain cognisant of the pressures on taxpayers and the tax profession in meeting tax returns compliance requirements, when scheduling compliance activity over the months ahead.

Item 8 TWSS compliance and penalty policy

Revenue provided an update in relation to the Temporary Wage Subsidy Scheme [TWSS]. Initial interventions have been principally of a service nature including following up with employers whose claims were rejected by the validation procedures. Some employers who had over-claimed as a consequence of inconsistent pay periods have been contacted and request to refund over-paid monies. In general, there has been a prompt response to these issues. A small number of suspected fraud cases have been identified and these have been referred to Revenue's Investigations and Prosecutions Division.

A wider compliance programme will be initiated in the near future. Revenue stated that it will be supportive of employers who make genuine efforts to comply with the scheme but that any cases of fraud or abuse will be vigorously pursued

Practitioners advised of *bona fide* situations where redundancies are now being considered but where the original intention was to retain the employees. Revenue are to consider this aspect further.

Practitioners sought an update in relation to the current expiry date of mid-June 2020. Revenue indicated that the Department of Finance had been made aware of the implications of a mid-month expiry date in relation to the administrative arrangements for monthly paid workers. Practitioners acknowledged that the guidance notes on the Revenue website was being updated on a regular basis.

Item 9 Updates

i. DAC6

The European Commission has proposed that the filing and exchange dates for DAC6 and the exchange dates for DAC2 are extended. Revenue hopes to provide an update in relation to this matter shortly. Practitioners queried if legislation would be required, Revenue will consider the question of legislation in consultation with D/Finance and any necessary change will be implemented in the 2020 Finance Bill.

ii. myEnquiries tracking system

The tracking system displays to customers the status of queries submitted via MyEnquiries. The implementation of the tracking system in April had been postponed due to covid-19. It is now planned to implement the tracking system in June. The members of the MyEnquiries TALC Sub-Group have been advised of this postponement.

iii. "Letter of no audit"/ clearance procedure

A number of options for resolving this issue have been developed and are being considered internally by the relevant parties within Revenue. Once they are agreed a meeting of the TALC subgroup can be held to discuss.

Two developments have already been agreed which should solve the issue for a certain cohort of vendors. The Electronic CG50, which is due to be released in June 2020, will cater for non-resident vendors by including a declaration that all tax obligations regarding the asset have been satisfied. The online eCA24 is due to go live in September.

iv. Deferred TALC sub-committee meetings

Practitioners and Revenue agreed that the COVID-19 restrictions should not unnecessarily disrupt the work of the various TALC sub-committees. The main TALC secretary will contact the secretaries of the various sub-committees and advise them to schedule meetings using video conferencing.

Item 10 AOB

The Group acknowledged the contribution of Kimberley Rowan to the TALC forum over the years and wished her the best in her new role.

Attendance

Revenue	CCAB-I	ITI	Law Society
Brian Boyle (Chair)	Kimberley Rowan	Anne Gunnell	Pat Bradley
Elizabeth Hayes (Locum Secretary)	Brid Heffernan	Mary Healy	Caroline Devlin
Eugene Creighton	Brian Purcell	Sandra Clarke	James Sommerville
Joe Howley	Enda Faughnan	David Fennell	
Philip Brennan		Pat Mahon	
		Kieran Twomey	
		Tom Maguire	
		Mark Barrett	

Apologies