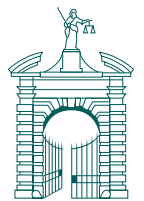


2021

# Annual Report

Revenue



Cáin agus Custaim na hÉireann  
Irish Tax and Customs

## **Annual Report 2021**

Ninety-ninth Annual Report of the Revenue Commissioners for the year ended 31 December 2021, including progress on the implementation of Revenue's Statement of Strategy, in accordance with the Public Service Management Act 1997, presented to the Minister for Finance.

**May 2022**

## Our Mission

To serve the community by fairly and efficiently collecting taxes and duties and implementing customs controls

## Our Vision

To be a leading tax and customs administration, trusted by the community, and an employer of choice

## Our Core Values

Respect



Professional



Collaboration



Agility



Integrity



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# Board's Review for 2021

2021 was a truly exceptional year for Revenue. Not only did we collect a record amount of tax and duty for the year, we did so against the backdrop of a fundamentally changed trading environment between Ireland and Great Britain and the continued significant economic and social disruptions associated with the Covid-19 pandemic. With the health and safety of our people always a priority, we delivered our core business while continuing to operate in a largely remote working environment. In a relatively short timeframe, following the enactment of legislation that updated, after seven years, the operation of the Local Property Tax (LPT), we put all the necessary measures in place to effectively administer the changes in advance of the new valuation period which began on 1 November last. We also continued to play a significant role in the delivery of key Government supports to businesses as part of the national response to the Covid-19 pandemic.

Revenue collected total gross receipts of €96.6 billion, including €17.5 billion in non-Exchequer receipts collected on behalf of other Government Departments and Agencies. Net Exchequer receipts after repayments were €67.5 billion, an increase of 20% or €11.3 billion on 2020.

Notwithstanding the challenging, changing and uncertain business environment arising from the on-going pandemic, overall timely compliance rates for 2021 remained strong. This is a testimony to the recognised importance of timely tax and duty compliance for society generally, and also reflects the positive engagement by businesses, individual taxpayers and tax practitioners during the year and their efforts in preserving a culture of strong voluntary compliance, despite the difficulties many faced.

Key to our ability in meeting the challenges that faced us in 2021 was the continued development, evolution and refinement of our structures. This not only optimises our effectiveness as a tax and customs administration but also enables us to adapt quickly to the ever-changing environment in which we operate. For example, in 2021, we established a new Division, Investigation, Prosecution and Frontier Management Division, which brought together our operational frontline and enforcement functions and our investigation and criminal prosecution activities, enabling the integrated mobilisation of a very substantial resource and the streamlining of work.

Our core values of agility, integrity, respect, collaboration and professionalism are embedded in our culture. This puts us in a strong position to continue to meet the challenges that lie ahead in 2022 and beyond.

## UK's exit from the EU

The UK's exit from the EU fundamentally changed the trading environment between Ireland and Great Britain. Goods that once moved freely between the two jurisdictions are now subject to Customs formalities. Building on extensive engagement we had with trade and business throughout 2019 and 2020, in 2021, we continued to support trade and business, collectively and individually, in adapting to the new requirements and formalities and resolving specific matters brought about by the new trading environment. This on-going support was vital given the particular uncertainty that prevailed as regards the application of tariffs and quotas until a new trade deal was agreed only a matter of days prior to 1 January 2021.

We also worked collaboratively with colleagues in the Department of Agriculture, Food and the Marine and the Health Service Executive to facilitate an efficient flow of goods through our ports and airports. Informed by our intensive and very positive engagement with businesses and trade representative bodies, we streamlined certain processes and built on the existing cross-State Agency collaborative approach to address practical 'on the ground' challenges as they emerged or as quickly as possible thereafter.

From a very slow start, trade volumes with the UK gradually increased over the course of 2021 and compliance with requirements improved as the year progressed. Over the course of the year, we processed a record breaking 29.8 million customs declarations, 27.1 million of which were import declarations. This compared to just over 1 million import declarations processed in 2020. Looking at freight vehicle movements from Great Britain into Ireland over the full year, 86% were green routed on arrival meaning they passed freely through the relevant port without the need for any additional interaction with Revenue or any other State Agency, 11% were orange routed meaning the goods needed a documentary check or similar control and 3% were red routed meaning there was a requirement for a physical examination or inspection of the goods.

Further changes in the trading environment between Ireland and Great Britain are on the horizon. The UK Government temporarily suspended the introduction of new import requirements that would have applied to Ireland-Great Britain trade from 1 January 2021. We are continuing to assist businesses in understanding and being ready for these changes when the temporary suspension is lifted.

## **Covid-19 Response**

The economic and social disruptions caused by the Covid-19 pandemic continued during 2021, with significant public health restrictions impacting businesses across many sectors. We continued to play a significant role in supporting affected businesses through the delivery of critical Government supports.

A number of adjustments were made to the Covid Support Schemes, particularly the Covid Restrictions Support Scheme (CRSS) and the Employment Wage Subsidy Scheme (EWSS), as public health restrictions were put in place and eased throughout the year. The scheme changes are documented in the body of the report. As each change was announced we quickly adapted our systems to ensure timely payments to impacted businesses. Over the course of the year, €4.6<sup>1</sup> billion in support was claimed under EWSS by almost 47,600 employers in respect of 628,000 employees. A total of €479<sup>2</sup> million in CRSS payments were claimed by 21,400 businesses in respect of 24,650 premises for 2021 and a total of €7.9<sup>3</sup> million in Business Resumption Support Scheme (BRSS) payments were claimed by 1,988 businesses with 2,008 trades.

Under the Debt Warehousing Scheme, businesses can temporarily 'park' certain Covid-19 related tax debts on an interest free basis until the end of 2022 or until 30 April 2023 for businesses impacted by the public health restrictions introduced in December 2021. As at 31 December 2021, €2.9<sup>4</sup> billion of tax debt was warehoused for 98,000 businesses.

In addition to the wide range of supports we administered on behalf of the Government during 2021, we also implemented a suite of concessional measures across an extensive range of tax related matters under the care and management provisions of Section 849 of the Taxes Consolidation Act 1997. These are detailed in the report.

## **Local Property Tax**

Following the enactment of legislation last July that updated how the Local Property Tax (LPT) operated we put all the necessary measures in place, including system changes, an updated online property valuation guide and a comprehensive communication campaign, in advance of the new valuation period which began on 1 November 2021. Approximately 2 million properties

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<sup>1</sup> Gross EWSS claimed for 2021 as at 6 April 2022.

<sup>2</sup> Gross CRSS claimed for 2021 as at 6 April 2022.

<sup>3</sup> Gross BRSS claimed for 2021 as at 6 April 2022.

<sup>4</sup> Reflects position as at 31 December 2021.

are liable for LPT for 2022. The majority of property owners were required to revalue their property for LPT purposes for the first time in 8 years, while owners of newer properties, built since 2013, were required to submit an LPT Return for the first time. By the end of 2021, almost 397,000 phone calls had been made to our LPT Helpline and over 100,000 items of correspondence had been received. The return compliance rate for LPT for 2022 currently stands at 90%<sup>5</sup>, while the payment compliance rate is 94%<sup>6</sup>.

## Service for Compliance

We deliver on our core task of collecting taxes and duties by providing a service for compliance delivery model that is agile, responsive and takes account of the needs of taxpayers and tax agents. We continue to refine and deepen our segmented approach of service delivery in a manner that supports and facilitates high voluntary compliance levels.

We launched a digital platform for Professional Services Withholding Tax (PSWT). The ePSWT service removed a significant volume of paper, mainly F45 forms, from the system and reduced the administration obligations on stakeholders.

We also made a facility available in *myAccount* that enables PAYE taxpayers to make claims for certain tax credits and reliefs in 'real-time', as the relevant qualifying expense is incurred. This real-time credit facility is currently available in respect of health expenses, nursing home expenses and remote working relief. We intend to continue to expand the facility during 2022 to include additional credits.

Having listened to suggestions on ways in which we could better facilitate taxpayers and tax agents to self-serve, we updated our Receipts Tracker service to enable agents to upload receipt details and images on behalf of their clients to support claims for a range of tax credits and reliefs including health expenses and remote working relief.

We also introduced a new facility whereby customs duties can be paid by debit or credit card and other online methods at ports and airports.

We contribute to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) Inclusive Framework proposals to address the tax challenges of digitalisation and international taxation of companies. In 2021, we worked closely with the Department of Finance, not only in relation to the key Covid-19 supports we administer on behalf of the Government, but also on national tax policy, particularly in relation to the Finance Bill process, and the major international tax developments that were driven forward this year with unprecedented ambition by the OECD Inclusive Framework.

## Confronting Non-Compliance

We support the strong culture of voluntary compliance by delivering a risk-focused, effective, and proportionate response to non-compliance, reflecting taxpayer behaviour.

The total yield from our audit and compliance interventions in 2021 was €1,388 million. Tax settlements amounting to over €30 million were agreed with 86 taxpayers who were published as tax defaulters.

At the beginning of May this year, a new Compliance Intervention Framework, supported by a revised Code of Practice for Revenue Compliance Interventions, came into effect. This new 3-level framework was developed following extensive work during 2021, including engagement

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<sup>5</sup> Correct as at 4 May 2022.

<sup>6</sup> Correct as at 4 May 2022.

with key stakeholders such as tax agents and professionals and their representative bodies. The framework supports compliance by further enhancing the value and importance of self-assessment and self-review as a means towards ensuring timely voluntary compliance. It also underpins our nearer to real-time engagement with taxpayers, and minimises the cost of compliance on businesses and individuals that seek to pay the right tax at the right time. It incorporates our traditional tax audit approach within a Compliance Intervention Framework that provides for a consistent, graduated response to risk and taxpayer compliance behaviour.

During 2021, we continued our broad range of interventions targeting fraud, illicit trade, smuggling and organised crime. We seized over 5,700 kgs of drugs worth almost €115 million and made over 6,500 seizures of illicit tobacco products valued at over €67 million. We also seized almost 429,500 litres of illicit alcohol valued at €2.7 million and seized 601 vehicles for various offences.

## **Our People and Capability**

The skills, flexibility, resilience and professionalism of our people are central to our achievements. Their capability and hard work along with our agile structures and continued ability to harness innovation in technology, and optimise the efficiency of our business practices, enable us to carry out our role effectively. We continue to support and enable our people to perform to the highest levels through the provision of a wide range of skills and capability development opportunities.

At the end of 2021, we had over 6,780 permanent staff working in Revenue, equating to 6,530 full time equivalents. During the year, we appointed 549 staff across all grades from open recruitment, interdepartmental and Top-Level Appointments Committee (TLAC) competitions.

We embrace individuality and have built a strong culture of respect, acceptance and equality among our staff, ensuring that human rights and diversity are fully embraced in both internal and external environments. The wellbeing of colleagues right across the organisation is a particular focus and is supported through a range of initiatives highlighted and delivered through our wellbeing programme '*RevWell*'.

## **Looking Ahead**

The outlook for the economy as regards Covid-19 continues to improve, with almost all public health restrictions lifted at this point. Hopefully, this brings to an end what has been an exceptional era for Revenue whereby, due to the nature of the emergency at hand for the past almost 2 years, we made critical changes to our existing tax collection systems that enabled us to instead pay out vital cash flow supports to impacted businesses. However, we are aware of the current challenges facing the economy as regards the security of supply chains and inflation. We are also acutely aware of the challenges brought about by Russia's war on Ukraine and we will play our part to support the national response.

The CRSS and BRSS schemes have come to an end and, at the end of this month, payments made under the EWSS will also end. The first phase of the Debt Warehousing Scheme is now finished. We have written to all businesses with debt warehoused setting out their up-to-date position. The debt is now in the zero-interest phase and we will work effectively and proactively with businesses towards dealing with parked tax debts from 2023 onwards. For those businesses whose debt remains parked in the warehouse, there is only one condition they are required to meet to retain the significantly reduced interest rates of 0% and 3% available under the scheme; that is to file current tax returns as they fall due and pay the associated tax liabilities on time.

We will support business and trade as they adjust to the UK Government's import requirements



and we will also continue to support the Department of Finance in relation to the evolving and complex international tax agenda.

Our core business is the efficient collection of taxes and duties due to the State, we will continue to tailor and refine our model of service for compliance, driven by the needs of taxpayers and tax agents, while leveraging further advances in technologies. In maximising timely compliance, we will further enhance our real-time engagement and response to risk through the implementation of our new Compliance Intervention Framework. In all instances, the level of risk and taxpayer behaviour will determine our response and actions.

Out of necessity due to the emergency caused by Covid-19, and like many organisations across the country and globally, we have adapted to new ways of working over the past two years. What we have learned from the experience of remote working during this time very much informs the future opportunities available to us in terms of how we work and where we work. Rather than going back to the way things were before the pandemic and having regard to the recently published *Blended Working Policy Framework for Civil Service Organisations*<sup>7</sup>, we are actively progressing our future, longer-term blended working arrangements. Our aim is to build on the efficiencies gained over the last two years in delivering our core business and to further leverage the use of enhanced technology solutions to enable a working environment that seamlessly facilitates a mix of on-site and virtual working, rather than strictly a mix of only a fixed office location and home working. This approach will maximise flexibilities that enhance wellness and a better work-life balance, ultimately increasing the attractiveness of Revenue as an employer of choice.

In the context of the on-going threat of a Cyberattack, it is important to reiterate that the security of Revenue systems and data is a fundamental priority for the organisation. Security is designed into all services operated by or for Revenue. Security is emphasised to all staff and is part of the culture of the organisation. However, we cannot, and do not, assume that we are immune from the risk of an attack and, therefore, continue to be vigilant and to invest in and upgrade our security infrastructure, resilience, and responsiveness.

Finally, we thank all Revenue staff for their on-going hard work and excellence, especially so at a time of unprecedented challenge, professionally as well as personally for many. Our achievements in 2021 would not have been possible without their professionalism, dedication and commitment. We also acknowledge and thank those Revenue staff who retired in the past year, many of whom dedicated 40 or more years of service to the State. We particularly acknowledge the contribution to Revenue made by our former colleague, Commissioner Michael Gladney, who retired on 15 April 2022.



*Niall Cody*  
Chairman

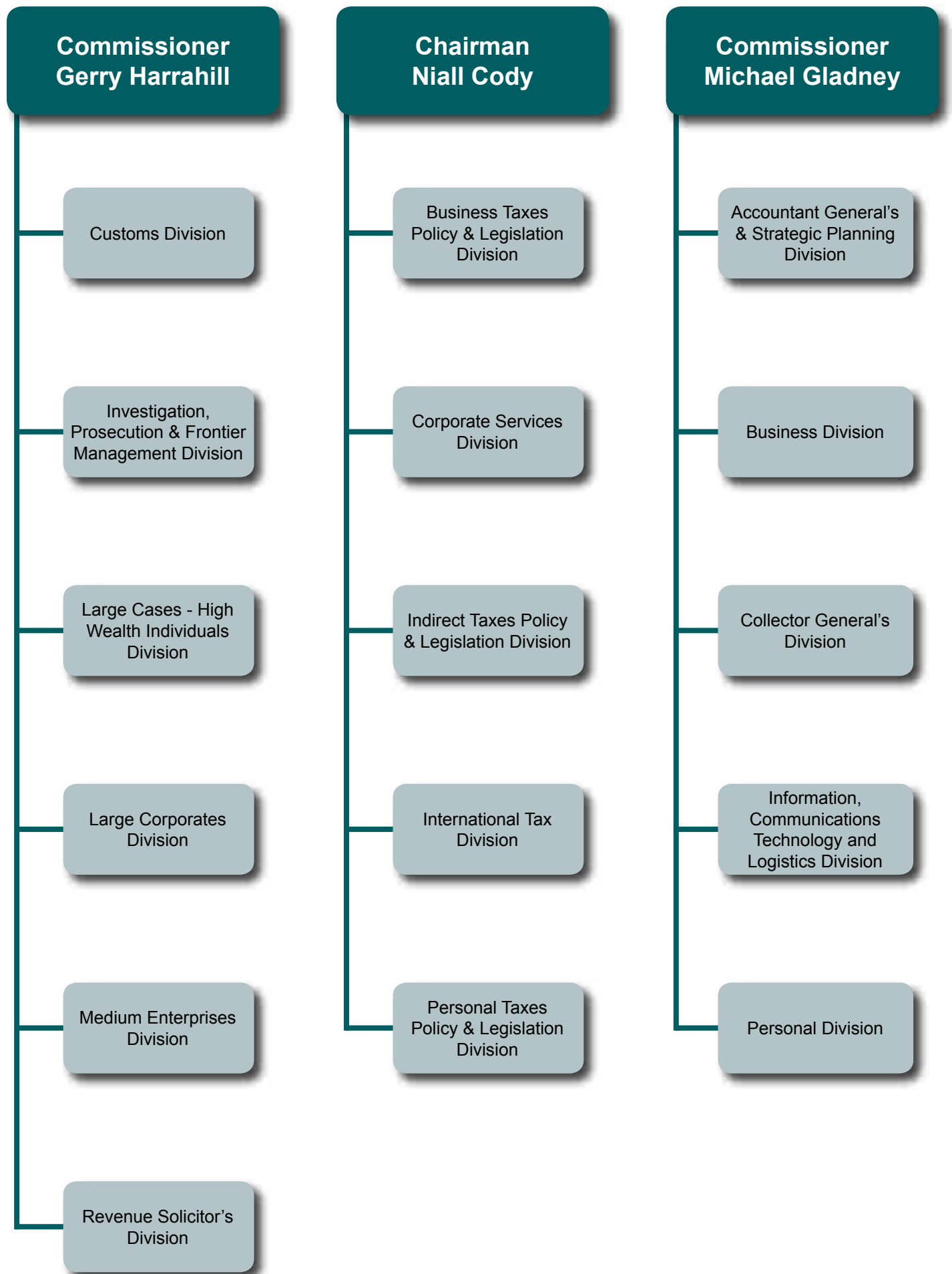


*Gerry Harrahill*  
Commissioner

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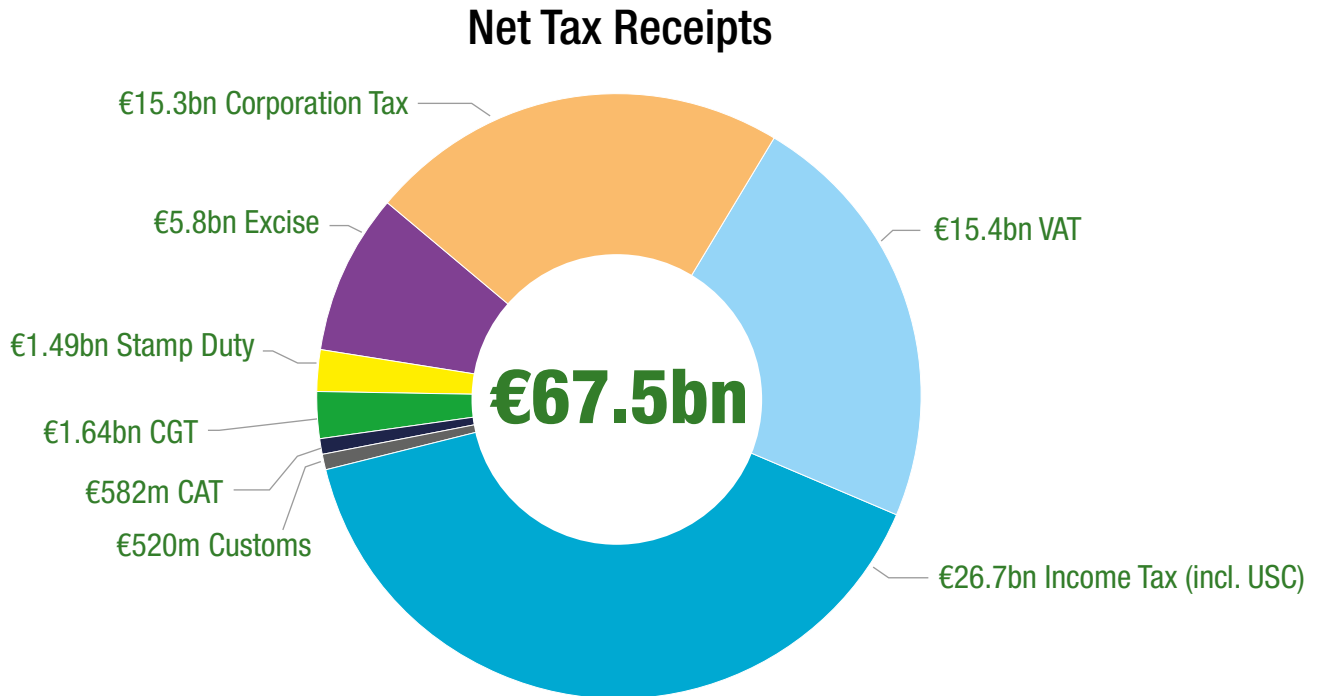
<sup>7</sup> <https://www.gov.ie/en/publication/da010-blended-working-policy-framework-for-civil-service-organisations/>

# 2021 Organisational Structure

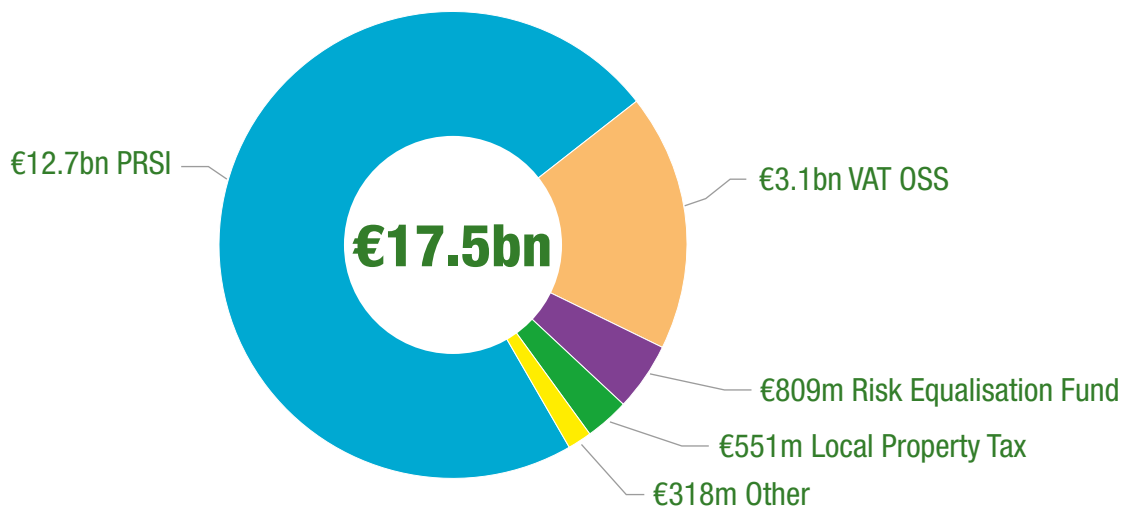


# Main Results 2021

Total gross receipts of €96.6 billion collected, including €17.5 billion in non-Exchequer receipts.



### Collection for other Departments & Agencies



### Cost of Revenue administration €488.7 million

25 million customer contacts in 2021, supporting compliance for 2.9 million employees, 0.2 million employers, 0.8 million businesses, 0.3 million VAT traders, 0.1 million Customs traders and 1.4 million property owners

# Main Results 2021

## Supporting Businesses and Protecting Incomes in the Pandemic

### EWSS

Employment Wage Subsidy Scheme - €4.6\* billion in subsidies claimed by 47,600 employers in respect of 628,000 employees

\* Gross EWSS claimed for 2021 as at 6 April 2022

### BRSS

Business Resumption Support Scheme - €7.9\* million in supports claimed by 1,988 businesses in respect of 2,008 trades

\* Gross BRSS claimed for 2021 as at 6 April 2022

### CRSS

Covid Restrictions Support Scheme - €479\* million in supports claimed by 21,400 businesses in respect of 24,650 business premises

\* Gross CRSS claimed for 2021 as at 6 April 2022

### Debt Warehousing

€2.9bn\* in liabilities warehoused for 98,000\* businesses supported

\* reflects position as at 31st December 2021

## Customs and Facilitating New Trading Relationship with Great Britain

29.8 million

Customs Declarations processed

€520 million

Customs Duty Collected

396,895

Inbound Lorries & Containers from GB

86%

Share of GB inbound movements 'Green Routed'

23,265

New Customs (EORI) registrations

## Local Property Tax (LPT) Revaluation for 2022

### Returns

1.25m\* owners have fully filed returns for 1.59m\* properties, 94%\* of returns filed online

\* correct as at 4 May 2022

### Compliance

90%\* return compliance, 94%\* payment compliance

\* correct as at 4 May 2022

### Payments

€434m\* in new payment arrangements for 2022 (incl. €317m\* already paid), a further €32m\* secured through annualised payment methods

\* correct as at 4 May 2022

# Main Results 2021

## Collection and Compliance

- €96.6 billion in Gross Exchequer Receipts collected (Table 1)
- €17.5 billion in Gross Non-Exchequer receipts was collected on behalf of other agencies (Table 1)
- Net Exchequer receipts for 2021 were €67.5 billion, up 20% on 2020 receipts (Table 2)
- €488.7 million in administration costs, representing approximately 0.51% of gross receipts collected
- 97% return/payment compliance rates for medium sized businesses with very high compliance levels maintained overall (Table 6)
- 93% compliance rate achieved for 2021 Local Property Tax (LPT), with net LPT receipts of €551 million collected and transferred to the Local Government Fund in 2021
- 90% return compliance rate and 94% payment compliance rate in respect of LPT for 2022, the first revaluation of properties since the introduction of LPT<sup>8</sup>

## Delivery of Critical Covid-19 supports

- Employment Wage Subsidy Scheme - €4.6<sup>9</sup> billion in subsidies claimed by 47,600 employers in respect of 628,000 employees
- Covid Restrictions Support Scheme - €479<sup>10</sup> million in supports claimed by 21,400 businesses in respect of 24,650 business premises
- Business Resumption Support Scheme - €7.9<sup>11</sup> million in supports claimed by 1,988 businesses in respect of 2,008 trades
- Debt Warehousing - €2.9<sup>12</sup> billion in tax debt warehoused for 98,000 businesses
- Tax clearance maintained with some targeted reviews of compliance completed
- Prioritised Repayments - €5.8 billion in VAT repayments issued, an increase of 4% on 2020
- TWSS Reconciliation - €308 million in aggregate liability with 99.6% of employers having completed the process
- Accelerated Loss Relief - €485 million in interim claims paid to 265 companies and 369 individuals

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<sup>8</sup> 2022 LPT compliance rates as at 4 May 2022

<sup>9</sup> Gross EWSS claimed for 2021 as at 6 April 2022

<sup>10</sup> Gross CRSS claimed for 2021 as at 6 April 2022

<sup>11</sup> Gross BRSS claimed for 2021 as at 6 April 2022

<sup>12</sup> Reflects position as at 31 December 2021

## Managing Debt

- Debt available for collection was €991 million, down €190 million (16%) on 2020
- Debt available for collection as a percentage of gross receipts was 1.03%, down from 1.44% in 2020
- 6,274 businesses and individuals had phased payment arrangements in place at the end of 2021, covering €108.5 million in debt

## Securing Compliance by Design and Excellent Service

- €10 million electronic payments made to Revenue with a value of €90.65 billion (Table 3)
- 1.6 million electronic repayments made to taxpayers with a value of €9.8 billion (Table 3)
- 7.9 million electronic returns received (Table 3)
- 2 million telephone calls answered (Table 3)
- 3.9 million items of correspondence (letters, secure email, online enquiry, etc.) (Table 3)
- 29.8 million customs declarations (import, export, transit) processed (Table 13)
- 3.1 million individual taxpayers were registered for myAccount at the end of 2021

## PAYE Modernisation

- 5.9 million successful payroll submissions
- 182,943 employers (including pension providers) making submissions
- 4.4 million active employments
- €108.7 billion gross pay and pensions reported

## UK Exit from the EU

- 396,895 freight vehicle movements into Ireland from Great Britain; 86% Green Routed, 11% Orange Routed, 3% Red Routed
- 102,600 calls to our Customs Helpline
- 54 trade webinar events, providing key information and practical advice to a total of over 9,000 attendees
- 23,265 New Customs Registrations (Economic Operator Registration and Identification (EORI) numbers)
- 750 businesses assisted by our Customs declaration support service in relation to lodging Safety and Security (ENS) declarations

## Confronting Non-Compliance

- €1,388 million in yield from audit and compliance interventions (Table 14)
- €13.6 million in yield, including interest and penalties, arising from 131 tax avoidance cases

- €30.3 million in tax settlements in respect of 86 taxpayers published in Iris Oifigiúil (Table 16)

## Seizures

- 21,163 drug seizures valued at almost €115m (Table 18)
- 60.7 million cigarettes and 38,246 kgs of tobacco seized, valued at €43.5 million and €24.1 million respectively (Table 19)
- 601 vehicles seized (Table 19)
- 31,650 litres of illicit fuel seized (Table 19)
- 51 cash seizures amounting to €805,948 (Table 20)
- Cash forfeiture orders amounting to €250,620 granted by the Circuit Court in 30 cases (Table 21)

## Prosecutions

- 9 criminal convictions for serious tax and duty evasion (Table 22)
- 231 convictions and fines amounting to €599,699 secured in respect of a range of summary offences (Table 22)

## Playing Our Part Internationally

- 76 Double Taxation Agreements signed (73 in effect) and 26 Tax Information Exchange Agreements (TIEAs) in effect at the end of 2021
- 1,616 requests for mutual assistance received and 476 requests issued by Revenue (Table 23) under the provisions of Ireland's exchange of information agreements
- 172 Mutual Agreement Procedures (MAPs) completed following engagement with Competent Authorities of other jurisdictions to eliminate double taxation in relation to international tax disputes and 3 bilateral Advance Pricing Agreements (APAs) concluded in order to prevent transfer pricing disputes (Tables 11 and 12).

## Collection of Taxes and Duties

Our mission is to serve the community by fairly and efficiently collecting taxes and duties and implementing customs controls. We therefore play a vital role in the economy by securing taxes and duties due to the State. We achieve this by providing excellent service for compliance and delivering a risk focused, effective and proportionate response to non-compliance, reflecting taxpayer behaviour.

Gross receipts were €96.6 billion in 2021, including € 17.5 billion in Non-Exchequer receipts collected on behalf of other Departments, Agencies and EU Member States (Table 1).

Net Exchequer receipts of €67.5 billion were up by 20% or almost €11.3 billion on 2020, with the largest tax receipts arising from Income Tax (39.6% or €26.7 billion), VAT (22.8% or €15.4 billion) and Corporation Tax (22.7% or €15.3 billion) (Table 2).

Net Non-Exchequer receipts of €17.5 billion included €12.7 billion in respect of Pay Related Social Insurance (PRSI) and €3.1 billion in respect of VAT One Stop Shop Schemes. It also included €551 million in respect of Local Property Tax (LPT), a tax administered and collected by Revenue with net receipts transferred to the Local Government Fund.

Notwithstanding the challenging and uncertain business environment, overall timely compliance rates for 2021 remained strong (Table 5). Reflecting the continued culture of strong voluntary compliance, timely compliance rates in 2021 were over 98% for large cases, 97% for medium cases and 88% for all other cases (Table 6).

Total debt was €5,254 million gross, and debt available for collection compared to 2020 decreased by 16% to €991 million gross. The value of debt written off as uncollectable was €90.65 million. We facilitated 6,274 businesses and individuals with phased payment arrangements covering €108.5 million of debt.



## **Local Property Tax Revaluation**

In June 2021, the Minister for Finance announced changes to how the Local Property Tax (LPT) operated. Some of the changes announced included bringing residential properties built since 2013 into the LPT system, requiring existing property owners to revalue their property for LPT purposes, widening the LPT valuation bands and reducing the applicable rate of LPT. The changes were legislated for in the Finance (Local Property Tax) (Amendment) Act 2021 in July. We then put all the necessary and wide ranging technical and administrative measures in place for the next valuation period which began on 1 November 2021.

During September and October 2021, we contacted over 1.4 million residential property owners to explain the three things they needed to do to meet their LPT obligations for 2022:

- determine the market value of their property as at 1 November 2021
- submit their LPT Return, indicating the LPT band applicable to their property's valuation, by 7 November 2021, and
- pay or make arrangements to pay their LPT Charge for 2022.

In addition to providing clear and comprehensive information on LPT on our website, we also developed an interactive valuation tool and detailed guidance to assist property owners in determining their self-assessed property valuation. The tool provides an estimated average valuation band for residential properties in each area in a map format. Property owners can find their own area on the map by simply entering the property's Eircode or location.

We delivered a comprehensive LPT Revaluation training programme to support our staff and to ensure a consistent and professional customer service. In addition, contingency teams were identified, trained and coached to provide support to our core LPT customer service team on an 'on-call' basis. Virtual mentoring and coaching sessions were provided continuously throughout the LPT filing period.

We extended the LPT Return filing deadline to 5pm on Wednesday, 10 November 2021. During the two weeks preceding the extended deadline, over 200,000 property owners called our helpline and we received over 70,000 items of correspondence. Provisional statistics published shortly after the deadline showed that LPT Returns in respect of over 1.5 million properties were treated as filed, representing 77% of the expected number of properties liable for LPT for 2022. This was clear evidence that property owners were making every effort to meet their LPT obligations, particularly given that this was the first revaluation for LPT in 8 years.

By the end of 2021, almost 397,000 phone calls had been made to our LPT Helpline and over 100,000 items of correspondence had been received. As at 4 May 2022, there was an 90%<sup>13</sup> return compliance rate and a 94%<sup>14</sup> payment compliance rate in respect of LPT for 2022. LPT statistics can be found on our website at the following location: <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/local-property-tax/lpt-stats-2022/index.aspx>

<sup>13</sup> Correct as at 4 May 2022

<sup>14</sup> Correct as at 4 May 2022

# Delivery of Critical Covid-19 Supports

The economic and social disruptions caused by the on-going Covid-19 pandemic continued during 2021, with significant public health restrictions impacting businesses across many sectors. We continued to play a significant role in supporting affected businesses through the delivery of critical Government supports.

In addition to our core business, we worked as part of a unified public service and played our part in ensuring that essential public services were delivered to support citizens. Examples of our contribution to the national effort included providing:

- printing and posting services in relation to almost 1.35 million EU Covid-19 Certificates on behalf of the Department of Health
- contact tracing support to the Health Service Executive (HSE)
- support to both the HSE's Covid-19 vaccination registration helpline and the Department of Health's EU Covid-19 Digital Certificate helpline
- essential ICT support to other Government Departments and agencies
- call centre infrastructure, office accommodation and short-term secondments of technical staff with relevant skill sets at the time of the HSE ransomware attack.

We continued to administer a number of key Covid-19 support schemes on behalf of the Government, including the Employment Wage Subsidy Scheme (EWSS), the Debt Warehousing Scheme, the Covid Restrictions Support Scheme (CRSS) and the Business Resumption Support Scheme (BRSS). Our well established, strong working relationship with the Department of Finance enabled us to deliver both new business supports and changes to existing business supports, often at pace and in response to changing public health restrictions. We could not have done this without the agility, resilience and skills of our people and the cooperation of key external stakeholders including payroll software developers, employers, payroll professionals, tax practitioners, accountancy bodies and business representative organisations.

We completed the final phase of the **Temporary Wage Subsidy Scheme (TWSS)** during 2021, with TWSS reconciliation balances made available to employers in ROS in March. 99.6% of the employers who received support under TWSS have completed the reconciliation process, identifying an aggregate liability of €308 million. The majority of the liability identified related to the transitional period of the scheme when many employers received a payment that exceeded the subsidy correctly due.

Our responsibility in administering the TWSS included ensuring that the very significant investment of public funds was properly allocated to eligible employers and employees. In 2021, we all but completed our programme of checks on all of the employers who received a TWSS subsidy to confirm that they met the eligibility criteria and, crucially, that the monies involved were properly paid out to employees. By the end of 2021, 99.8% of these compliance checks had been completed. These checks confirmed a high level of compliance, with approximately 1,800 employers found to be ineligible, representing less than 3% of the total employers supported by the scheme.

Bringing the compliance and reconciliation exercises together the aggregate amount of TWSS identified for recovery amounts to €324 million - €251 million of this has been repaid, €60 million is included in the tax debt warehouse, €3 million is at appeal and a further €10 million is available for collection.

We continued to administer the **Employment Wage Subsidy Scheme (EWSS)** throughout 2021. The scheme represents a substantial and key part of the Government response to the

Covid-19 pandemic. As an economy-wide support, the EWSS has played a central role in supporting businesses, encouraging employment and helping to maintain the link between employers and employees since July 2020.

During the year, we delivered several changes to the scheme in line with Government announcements and decisions. These changes were legislated for in the Finance (Covid-19 and Miscellaneous Provisions) Act 2021 and included amendments to the rates of subsidies payable and changes to the eligibility rules. We also introduced the Eligibility Review Form (ERF) for pay dates from 1 July 2021. A key requirement of the EWSS since its introduction in September 2020 was that employers undertake a review of their trading situation on the last day of every month to ensure they continued to meet the scheme's eligibility criteria. If arising from the monthly eligibility review, the employer no longer met the eligibility criteria, then the business was required to immediately de-register from the scheme and cease claiming subsidy payments. With the extension of the EWSS to the end of 2021, it continued to be important that employers reviewed their ongoing eligibility for the scheme, especially as trading activities resumed across many sectors of the economy. It was in this context that the ERF was developed to assist employers in conducting the required monthly review of their continued eligibility for the scheme.

Gross EWSS payments of €4.6<sup>15</sup> billion were claimed for 2021 by 47,600 employers in respect of 628,000 employees. In line with relevant legislation we have published the list of the names and addresses of all employers who registered for and received payments under EWSS in 2021.

As part of Budget 2022, the Government agreed the future of EWSS including its graduated exit strategy which was legislated for in Finance Act 2021. Additionally, as a result of the introduction of new restrictions with effect from 20 December 2021, the scheme was re-opened to allow certain employers impacted by those restrictions who did not qualify under the existing eligibility criteria to apply for re-entry to the scheme from 1 January 2022. Over 460<sup>16</sup> employers re-entered the scheme as a result of this measure.

To safeguard the integrity of the EWSS, we have undertaken a multi-faceted approach to compliance checks. This includes systematic and real-time checking of payroll submissions from employers availing of the scheme and cross-referencing claim data against other data sources to identify anomalies or trends requiring attention. The real-time checking procedures include engagement with employers to ensure timely resolution of issues.

We also undertake risk-focused compliance interventions where warranted. These checks include data analysis to identify participating employers who may not meet the EWSS eligibility criteria and, where appropriate, a risk intervention is conducted by way of follow up in accordance with *The Code of Practice for Revenue Audit and Other Compliance Interventions*. In most cases, the matters are concluded with the repayment of the amounts overclaimed or the liability is warehoused under the Debt Warehousing Scheme. Where issues are identified and agreement is not reached, we raise a notice of assessment to quantify the liability owed. Employers have the right to appeal the assessment to the independent Tax Appeals Commission (TAC) within 30 days if they disagree with the amount due. As at 31 December 2021, we had raised assessments in 60 EWSS cases amounting to €5.1 million. Of these, 4 have been appealed to the TAC. Overall, we have finalised EWSS related interventions with 3,500 employers, recouping €19.2<sup>17</sup> million. This equates to 0.3% of the total subsidy paid under the scheme to 31 December 2021. Our compliance activities are continuing in 2022.

The **Covid Restrictions Support Scheme (CRSS)** was a targeted support for eligible businesses significantly impacted by Covid-19 restrictions. The CRSS was initially extended

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<sup>15</sup> Gross EWSS claimed for 2021 as at 6 April 2022

<sup>16</sup> Correct as at 31 March 2022

<sup>17</sup> Correct as at 31 December 2021

to 30 June 2021, then to 31 December 2021 and, following the emergence of the Omicron variant of Covid-19 it was further extended until 31 January 2022. Throughout the year, we communicated with businesses and tax agents, including providing updated detailed operational guidance on an ongoing basis, as public health regulations changed, and the scheme was amended to respond to the changing circumstances. Our delivery approach provided timely payments to impacted businesses throughout 2021, including various enhanced 'restart week' payments to businesses as they began to reopen.

In December 2021, in response to the threat posed by the Omicron variant of Covid-19, the Government introduced a range of public health restrictions that impacted the hospitality and indoor entertainment sector. This meant that businesses in these sectors, for example, nightclubs, bars and theatres, were eligible to avail of the CRSS again having previously exited the scheme. We quickly adapted our systems which ensured qualifying businesses received payments before Christmas.

A total of €479<sup>18</sup> million in CRSS payments were claimed for 2021 by 21,400 businesses in respect of 24,650 premises.

In September 2021, we administered the **Business Resumption Support Scheme (BRSS)** which was a targeted support for companies, self-employed individuals, partnerships as well as certain charities and sporting bodies that carried on a trade that was significantly impacted by Covid-19 public health restrictions, including where the impact had continued after the easing of restrictions. Under the scheme, eligible businesses could make a claim for a single payment equal to three times the average weekly turnover of the relevant business activity for the applicable reference period subject to a maximum payment of €15,000. To qualify under the scheme, a business had to be able to demonstrate that the turnover from its trade, in the period from 1 September 2020 to 31 August 2021, was no more than 25% of a reference turnover amount.

Applications by eligible businesses for support under the scheme could be made between 4 September 2021 and 30 November 2021. A total of €7.9<sup>19</sup> million in BRSS payments was claimed by 1,988 businesses with 2,008 trades.

The **Debt Warehousing Scheme** is available to support businesses experiencing tax payment difficulties arising from the impact of the Covid-19 pandemic. The scheme applies to VAT and PAYE (Employer) debts, certain self-assessed income tax debts and overpayments of both Temporary Wage Subsidy Scheme (TWSS) and Employment Wage Subsidy Scheme (EWSS) payments due to be repaid to Revenue by employers. In July 2021, the scheme was extended to allow businesses to continue warehousing VAT and PAYE (Employer) tax debts up to 31 December 2021.

The scheme allows businesses to temporarily 'park' certain tax debts on an interest free basis for 12 months. At the end of the 12-month interest free period, the warehoused debt can be paid in full, interest free, or alternatively be paid on a phased basis at a significantly reduced interest rate of 3% per year. The standard interest rates for such tax debts are 8% and 10% per annum. This means that for the majority of businesses availing of the scheme there is no requirement to pay their warehoused tax debts until January 2023.

While debts are warehoused it is important that businesses continue to file current tax returns as they fall due and pay the associated liabilities on time. Businesses that do not do this will lose the benefits of the scheme meaning the debt will become due for collection immediately and the scheme's reduced interest rates will no longer apply.

The Debt Warehousing Scheme also gives businesses a framework within which they can

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<sup>18</sup> Gross CRSS paid for 2021 as at 6 April 2022

<sup>19</sup> Gross BRSS paid as at 22 April 2022

retain tax clearance even though tax payments are not up to date. Tax clearance is a key eligibility requirement for other Covid support schemes as well as Government grants and public sector contracts.

By the end of 2021, €2.9<sup>20</sup> billion of tax debt had been warehoused for 98,000 businesses.

The above mentioned Covid-19 supports provide just a snapshot of the wide range of supports we administered on behalf of the Government during 2021. Additionally, we implemented a suite of concessional measures across an extensive range of well-established tax matters under the care and management provisions of Section 849 of the Taxes Consolidation Act 1997. These included:

- the acceleration of Professional Services Withholding Tax (PSWT) interim refunds
- early access to Research and Development (R&D) payable credits
- extended pay and file deadlines
- relaxation of income tax, corporation tax and capital gains tax late filing surcharge rules
- the waiver of excise duties on certain liquor licences, public dancing licences and certificates of registration of clubs for the 2021/2022 licensing period
- the waiver of excise duties on special exemption orders
- applying the zero-rate of VAT to Covid-19 vaccines and testing kits, PPE and certain medical equipment for the HSE and healthcare settings treating patients with Covid-19, and for supplies to EU bodies responding to the Covid-19 pandemic
- extended timeframes for SME's seeking to avail of relief under the Employment Investment Incentive (EII) to meet certain conditions
- concessional measures regarding the application and calculation of Benefit-In-Kind (BIK) in certain circumstances including Covid-19 testing, flu vaccination, employer-provided vehicles and the Small Benefits Exemption
- availability of the Enhanced Help to Buy Scheme.

### ***Reporting on Covid-19 Support Schemes***

As has been the case since the onset of the Covid-19 pandemic, in 2021, we continued to publish statistics on a weekly basis, reporting in real-time on the operation and impact of the Covid-19 supports administered through the tax system.

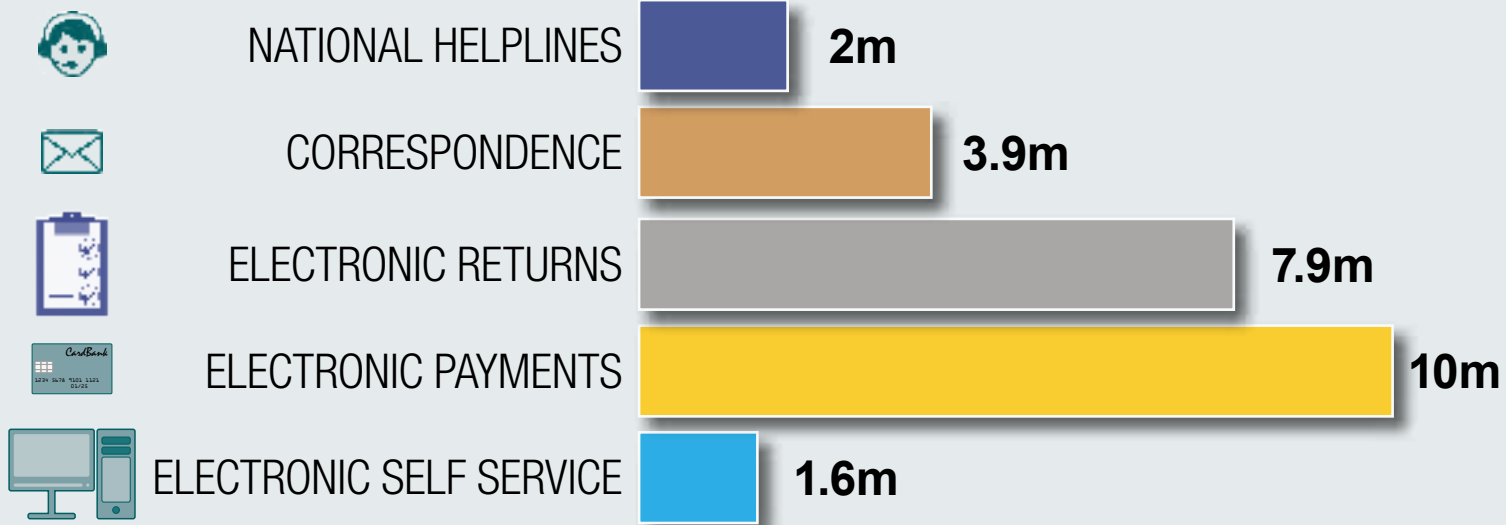
As the Covid support schemes come at a significant cost to the Exchequer, our publication of data aids transparency and gives a clear indication of the scale of support implemented for that cost.

Our publications, which use real-time employment data are giving a new understanding of the labour market more generally, not only throughout the current challenging and turbulent period but also into the future.

Covid-19 support scheme statistics can be found on our website at <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/number-of-taxpayers-and-returns/covid-19-support-schemes-statistics.aspx>

# Service For Compliance

## Customer Contacts in 2021

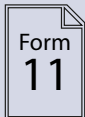


## myAccount

myAccount

**3.1m** Individual taxpayers registered

## Self-Assessment



**829,859** Registered for Income Tax

## Customs Trade Facilitation



**29.8m** Customs Declarations processed

## Debt Payment Arrangements



**6,274** with value of **€108.5m**



# Providing Excellent Service for Compliance

We deliver on our core task of collecting taxes and duties by providing a service for compliance delivery model that is agile, responsive and takes account of the needs of taxpayers and tax agents. We continue to refine and deepen our segmented approach of service delivery in a manner that supports and facilitates high voluntary compliance levels. Key to our achievements in this regard are:

- delivering quality service across a range of delivery platforms in a cost-efficient way
- developing further opportunities to leverage the benefits of technology and data insights across our business engagements to improve taxpayer experience and minimise the risk of inadvertent non-compliance
- continually refining and refocusing our service delivery model to take account of the needs of taxpayers, changes in business models and the role of tax agents and intermediaries
- providing clear, comprehensive, and up to date information to taxpayers and tax professionals on our website
- ensuring our service results in the right outcome for taxpayers and Revenue
- seeking to minimise compliance costs for taxpayers
- reducing the need for taxpayers to contact us.

## Facilitating High Voluntary Compliance Levels

A key element of our role is to proactively assist taxpayers in meeting their tax and duty obligations. We support taxpayers by giving them appropriate, timely information and guidance, and by making it as easy as possible to be voluntarily compliant.

We have developed a process of **pre-populating annual tax returns** (Form 11, Form 12, CT1) using data from a range of sources, including employees' gross pay earned, tax and USC deducted, as reported by employers, data on pensions and other benefits provided by the Department of Social Protection (DSP) and data on Housing Assistance Payments made to landlords by local authorities as well as on tenancies registered with the Residential Tenancies Board (RTB). This makes it easier for taxpayers to complete tax returns, minimises the scope for errors and omissions, reduces the need to contact us directly and speeds up the process of filing a tax return.

We carry out detailed **analysis of customer contacts** to identify areas where taxpayers may be experiencing difficulties in meeting their tax obligations and take action to pro-actively assist them. For example, our analysis identified a cohort of taxpayers who had registered for self-assessment but whose additional non-PAYE income, such as pension income, was less than €5,000. We contacted the taxpayers concerned by letter to inform them that they no longer needed to be registered for 'self-assessment' and provided them with information on how to de-register. We also outlined that to simplify their tax obligations we could arrange for the tax due on their additional income to be automatically collected through the PAYE system. This significantly reduced the administrative burden for the taxpayers concerned.

In certain circumstances, taxpayers and their agents may formally contact us to seek an opinion or confirmation where there is a doubt in relation to the application of tax law for specific transactions or situations. The **Revenue Technical Service** (RTS) is the mechanism for this engagement.

The RTS, in so far as it applies to cases which are not under the remit of our Large Corporates Division or our Large Cases High Wealth Individuals Division, is delivered on a national basis by a dedicated team to ensure the delivery of an efficient and effective service. This dedicated team has overall responsibility for the management of queries which ensures a consistency of approach and enhances communication channels with the taxpayers and/or agents using the service. During 2021, the number of opinions/confirmations requested through the RTS increased significantly. A total of 325 opinions/confirmations were issued.

In November 2020, we issued a reminder (eBrief No. 214 of 2020) of the maximum five-year validity period of Revenue opinions and advised that opinions provided between 1 January and 31 December 2015 were subject to review. Taxpayers wishing to continue to rely on such opinions, in respect of a transaction, period or part of a period, on or after 1 January 2021 were required to make an application for their renewal or extension on or before 31 March 2021. We received applications to renew or extend 2 such opinions.

As distinct from the full range of opinions/confirmations provided through the RTS, **Relevant Tax Opinions** are those that are provided to companies and other entities only (not to individuals or for the benefit of individuals) and in respect of direct taxes only (e.g. Corporation Tax, Business Income Tax, Stamp Duty, CGT). Where a Relevant Tax Opinion has a cross-border element, it is exchangeable under the Exchange of Information instruments. During 2021, we provided 97 Relevant Tax Opinions on complex technical issues to companies and other entities (Table 10).

We consolidated all operational policy and legislative matters relating to employee mobility into a new **Global Mobility** branch. The rules on employee mobility are complex and have evolved significantly over the last few years. The dedicated team provides a resource, both internally and externally, on tax matters relating to globally mobile employees, with a view to maximising voluntary compliance. It also has responsibility for ensuring that our compliance framework is kept up to date with any developments in this area.

Our website, **www.revenue.ie**, is a vital information source for taxpayers and tax agents. We provide extensive information that explain our services and sets out what are sometimes complex tax rules in as straightforward a way as possible. Information is tailored to meet the diverse needs of our website users, catering for a very broad range of taxpayers and tax professionals. We ensure that the information and guidance on our website is relevant, current and accurate by continually updating the content and by reviewing our website users' feedback carefully. During 2021, we also continued to prioritise the accessibility of **www.revenue.ie** to the widest possible audience, regardless of technology or ability.

Our **Online Phased Payment Arrangement** facility continued to provide essential services to support viable businesses with tax payment difficulties throughout 2021. This service is available 24/7, provides up to date information on liabilities and outstanding returns and guides the taxpayer through the application process to secure a phased payment arrangement. In 2021, we processed 3,843 phased payment submissions via the online facility. Once approved, taxpayers have considerable flexibility to self-manage the payment schedule in line with changing business needs. At the end of 2021, a total of 6,274 phased payment arrangements were being actively managed through the Debt Management Service (DMS) system.

For our large corporate groups, we promote and operate a policy of cooperative compliance through our **Cooperative Compliance Framework (CCF)**. The objective is to manage our relationships with large corporate businesses so that we work together to achieve the highest level of voluntary compliance across all taxes and duties. The CCF offers participating corporate businesses regular dialogue with us, helping to provide long-term certainty in relation to tax and duty exposures, and an ability to predict with reasonable confidence what our position will be on any particular aspect of tax and duty obligations. As part of CCF, risk review meetings are held with participating businesses annually. At the end of 2021, there were 125 corporate groups



working with us in CCF. Arising from risk review meetings and from other engagements under CCF, disclosures in the region of €77 million were received from these groups.

## Service Delivery

We aim to make it as easy as possible to be voluntarily compliant. We achieve this by continually refining and refocusing our model of service for compliance, taking account of the needs of taxpayers, changes in business models and the role and work of tax agents and intermediaries.

Increasingly, taxpayers, and their agents, expect digital service offerings and greater flexibility in their access to services, whether digital or not. Our experience of service provision during the pandemic is that more taxpayer transactions have moved online. We have also seen the demand for 24/7 service increase.

With this in mind, the focus of our service design is to provide a suite of online or digital services that leverages process automation, where appropriate, and that allows taxpayers and agents to self-serve to the greatest extent possible. Complementing this we aim to give excellent service to those unable to avail of our online services.

**myAccount** is a single access point to our secure online services for individuals. It is available 24/7, year-round and is fully accessible on all mobile and smart devices. It provides the quickest, and most convenient way for individuals to access their tax records and manage their tax obligations.

In 2021, we made a **Real-Time Credit** facility available in *myAccount*. The facility is available in respect of Health Expenses, Nursing Home Expenses and Remote Working Relief. It enables PAYE taxpayers to make claims for these tax credits and reliefs in 'real-time', as the relevant qualifying expense is incurred. Taxpayers can upload a digital image of their receipt and input relevant data in support of their claim using the Receipts Tracker facility, which is also available in myAccount. Once processed, the benefit from the claim will be in the taxpayer's next salary payment. Providing this facility can help reduce the financial impact of unforeseen expenses for taxpayers and enables us to streamline the management of risk associated with such claims. We intend to continue to expand the facility during 2022 to include additional credits that can be claimed in real-time.

In June 2021, we launched a digital platform for Professional Services Withholding Tax (PSWT). The **ePSWT** service removed a significant volume of paper, mainly F45 forms, from the system and reduced the administration obligations on stakeholders. For example, as relevant information is now filed during payment processing the requirement to file an annual 'Schedule of Payments' has been removed.

The ePSWT service provides considerable efficiencies and flexibility for those with reporting requirements. Payment Notifications (PNs) can be uploaded on an individual basis or in batches, previously submitted PNs can be easily accessed via a search facility which also enables accountable persons to run reports on PNs made in a selected period. Additionally, an accountable person can amend or delete a PN up until the F35 for the period has been filed.

The streamlined, online ePSWT service has also meant that providers of professional services can more easily access information on PSWT withheld from payments made to them. This can assist them when claiming PSWT offsets or refunds. It also means that our staff have timely access to PSWT information and can process offset or refund claims more quickly without the need to review 'supporting documentation' to verify the amounts claimed.

During 2021 our **Receipts Tracker** service was updated to enable agents to upload receipt details and images on behalf of their clients to support claims for a range of tax credits and

reliefs including health expenses and remote working relief.

We tailor our **model of service for compliance** to take account of the differing needs of our diverse taxpayer base. An example of this is the enhanced telephone service we provided during 2021 to a specific group of self-assessed taxpayers (aged 65+) to support them in managing their tax obligations. This initiative has resulted in a significant decrease in taxpayer contacts. Additionally, from our interactions with this specific group of taxpayers under this initiative we have gained further insights into their needs. We hope to expand this tailored service model to include PAYE taxpayers (aged 65+) who require similar enhanced supports in managing their tax affairs.

### ***Pilot 'Introduction to Tax' Education Module***

In 2021, we partnered with Limerick Education Centre (LEC) and Thomond Community College (TCC) to develop a pilot 'Introduction to Tax' education module. The module is aimed at transition year students to help them, as future taxpayers, to better understand about our vital role of collecting taxes and duties, what taxes are used for and the importance of being tax compliant.

The first pilot module was delivered to the transition year students of Thomond Community College in October 2021. It showed students how to register their first job, how to use Revenue's online services and how to identify if they are paying the correct tax under the PAYE system. It also educated them in other areas of taxation such as the self-assessment system and Customs.

The pilot received very positive feedback and, overall, students were well engaged.

From our perspective, the Introduction to Tax module for transition year students is an important initiative. It educates our future customers, giving students the knowledge, skills and confidence to manage their tax affairs when they start their working life, ensuring that they pay only the right amount of tax, at the right time.



*Photos show (L-R) students and business studies teacher Diarmuid Kelly from Thomond Community College and Kathryn Hynes from Revenue. Norma O'Brien and Tony O'Shea from Limerick Education Centre, Kathryn Hynes and Margaret O'Connor from Revenue.*

## Understanding Taxpayer Needs

Factors such as rapidly changing business and economic environments as well as a shift towards more flexible working arrangements in organisations across the country, and globally, means we need to continually engage with taxpayers and other key stakeholders to understand their differing and evolving needs. We engage with agents, industry and business representatives through a range of initiatives and forums, to collaborate, support, advise, listen and learn. This engagement informs our service strategies, approach to contact channel management and systems design, with a view to sustaining high levels of voluntary compliance.

On an on-going basis, we engage and consult with a range of **practitioners and business representative bodies**. Through the *Tax Administration Liaison Committee (TALC)* we discuss practical changes to achieve a more effective and efficient administration of the tax system. For example, through the *TALC Audit Sub-Committee*, we engaged with practitioners to discuss the introduction of the new Compliance Intervention Framework and the revised Code of Practice for Revenue Compliance Interventions. This collaborative approach has allowed for constructive engagement on the practical and operational aspects of the new framework.

We are also a constructive participant in the Personal Insolvency process and have representation on both the *Insolvency Service of Ireland (ISI) Consultative Forum* and the Protocol Oversight Committee.

We are represented on the *Company Law Review Group (CLRG)* and its *Corporate Insolvency Subcommittee*. This Subcommittee is tasked with reviewing company law within the corporate insolvency regime to ensure it addresses all stakeholders' concerns and is fit for purpose. In 2021, the Subcommittee completed reports on:

- existing legislative provisions regarding the provision of information to creditors generally and in particular to employees, and
- the consequences of certain corporate liquidation and restructuring practices including splitting of corporate operations from asset holding entities in group structures.

The Companies (Rescue Process for Small and Micro Companies) Act 2021 also came into effect following previous recommendations from this Subcommittee.

In 2021, having listened to suggestions on ways in which we could **better facilitate taxpayers and tax agents to self-serve, reduce the need to contact us and reduce the compliance burden**, we implemented the following innovations:

- enhancement of the online eCG50 facility to send an online copy of the *CG50 Clearance Certificate*, providing assurance to taxpayers and/or nominated agents that their transaction, which is often time critical, has been processed. The *Clearance Certificate* is then also produced and issued in paper
- development of key changes to the Extracts of Accounts section of the *Form 11 Income Tax Return* to include a range of validation and auto-calculation options so as to improve accuracy and eliminate common errors which, in turn, reduces the need for follow-up contact with taxpayers and/or nominated agents
- introduction of an innovative 'prompt for action' facility that allows us to interact with taxpayers in a targeted, personalised and more efficient way. In 2021, we used this new facility to actively engage with PAYE taxpayers who had paid tax but had not claimed any tax credits for a number of years to encourage them to claim their entitlements.

The Customs Consultative Committee (CCC) provides a forum for us and representative organisations to consult and exchange views on Customs matters. The forum discusses developments and proposals in the Customs area, particularly at EU level. The forum met

four times in 2021. The focus of the Committee in 2021 was on administrative and operational matters and challenges arising from the UK's departure from the EU as well as developments in our implementation of the Union Customs Code (UCC) IT Work Programme. This programme is part of the overall modernisation of Customs across the EU, ensuring that the implementation of Customs procedures and practices across all 27 Member States is aligned, consistent and delivers certainty for trade and business.

## Supporting Tax Policy

We continue to work closely with the Department of Finance in contributing to the evaluation, development and implementation of national tax policy, as well as on EU and Organisation for Economic Cooperation and Development (OECD) Inclusive Framework proposals to address the tax challenges of digitalisation and international taxation of companies. This includes providing statistical and economic analysis and costings to the Department of Finance as well as to the Government and the Oireachtas.

In January 2021, the Government published an **update to the Corporation Tax Roadmap**<sup>21</sup> that was published in 2018. The update took stock of Ireland's progress on commitments given in the Corporation Tax Roadmap as well as global tax reform and set out a pathway for further actions to be taken. We supported the Department of Finance in designing and drafting a number of areas of legislation included in the Finance Act 2021, which deliver on commitments given in the January 2021 update. These legislative provisions included:

- implementing **interest limitation rules**, as provided for in the EU Anti-Tax Avoidance Directives (ATAD). Interest limitation rules formed part of the recommendations of the OECD Base Erosion and Profit Shifting (BEPS) project, and the ATAD provides for a co-ordinated implementation of anti-BEPS measures across all EU Member States. To ensure that non-resident corporate landlords are also subject to the limitation rules, legislation was introduced to bring them within the scope of corporation tax rather than income tax (which means that their rental profits are taxed at the corporate tax rate of 25% rather than income tax rate of 20%)
- implementing ATAD **reverse hybrid rules**. These rules will ensure that profits of a reverse hybrid entity, which is an entity that is regarded as tax transparent in the country in which it is established but as a separate taxable person in the country of one of its controlling investors, will be subject to corporation tax in Ireland where they would otherwise go untaxed because of hybridity
- providing for the application of an OECD-developed mechanism known as the '**Authorised OECD Approach**' for the attribution of income of a branch of a non-resident company operating in the State
- amending controlled foreign company (**CFC**) rules to provide for the application of defensive measures, involving the disapplication of exemptions, against CFC's resident in jurisdictions listed in Annex 1 of the EU list of non-cooperative jurisdictions for tax purposes
- implementing aspects of the 7th Directive on Administrative Cooperation (**DAC 7**) that set out automatic exchange of information requirements for sellers using digital platforms.

The Finance Act 2021 also introduced legislation in respect of a **Residential Zoned Land Tax**. The new tax forms part of a suite of measures within the Government's *Housing for All* strategy to increase the volume of housing stock within the State. The tax will apply annually at a rate of 3% of the market value of land that is zoned as being suitable for residential development

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<sup>21</sup> <https://www.gov.ie/en/publication/678e5-irelands-corporation-tax-roadmap-january-2021-update/>

and is serviced. Land subject to the tax will be included in maps which will be prepared by local authorities in the course of 2022 and 2023, with the first payments and returns in respect of the tax due in 2024. Like many other areas of the tax code, we will administer this new tax on a self-assessment basis. The tax may be deferred in certain circumstances, including where residential development has commenced on the land or where ongoing legal proceedings preclude such development from commencing.

A **Digital Games Relief** was also provided for in the Finance Act 2021 as an incentive for digital games developers to produce digital games that contribute to the promotion and expression of Irish and European culture. The relief will take the form of a corporation tax credit, available at a rate of 32% on eligible expenditure up to €25 million per game. The relief will come into operation on the making of a Ministerial commencement order, subject to the approval of the scheme by the EU Commission.

Coinciding with the implementation of the Compliance Intervention Framework and revised Code of Practice for Revenue compliance interventions, the Finance Act 2021 included a significant overhaul of the **tax geared penalties regime** across Income Tax, Corporation Tax, CGT, Stamp Duty, Capital Acquisitions Tax and VAT. As well as simplifying the legislation, the new measures also ensured that tax geared penalties would apply where taxpayers deliberately did not file a tax return.

The Finance Act 2021 also updated the legislation governing the publication of the **tax defaulters' list**. The minimum threshold for publication of a settlement will now be a tax default of €50,000, rather than an overall settlement of €35,000 as was previously the case. In addition, the publication figure will now include any late filing surcharge forming part of the settlement.

As part of the Government's response to the bulk-purchasing of residential properties by commercial institutional investors, a higher 10% rate of **stamp duty on multiple purchases of residential properties** was introduced by Financial Resolution on 19 May 2021 and enacted in the Finance (Covid-19 and Miscellaneous Provisions) Act 2021. The higher rate applies where a person buys 10 or more residential properties (excluding apartments) in any 12-month period. The legislation also provides for a partial refund where a property is subsequently let for social housing.

A new section, 114A of the Taxes Consolidation Act 1997, was introduced in the Finance Act 2021 to enhance and formalise the tax arrangements for working from home. This new section provides for **income tax relief for remote working** in the form of a tax deduction amounting to 30% of the cost of vouched expenses for electricity, heating and internet services. This amendment establishes a statutory footing for this measure which we previously operated on an administrative basis. Our online systems enable taxpayers to claim remote working relief in real-time as they pay for these costs throughout the year. The enhanced relief will apply for the year of assessment 2022 and subsequent years.

In July 2021, we successfully introduced significant changes to the collection of **VAT on cross-border eCommerce transactions**, which make it much easier for companies to fulfil their VAT obligations when trading internationally:

- the existing VAT Mini One Stop Shop (MOSS) was extended to a much broader One Stop Shop (OSS). The expanded OSS allows for simplified collection of VAT on all cross-border services supplied on a business to customer (B2C) basis within the EU and the collection of VAT on intra-Community distance sales of goods. The changes are a significant improvement for traders who wish to operate in other European markets as it allows them to register in just one Member State and complete all their EU-related VAT returns and payments there
- a new Import One Stop Shop (IOSS) for transactions from outside the EU was also introduced. The IOSS provides a similar simplification in respect of low value



consignments imported into the EU for sale to European consumers. The introduction of this scheme coincided with the EU-wide abolition of the €22 low value consignment relief threshold and, where a supplier avails of the IOSS, the consumer will be charged VAT at the point of sale online and will not be subject to any other tax or customs charges on delivery of the goods.

Both schemes are expected to significantly increase VAT revenues across the EU.

During 2021, we also transposed two new EU tax Directives into Irish law, which will **reform and modernise several aspects of excise**. These include Council Directive (EU) 2020/1151 (amending Directive 92/83/EEC) on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages in the EU which sets out the basis on which excise duties on such products are to be established. It also includes Council Directive (EU) 2020/262 which updates the existing general arrangements for the production, holding and movement of excise products in the EU.

We worked with EU colleagues to implement new EU arrangements for certifying small alcohol producers set out in Commission Implementing Regulation (EU) 2021/2266, adopted in December 2021.

We also worked closely with our colleagues in the Department of Justice on the draft General Scheme of the Sale of Alcohol Bill, which will reform existing excise (liquor) licencing laws by replacing them with more updated and streamlined provisions.

We continue to play an active part in the development of **climate action policies** through our support of, and collaboration with, the Department of Finance. The 2020 Programme for Government committed to increasing the amount that is charged per tonne of carbon dioxide (CO<sub>2</sub>) emitted to €100 by 2030. Finance Act 2020 legislated for a series of annual increases of €7.50 applying to the amount charged per tonne of CO<sub>2</sub> emitted coming into effect from 2021 and for each year thereafter up to and including 2029, with a final increase of €6.50 in 2030. In 2021, the amount charged per tonne of CO<sub>2</sub> emitted increased to €33.50 for fossil fuels such as mineral oils, natural gas, and solid fuels (coal and peat). In 2022, the amount charged per tonne of CO<sub>2</sub> emitted increased to €41.00. This increase took effect from Budget night (13 October 2021) in the case of propellant fuels, and from 1 May 2022 for non-propellant fuels, natural gas and solid fuel.

Consistent with the Government's Climate Action Plan, the **Vehicle Registration Tax (VRT) regime** continues to support the strategy of incentivising the up-take of vehicles that emit lower amounts of carbon and other greenhouse gases. In the Finance Act 2021, the VRT relief for electric vehicles was extended for a further two years until the end of 2023. The legislation also increased the VRT rates for cars in the medium and higher emitting bands, while keeping the existing low VRT rates unchanged for vehicles in the low-emission bands.

During 2021, we progressed the development and management of Ireland's tax treaty network. This included the signing of five international tax agreements; new **Double Taxation Agreements (DTAs)** with Kosovo and with Kenya, a Protocol to each of the limited scope Treaties with the Isle of Man and with Guernsey, and a Protocol to update our existing DTA with Germany. The DTA with Kosovo and the Protocol to the DTA with Germany were ratified in the Finance Act 2021. Ireland has signed DTAs with 76 countries, covering Income Tax, Universal Social Charge and Capital Gains Tax. Of the DTA's signed, 73 are currently in effect. We also continued the process of agreeing *synthesised texts* with treaty partners to reflect modifications to our existing DTAs due to the anti-BEPS Multilateral Instrument. A review of Ireland's tax treaty policy was announced in 2021, which included a public consultation which was held during the year. The review is ongoing in collaboration with the Department of Finance and it is intended to publish a treaty policy statement when completed.

We act as the **Competent Authority** for the purpose of resolving any disputes in relation to relief from double taxation that may arise under Ireland's DTAs. During 2021, we resolved 172 such disputes, 17 of which related to attribution or allocation of profits between Ireland and the other country concerned (transfer pricing) and 155 of which related to other non-transfer pricing disputes. This work involved Mutual Agreement Procedure (MAP) negotiations, provided for under our network of DTAs and the EU Arbitration Convention (Table 11). In November 2021, Ireland received a MAP award from the OECD as the jurisdiction with the greatest increase in MAP cases closed with unilateral relief or full agreement during 2020 as compared to 2019.

We held negotiations on complex bilateral Advance Pricing Agreements (APAs) with the Competent Authorities of other countries with a view to determining, in advance of the period of account concerned, an agreed basis for cross-border transfer pricing between associated companies. The negotiation of APAs seeks to prevent transfer pricing disputes arising and requires comprehensive analysis and extensive discussions with our Treaty Partners to reach agreement. In 2021, we received 11 APA requests and 3 APAs were concluded following negotiations with the Competent Authorities of other countries (Table 12).

We continued to negotiate, agree, and implement new initiatives in relation to the **Automatic Exchange of Information (AEOI)**. The DAC7 Directive, which was agreed in 2021, will require digital platform operators to report income earned by sellers engaged in the sharing and gig economy. The Directive was transposed into Irish law by Finance Act 2021 with Regulations to follow in 2022. We will begin to receive reports from platform operators in January 2024 and will exchange this information with relevant Member States as appropriate. In addition, during 2021, we worked closely with the OECD on proposals to develop new and enhanced AEOI initiatives to advance tax transparency for crypto-assets and digital money products.

The **international tax agenda** is rapidly evolving and complex. In 2021, we worked closely with the Department of Finance, OECD, European Commission and Council groups in the EU to develop global and EU tax policy on a broad range of international tax and duty matters. Our participation contributes to, and influences, the shaping of effective international tax rules.

We supported the Department of Finance in addressing the tax challenges arising from the digitalisation of the economy and the international agreement that was reached on 8 October 2021 by member jurisdictions of the OECD's Inclusive Framework on BEPS.

We also contributed to the EU Council Code of Conduct (Business Taxation) Group and to the OECD Forum on Harmful Tax Practices.

## **Providing High Quality Statistics and Research to Support Ireland's Taxation Framework**

We support the domestic and international tax policy making process by providing statistical and economic analysis and costings to the Department of Finance as well as to the Government and the Oireachtas.

In 2021, we continued to publish an increasing volume of data, accredited Official Statistics and Research on tax receipts and costings of tax policy. We publish in an accessible and convenient manner as much as possible, using Open Data formats where feasible. Our published information is available on the statistics and research pages of our website:

- <https://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>
- <https://www.revenue.ie/en/corporate/information-about-revenue/research/index.aspx>

In June, we hosted the third annual *Revenue Statistics and Research Seminar*, on the theme of 'Using Real-Time Reporting to Enhance Statistics and Research'. Over 180 people from across the public service and private sector attended this virtual event.

In addition to our usual statistics, in 2021 research papers authored by our staff were published in two peer reviewed journals. The first on gender and pay in administration in the *Journal of the Institute of Public Administration* and the second on the impact of Covid-19 supports on labour market outcomes in the *Economic & Social Review*, Ireland's leading economic journal. Our economists also presented to the *Statistical & Social Inquiry Society of Ireland* on the historical trends in corporation tax.

Our work on gender and pay and on the publication of real-time statistical updates in relation to Covid-19 support schemes was also recognised in 2021 by the Foundation for Fiscal Studies, with both receiving a 'High Commendation' in the Foundation's *Miriam Hederman O'Brien Prize*.

## **UK Exit from the EU**

It is now well over a year since the practical impacts of the UK being outside of the EU's Customs Union and Single Market have taken effect. In this time, trade and business, consumers and State Agencies have had to adjust to the biggest change in how we trade with the UK in almost 30 years. Goods that once moved freely between Ireland and Great Britain are now subject to Customs formalities irrespective of their cost, value or origin.

Since 1 January 2021, trade with the UK is governed by the terms agreed in the **EU-UK Trade and Cooperation Agreement (TCA)** and the customs formalities outlined in the Union Customs Code (UCC). While the majority of businesses had undertaken significant preparations in advance of 1 January, it was also clear that some businesses, large and small, were immediately having difficulty, in some cases severe difficulty, in meeting the requirement to complete customs formalities and in adapting to the operation of controls where they arose. A contributing factor in this regard was the particular uncertainty around whether or not a trade deal between the EU and UK would be agreed before the end of the transition period on 31 December 2020. The late stage at which the EU-UK TCA was finalised, only a matter of days before coming into effect, not only led to a lack of clarity on what tariffs or quotas would apply but also led to a misunderstanding by some businesses that an agreement would mean that no customs formalities would apply and the status quo would remain. Separately, businesses were also focused on meeting a range of economic and business challenges caused by the Covid-19 pandemic. Understandably, all of these factors contributed to sub-optimal readiness by some businesses for 1 January 2021. This was not unique to Ireland, as evidenced by the fact that many EU countries experienced similar challenges for the same reasons.

Trying to adapt business models in real time for something that had already happened was extremely challenging for the businesses concerned. Building on extensive engagement throughout 2019 and 2020, we continued to support trade and business, collectively and individually, in adapting to the new requirements and formalities and resolving specific matters brought about by the new trading environment. We adopted a proactive collaborative approach



in this regard involving business, trade representative bodies, State Agencies and indeed all relevant stakeholders.

Prior to the UK's departure from the EU, most goods imported into Ireland from a third country (from outside the EU) were shipped by containerised **Lift-On Lift-Off (LoLo)** sea movements and by air. These goods were then placed into temporary storage facilities while the import formalities including customs formalities and sanitary and phytosanitary (SPS) compliance checks were completed, which typically took a number of days. Trade with the UK is very different, with the majority of third country goods now arriving in Ireland by **Roll-On Roll-Off (RoRo)** ferry to supply the just-in-time market. This placed significant demand on all State Agencies to facilitate import controls either during travel or shortly after arrival in the port.

Interagency collaboration was, and will continue to be, a critical element of supporting trade in the new environment since the UK's exit from the EU. In advance of 1 January 2021, and since, we actively worked with the Department of Agriculture, Food and the Marine (DAFM) and the Health Service Executive's Environment Health Services (EHS) to build on existing excellent working relationships and to develop and apply a streamlined approach to import controls. This ensures, in so far as possible, the free flow of trade at ports and airports.

This facilitative and collaborative approach was made possible with the introduction of the **Customs RoRo Service**, an IT system that facilitates and supports legitimate trade by allowing for the pre-lodgement of customs declarations which allows Revenue, acting in a gatekeeper capacity on behalf of all State Agencies, to identify movements that may need additional checks on arrival in Ireland. The pre-lodgement of declarations also enables the State Agencies to complete some of the import formalities while the goods are still on board the ferry, meaning approx. 86% of all trucks can leave the port without further intervention immediately on arrival in Ireland.

Additional sophisticated IT processes were developed between Revenue and the other State Agencies to allow for maximum information sharing, automated communications between the Departments and the re-use of data to reduce duplication of effort by both business and State Agencies.

The RoRo service also provides a direct channel of communication with the haulage sector, reusing data in so far as possible and giving visibility to all stakeholders at each step of the process before, during and after the ferry journey. When paperwork or physical checks are necessary on arrival, we have cross agency processes in place that optimise the efficiency of procedures.

We worked closely with the Office of Public Works (OPW) from 2018 onwards, as well as with DAFM and the HSE, to ensure comprehensive infrastructure to facilitate documentary and physical controls were in place at our ports from 1 January 2021. These facilities include an extended number of inspection bays, parking for heavy goods vehicles, documentary check facilities, public offices, drivers' facilities and staff accommodation.

There is no doubt that over the last year, all stakeholders including the State Agencies have experienced the practical and everyday challenges brought about by the UK's departure from the EU. For example, hauliers and drivers needed to adapt to interacting with the Customs RoRo service to check the status of the Pre-Boarding Notification prior to moving their goods and to get their customs channel prior to disembarking the ferry in Ireland. There was a familiarisation process for hauliers in navigating the port and the relevant customs facilities and terminals where they were required to call to Customs.

The first quarter of 2021 was one of the most challenging in our almost 100-year history. While our preparations put us in a strong position to deal with the majority of these challenges, certain matters were outside of our control. For example, having to adjust to the new trading environment against the backdrop of the Covid-19 pandemic and working out ways that

facilitated the transition of newly recruited staff into a busy working environment in a way that kept everyone safe.

We experienced performance challenges with our **Automated Import System (AIS)** very early in 2021 due to the significant increase in custom declaration volumes. Within a very short timeframe we completed significant work to increase our systems' capacity and, as a result, a robust and stable IT customs import system is now in place, providing the level of required certainty for businesses.

Our approach to addressing all challenges was collaborative and solution focused. In the early part of the year, we engaged at an unprecedented level with individual businesses that were experiencing difficulties particular to their business models. We also had significant engagement with key stakeholder groups including through our Customs Consultative Committee as well as participation in the Department of Transport's ferry operators and road hauliers stakeholder forums and the Department of Enterprise Retail Forum. The valuable insights we gained from our intensive engagement with businesses and trade representative bodies enabled us and the other State Agencies to streamline processes and improve our services by, for example, delivering several enhancements to the Customs RoRo service.

One such enhancement was providing an interface that allowed system to system communications between traders' Customs systems and the RoRo system. The development of these Application Programming Interfaces (APIs) removed some of the manual work involved in completing the Pre-Boarding Notification (PBN). We also improved communication of vehicle channel notifications for inbound RoRo movements. As a result of these improvements, two mobile phone numbers and an email address can be entered when creating a PBN for an inbound RoRo journey. Thirty minutes before arrival of the vessel into Ireland, when the vehicle channel information becomes available, it will automatically issue to all contact details provided. Feedback from trade and our staff in the ports indicate the IT developments delivered have had a positive impact on optimising trade facilitation.

Across the year, we participated in 54 online events, with 7,800 attendees, aimed at providing additional supports to businesses and trade representative bodies. We also held a series of webinars, with 1,000 attendees, marking the first 6 months of trade under the EU-UK TCA. These sessions highlighted the challenges and issues encountered by Revenue and our fellow State Agencies (DAFM and the HSE) as well as trade and the logistics sector, and outlined the key learnings and actions taken during the period. The sessions also focused on the options available to businesses, under the Protocol on Ireland and Northern Ireland, for completing their customs formalities. The recordings of the webinars are available on our website, with over 1,600 views since published. In quarter 4 of 2021, we also participated in outreach events to assist businesses in preparing for the revised, phased introduction of UK import formalities.

As the new requirements came into effect, and as we worked through the initial challenges arising, we welcomed the opportunity to brief a number of Oireachtas Committees on the operation of custom checks in the new trading environment, with Revenue Commissioner and Director-General of Customs, Gerry Harrahill, appearing before the Joint Committee on Transport and Communications Networks and the Seanad Select Committee on the Withdrawal of the United Kingdom from the European Union in January and May 2021 respectively. Towards the end of the year Commissioner Harrahill also had an opportunity to address the British Irish Parliamentary Association as part of its inquiry into the economic impact of the changed environment on UK-Ireland trade.

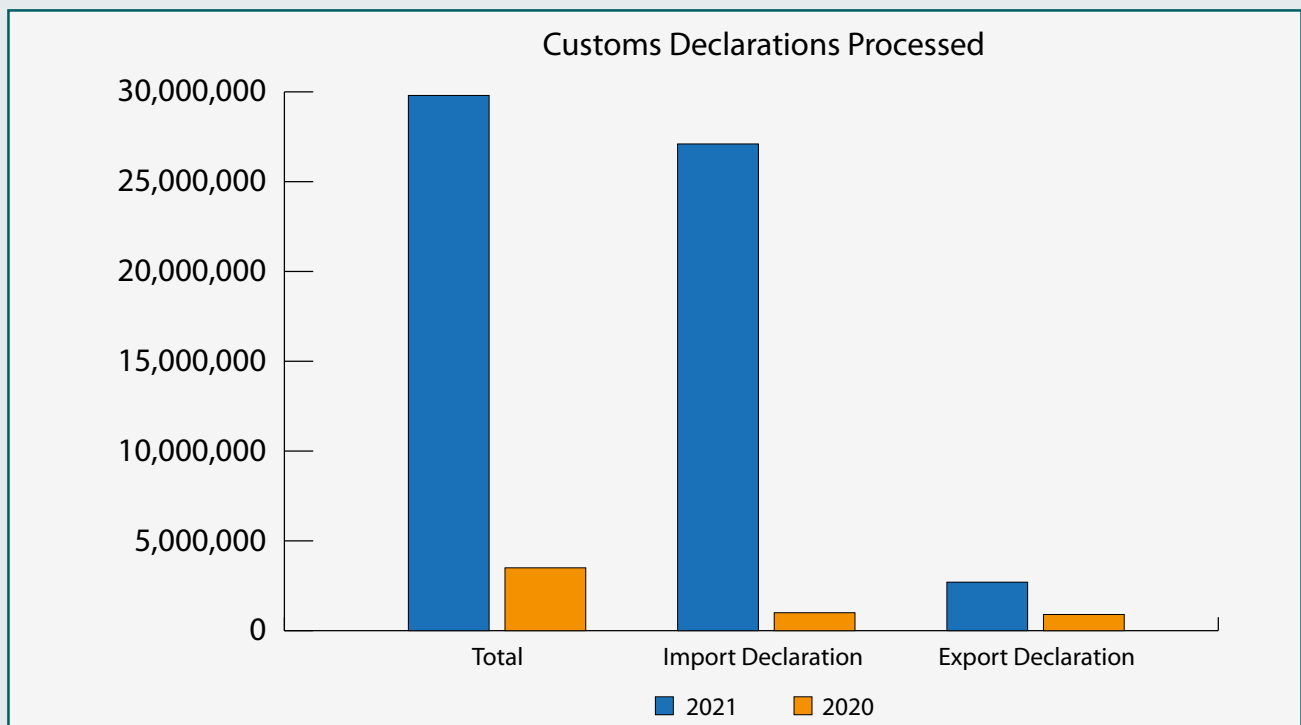
In 2021, we processed over 27.1 million **import declarations** in respect of imported goods ranging from low value consignments (less than €150) to full trailer/container loads (Table 13). This compared to just over 1 million import declarations processed in 2020. The record-breaking year on year increase can be attributed to a range of factors including the UK's departure from the EU, the removal of the VAT exemption for goods imported to the EU with a value of €22 or

less, which came into effect from 1 July 2021, and the exponential increase in online shopping in general due to Covid-19.

There is no doubt that businesses have made enormous progress in adapting to the new requirements in the last year or so. Many are now successfully trading with or through Great Britain or have changed their supply chains or supply routes so as to eliminate the need for compliance with customs and other regulatory formalities.

Looking across the full year, 86% of all freight vehicle movements from Great Britain into Ireland were green routed on arrival meaning they passed freely through the relevant port without the need for any additional interaction with Revenue or any other State Agency. 11% were orange routed meaning the goods needed a documentary check or similar control and 3% were red routed meaning there was a requirement for a physical examination or inspection of the goods.

In 2021, 29.8 million customs declarations were processed, 27.1 of which were import declarations. This represents a record-breaking year on year increase of over 1,400%.



## Women in IT Awards – IT Team of the Year



Photo: Niamh Corby, team lead, who attended the remote award ceremony and accepted the award on behalf of the team.

When it was announced that the UK had voted to leave the EU, it was evident that it we would need to prepare for a considerable increase in customs declarations. Our legacy systems were never built with a 20+ fold increase in customs declarations submissions in mind and as a result considerable performance testing and fine tuning needed to be carried out to ensure that our customs systems could handle the increased processing load when the UK's departure came into effect.

At the same time, we needed to implement a new import system called the Automated Import System (AIS) to meet EU legislative requirements which resulted in significant challenges and demands on the Customs teams. AIS was implemented within a very aggressive timeframe and at a time when many key resources on both our Customs and ICT teams were also working on 'Brexit readiness'.

Originally, it was never the intention to launch AIS six weeks before the UK's departure from the EU. However, as the UK's departure date was postponed on two occasions this became necessary. Delaying the AIS release was not possible as this would have required a significant number of traders (who prior to the UK's departure from the EU would not have interacted with Customs) to buy and implement a technical solution to interface with our legacy import system for a short period.

In addition to developing and launching AIS, our ICT and Customs teams worked closely together to design a Pre-Boarding Notification and Roll-On Roll-Off (RoRo) System to mitigate the risks of delays and congestion in Irish ports from January 2021. The service facilitates the efficient management of goods and traffic through Ireland's two ports that operate RoRo ferry services between Ireland and the UK. The system also highlights where checks may need to be carried out so that goods can be controlled in an appropriate manner in line with our EU commitments.

The ICT team that worked on this project were recognised for the quality of their work by the Women in IT series, winning the award for Best IT Team led by a woman.

# Confronting Non-Compliance

## Audit and Compliance Interventions



**463,814** Interventions with a yield of **€1,388m**

## Avoidance



**131** Cases Settled with a yield of **€13.6m**

## Seizures



**Over 1m** Customs/Excise Seizures valued at **€194.4m**

## Prosecutions



**9** Serious Evasion and Fraud Convictions

**231** Summary Convictions

## Publications on the Lists of Tax Defaulters



**86** Cases Published

**€30.29m** in Settlements

## Debt Enforcement



**854** Cases with a yield of **€24.6m**

# Confronting Non-Compliance

Our core task is the collection of taxes and duties. We achieve this by providing excellent service to support voluntary compliance and delivering a risk-focused, effective and proportionate response to non-compliance, reflecting taxpayer behaviour.

The vast majority of taxpayers are fully compliant with their tax and duty obligations, submit accurate returns and declarations and pay the right amount of tax at the right time.

We implement a real-time, data driven risk assessment approach to ensure timely compliance and are committed to tackling non-compliance in all its forms. We continue to strengthen our understanding of the tax and duty compliance behaviour of taxpayers and, where necessary, challenge aggressive tax planning. We leverage our data holdings and capacity for advanced analytics. Together these measures enable us to identify and quantify risk and confront cases displaying non-compliance indicators. Additionally, this risk-based and timely compliance focused oversight minimises the burden on compliant taxpayers.

On 1 May 2022, a new **Compliance Intervention Framework**, supported by a revised Code of Practice for Revenue Compliance Interventions<sup>23</sup>, came into effect. This new 3-level framework supports compliance by further enhancing our real-time engagement with taxpayers, expanding real-time compliance management of our segmented case-base. It incorporates our traditional tax audit approach within a Compliance Intervention Framework that provides for a consistent, graduated response to risk and taxpayer compliance behaviour. These responses range from easily accessible opportunities to voluntarily correct errors up to criminal investigation for serious cases of fraud or evasion. Taxpayers who avail of opportunities to review their tax compliance position and voluntarily address any issues identified will experience the minimum level of penalty and generally not risk either publication or prosecution. On the other hand, we progressively respond, with appropriate vigour, to taxpayers who do not comply voluntarily or change non-compliant behaviour.

In 2021, the yield from our audit and compliance interventions was €1,388 million, the biggest annual compliance yield recorded to date.

We seized 5,741kgs of drugs with an estimated street value of almost €115 million. Additionally, we made 6,581 seizures of illicit tobacco products, valued at over €67 million, seized 429,478 litres of illicit alcohol valued at €2.7 million and seized 601 vehicles, for various offences (Tables 18 and 19).

In 2021, Revenue prosecutions resulted in Court fines totalling € 599,699 in 231 summary cases and 9 criminal convictions for serious tax and customs fraud. At the end of the year, there were a further 49 criminal cases before the Courts (Table 22).

## Compliance Programmes

Our compliance framework is risk-based and embedded into our normal business programmes. This compliance management approach minimises the administrative burden on the compliant taxpayer and prioritises our compliance resources on the non-compliant taxpayer.

Throughout 2021, we engaged with taxpayers regarding audit and other compliance intervention activity in line with our guidelines for conducting compliance interventions in a remote working environment. Details of our sectoral compliance activity are set out in Table 14. Some of the areas of focus of our 2021 compliance activity are set out below.

Over the past number of years, the **construction sector** has posed significant risks to the

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<sup>23</sup> <https://www.revenue.ie/en/tax-professionals/documents/code-of-practice-revenue-compliance-interventions.pdf>

tax system, as evidenced by the outcomes of our compliance programmes in this area. Given the level of risk involved as well as the continued increase in building activities we are seeing right across the country, the sector again featured prominently in our compliance programmes in 2021. The construction sector related compliance activity yielded almost €24 million, representing approximately 2% of the total yield from all interventions. These interventions primarily focused on VAT, RCT and Employer (PAYE) risks, while we also continued to monitor the manner in which this sector availed of pandemic support schemes. In particular, regarding the *Employment Wage Subsidy Scheme (EWSS)*, there was clear evidence of businesses in the construction sector cancelling their EWSS registration and voluntarily exiting the scheme as their business activity continued to gather pace during the year.

By the end of 2021, we had completed 99.8% of our programme of checks on all employers (over 66,000) who availed of the **Temporary Wage Subsidy Scheme (TWSS)**. These checks were carried out to ensure employers met the eligibility criteria of the scheme and, crucially, that the monies involved were properly paid to employees. Our checks confirmed a high level of compliance with the scheme. At year end, we had collected just over €32 million from 1,797 employers who were found to be ineligible.

We have seen an exceptional increase in **e-Commerce** worldwide due to a number of factors, including the Covid -19 pandemic, and continue to develop our business initiatives to enhance awareness among taxpayers and our staff of the associated risks and tax implications in this area. The VAT compliance of non-resident online traders who supply goods and digital services to Irish customers continues to be a particular area of ongoing interest. Key objectives of our work in this regard during 2021 included the detection and registration of EU online businesses who have high levels of activity in the Irish market, and the verification of VAT declared by registered non-resident businesses. Our goal is to ensure that these traders are aware of, and comply with, their Irish VAT obligations. In certain circumstances, the traders may be compulsorily registered for VAT in Ireland. During 2021, we contacted over 400 non-resident online businesses who provide goods or services to Irish customers, resulting in the registration of 60 of these businesses for Irish VAT.

During 2021, we continued to work closely with colleagues in other Member States and with the EU Commission in the establishment of a robust intra-EU framework for cross-border eCommerce regulation and compliance. In particular, we worked to progress reporting obligations for payment service providers which will become effective from 1 January 2024 and will significantly enhance our risk management capability.

We continue to pro-actively address the challenges of the international tax environment, including carrying out risk driven **transfer pricing** audits and other transfer pricing compliance interventions. In the period 2015 to end of 2021, we had initiated 42 transfer pricing compliance interventions, 19 of which have been finalised resulting in a yield of €435.3 million and a restriction in trading losses of €196 million (tax effect: €24.5 million). Additionally, amended corporation tax assessments have been made as a result of transfer pricing compliance interventions with total underpaid corporation tax identified of approximately €74 million. The majority of the amended assessments are currently under appeal.

Section 1086 of the Taxes Consolidation Act 1997 provides that Revenue publishes **Lists of Tax Defaulters** in Iris Oifigiúil within three months of the end of each quarter in which agreed settlements are reached or Penalty Determinations are made by the Courts. This is an important deterrent in our fight against tax non-compliance. In 2021, tax settlements amounting to €30.29 million were agreed with 86 taxpayers and were published in accordance with the legislation. Tables 16 and 17 provide details of publications in 2021 including a breakdown by quarter and the most common sectors published.



## Use of Data, Intelligence and Analytics

We continue to strengthen our data analytics capability and intelligence to better identify and target risks in tax and duty evasion, fraud, organised crime, illicit trade and smuggling. This approach enables us to identify the incidence, scale, and significance of risk and to target our resources to prevent or confront non-compliance.

The Taxes Consolidation Act 1997 obliges a wide range of third parties, for example, merchant acquirers, Government bodies, financial institutions, and certain types of intermediaries, to provide information returns to Revenue. In general, the returns received detail payments made to, or assets held on behalf of, Irish taxpayers. We actively manage compliance with these requirements to ensure that we receive comprehensive and high-quality information. The data gathered in **third-party returns** is matched to our records and used to cross-check taxpayer declarations and highlight discrepancies as well as identify non-filers who may be carrying on trading activity and/or determine specific compliance projects.

Increasingly, we are using third-party information to **pre-populate tax returns**. In 2021, we pre-populated over 135,000 Income Tax returns with information on payments made by the Department of Agriculture, Food, and the Marine, over 93,572 with information on tenancies registered with the Residential Tenancies Board, and over 20,874 with information on Housing Assistance Payments made by local authorities.

We also make extensive use of third-party information, iXBRL data and other sources in our **data analytics projects**. In 2021, we used data analytics to identify and tackle Employment Wage Subsidy Scheme risks, to evaluate and improve the performance of our Risk, Evaluation and Profiling (REAP) and other risk systems, to enhance our understanding of sectoral risks, and to learn from the outcomes of previous compliance projects. We also used analytical techniques to evaluate the impact of our actions on taxpayer behaviour.

Various legal instruments provide for the **Automatic Exchange of information (AEOI)** between tax administrations. We use this information to detect and prevent tax evasion and tax avoidance and to ensure the correct application of Ireland's domestic tax legislation.

We have statutory arrangements and international agreements in place to automatically exchange financial account information, including bank account details and details of investments. In 2021 a total of 99 jurisdictions participated in the exchange of this data. This provides us with information on accounts held abroad by Irish customers, which is cross-referenced with tax returns, to ensure all offshore assets and income are properly declared.

Under the newest AEOI initiative implemented in Ireland, the Directive on Administrative Co-operation 6 (DAC6), intermediaries are required to disclose to Revenue certain arrangements which could potentially be used for aggressive cross-border tax planning. These disclosures are then automatically exchanged with relevant Member States. DAC6 Reporting commenced in 2021 with Ireland making quarterly exchanges during the year. A total of 1,735 returns were exchanged by Ireland for the year, 1,605 of which were exchanged in quarter one. Most of the returns exchanged in quarter one were in respect of a look-back period whereby intermediaries were required to report by March 2021 all cross-border arrangements implemented between 25 June 2018 and 30 June 2020.

Large multinational enterprise (MNE) groups are required to file a Country-by-Country (CbC) Report that provides a breakdown of revenue, profits, taxes and other indicators of economic activities, for each tax jurisdiction in which the MNE group does business. We use this information to inform high-level transfer pricing risk assessments and to evaluate other BEPS-related risks. In 2021, Ireland exchanged CbC data with 64 jurisdictions.

Consistent with our commitment to international tax transparency, and in line with EU and the OECD initiatives to strengthen exchange of information between tax authorities in the area of



tax rulings, we supplied details of 59 opinions issued in 2021.

**Mutual Assistance** includes exchange of specifically requested information between EU Member States and other countries. We provide, and benefit from, mutual assistance through sharing financial and other information and collaborative investigations within statutory frameworks. In 2021, we received 1,617 mutual assistance requests from EU Member States and other countries, while we made 1,795 such requests (see Table 23).

Additionally, we received 42 Assistance Mutuelle (AM) communications from the European Anti-Fraud Office (OLAF). Many of the requests received relate to a specific Customs risk concerning classification, valuation or origin.

During 2021, we processed 38,300 **Suspicious Transaction Reports (STRs)** from financial institutions and other designated bodies that are required, by law, to make such reports. This represents an increase of 32% when compared with 2020. STRs are an integral part of the overall risk profile for individual taxpayers. When STRs are received they are examined and used to identify and subsequently confront non-compliance.

## Target and Disrupt Shadow Economy Activities

We actively challenge all forms of **shadow economy activity** and restrict opportunities for deliberate tax and duty evasion. This is evidenced by the broad range of interventions we conduct which target fraud, illicit trade, smuggling and organised crime.

Our **Joint Investigation Unit (JIU)** makes a significant contribution to our overall intervention strategy by targeting shadow economy activity. Our JIU officers conduct 'standalone' Revenue operations and also work very effectively with the Department of Social Protection (DSP) Special Investigation Unit (SIU) officials and also, as circumstances require, with the Workplace Relations Commission (WRC), to address areas of mutual concern across a range of economic sectors. One such sector is construction.

Despite the constraints on our working arrangements for lengthy periods during the year, as a result of Covid-19 public health restrictions, in 2021, our JIU officers along with other Revenue staff conducted 32 Revenue 'standalone' construction site visits. During these visits officers interviewed 38 contractors, sub-contractors, and employees to make them aware of their compliance and other statutory obligations. Additionally, our JIU officers carried out a further 250 construction site visits in conjunction with DSP and interviewed a further 141 individuals. As a result of these activities, 10 individuals were registered as new employees for PAYE and an additional 2 sub-contractors were reclassified as employees.

In addition to construction site visits, our JIU officers along with other Revenue staff carried out a further 307 visits across a range of businesses in connection with various forms of shadow economy activity as well as compliance activity relating to Covid-19 support schemes.

Throughout the year, our JIU officers continued to communicate with their DSP counterparts to exchange information on Pandemic Unemployment Payment (PUP) and wage subsidy schemes to prevent duplicate payments. These requests and data exchanges were made under the well-established framework of the Memorandum of Understanding and Data Sharing Agreement that exists between both agencies.

Bi-lateral cooperation with Member States on cross border fraudulent VAT activities is an important element in managing risk. We continue to develop measures to combat the risk of **VAT fraud** and engage with international agencies and fora including EUROFISC and the International Organisation of Tax Administrations (IOTA) to share information regarding emerging trends and best practice.

In 2021, as part of our work in disrupting fraudulent VAT activity, we raised tax assessments giving rise to additional liabilities of €7.4 million while 9 VAT registrations were compulsorily cancelled where there were indications of fraudulent activity. We also wrote to 96 foreign suppliers to advise them of the cancellations.

We have primary responsibility for the **prevention, detection, interception and seizure of controlled drugs** intended to be smuggled or illegally imported into, or exported from, the State. Our drugs strategy supports Ireland's national drugs strategy *Reducing Harm, supporting recovery: A health led response to drug and alcohol use in Ireland 2017 – 2025*.<sup>24</sup>

We deploy a risk-based approach to our detection and intervention strategy to identify key players within the various strands of the illicit drugs supply chain. We work collaboratively with our national and international law enforcement partners to disrupt and dismantle core supply chains, including the seizure of product, and to develop and share intelligence.

Those involved in the illegal drugs trade use increasingly inventive and complex smuggling methods and concealment techniques and have the capability and resources to adapt their methodologies quickly. We continually monitor trends and developments in this regard and adopt a very flexible and agile response in terms of resource deployment and risk prioritisation.

We work closely with An Garda Síochána, particularly the Garda National Drugs and Organised Crime Bureau, in joint investigations and operations. During 2021, we participated in 45 controlled deliveries of drugs which lead to 30 arrests, as well as 11 joint international operations with the Garda National Drugs and Organised Crime Bureau. We also work closely with the Health Products Regulatory Authority, the Irish Naval Service, and international bodies such as the Maritime Analysis Operations Centre-Narcotics (MAOC-N) in Lisbon, Europol, Interpol, the World Customs Organisation (WCO) and law enforcement agencies in other countries.

During 2021, we made over 21,000 drugs seizures, totalling 5,741kgs with an estimated value of almost €115 million (Table 18).

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<sup>24</sup> [http://www.drugs.ie/downloadDocs/2017/ReducingHarmSupportingRecovery2017\\_2025.pdf](http://www.drugs.ie/downloadDocs/2017/ReducingHarmSupportingRecovery2017_2025.pdf)

## **Seizure of 170kgs of cocaine worth €12 million**

In February 2021, 170kgs of cocaine with an estimated value of €12 million was seized following a joint intelligence led operation conducted by our Customs Service and the Garda National Drugs & Organised Crime Bureau (GNDOCB).

The drugs were discovered within a consignment of pineapples following the search of shipping containers that had arrived into Ringaskiddy, Port of Cork, from Central America.

We deployed specialist search resources during the course of the operation including container inspection teams and deep rummage officers from the Customs National Maritime Service who used search aides such as borescopes, container probes and gas guards. Our mobile x-ray scanner and detector dogs also assisted with the search which uncovered the drugs.

### **Some other significant drugs seizures at a glance:**

- **€35 million worth of cocaine at Dublin Port:** in July and August 2021, we conducted intelligence led joint operations with the Garda National Drugs & Organised Crime Bureau at Dublin Port. These operations had significant international dimensions as regards the importation of cocaine to both Europe and Ireland. The operations were carried out with the assistance of our mobile x-ray scanner and resulted in the seizure of an estimated 500kgs of cocaine infused in charcoal with an estimated value €35 million.
- **€12.3 million worth of heroin at Rosslare Europort:** In August 2021, our officers discovered approximately 88kgs of heroin with an estimated street value of €12.3 million when a truck and low-loader trailer, arriving into Ireland from mainland Europe, was stopped and searched. The search was carried out with the assistance of one of our mobile x-ray scanners and detector dogs Sam and Flynn. The illegal drugs were discovered concealed in machinery being carried on the low-loader.



*Photos show cocaine seized, with the assistance of detector dog Marley, at Ringaskiddy as a result of an intelligence led operation between Revenue's Customs Service and the Garda National Drugs and Organised Crime Bureau.*

In tackling the **illicit tobacco trade**, we target all stages of the supply chain, identifying and targeting the smuggling, distribution and sale of illicit tobacco products. Our goal is to seize the illicit products and, where possible, prosecute those responsible. Our multi-faceted strategy includes:

- conducting analysis of the nature and extent of the problem
- developing and sharing intelligence on a national and international basis
- using analytics, profiling, and detection technologies to identify and screen cargo, vehicles, baggage and postal packages to intercept the supply of illicit tobacco products
- ensuring the optimum deployment of resources having regard to risk at points of importation and within the country.

Much of this type of criminal activity has a transnational and cross border dimension and, in addition to our ongoing cooperation with An Garda Síochána in this field, we work closely with our counterparts in other jurisdictions and bodies including the European Commission's Anti-Fraud Office (OLAF), Europol and the World Customs Organisation (WCO).

In 2021, our targeted actions led to the seizure of over 60 million illicit cigarettes with a value of €43.5 million (Table 19). This represents an increase of 26% in the quantity of illicit cigarettes seized in 2020. We also seized over 38,000 kgs of tobacco with a value of €24.1 million, representing an increase of 431% in the quantity of illicit tobacco seized in 2020. These seizures are a result of continued cooperation and intelligence-sharing with other national and international law enforcement agencies and our advanced profiling and detection methods.

The 2021 Illegal Tobacco Products Research Survey, conducted by Ipsos MRBI for Revenue and the HSE National Tobacco Control Office, finds that 13% of the cigarette packs held by smokers surveyed are classified as illegal and a further 8% of the packs are found to be legal Non-Irish Duty Paid (usually purchased legally abroad). The survey also found that 13% of packs of roll your own tobacco held by smokers are illegal, with a further 5% being legal Non-Irish Duty Paid. Compared to 2019 (the last year the survey was conducted), the illegal market share for cigarettes is down 2 percentage points (from 15%). For roll your own the estimated illegal market share is broadly stable from 12% in 2019. The survey results are published on the Revenue website at: <https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/tobacco-consumption-survey/index.aspx>.

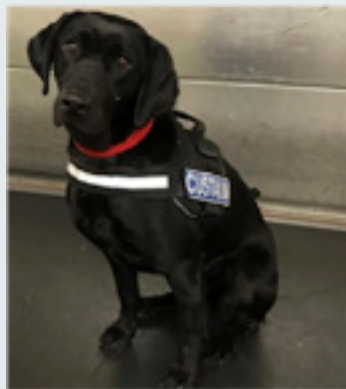
## **Joint investigation targeting the smuggling of tobacco products**

During 2021, we participated in a joint investigation with Her Majesty's Revenue and Customs (HMRC) Services under the auspices of the Cross Border Joint Agency Taskforce (JATF). As a result of this investigation, a smuggling route from Germany to Ireland being used to transport illicit tobacco products into the State was identified. As part of the investigation our officers seized 1.5 million illicit cigarettes following a search, under warrant, at a business premises in Newcastle, Co Dublin.

The seized cigarettes, which had been imported into Ireland from Germany, were branded 'L&M' and have a retail value of almost €900,000, representing a potential loss to the Exchequer of approximately €720,000.

### **Some other significant illicit tobacco product seizures at a glance:**

- **1.65 million cigarettes seized following detections at Dublin Airport:** in July 2021, our officers, with the assistance of detector dog Maggie, detected over 900,000 cigarettes at Dublin Airport. As a result of intelligence gathered arising from this detection, a further 750,000 cigarettes were seized just a few days later, again at Dublin Airport. The smuggled cigarettes branded 'Benson and Hedges' had arrived into the State from China via Poland. Both consignments were addressed to the same person. The cigarettes had a combined retail value of over €1.1 million, representing a loss to the Exchequer of over €910,000.
- **Over 8kgs of tobacco seized following detections in the Dublin Parcel Hub:** In July 2021, our officers detected 5.5kgs of tobacco in a parcel that has arrived from Spain and was destined for an address in the Midlands. Follow up searches at the address and an attached unit led to the discovery of an additional 2.55kgs of tobacco and 580 unstamped cigarettes. The total tobacco (8.05kgs) and cigarettes seized as part of this operation had a combined retail value of €5,351, representing a loss to the Exchequer of €4,461. Also discovered in the follow up searches was a cannabis 'grow house', containing 9 cannabis plants (estimated value €7,200), 225g of cannabis (estimated value €5,100), cultivation paraphernalia, a dark drying room, baggies, weighing scales, a grinder and a small quantity of cash.



*Photos show cigarettes seized at Newcastle, Co. Dublin. Detector dog Maggie who assisted in the operation at Newcastle and tobacco seized in the Dublin Parcel Hub*



In 2021, we saw an increase in the number of seizures of **illicit alcohol** at our main ports. This is as a result of cooperation and intelligence sharing between Ireland and other EU Member States in relation to the movement of product between bonded warehouses within the EU. A total of over 429,000 litres of alcohol with an estimated value of €2.7 million was seized during the year. Additionally, Ireland participated in multi-national operations involving other Member States, targeting fraudulent movements of alcohol products.

Tackling **fuel fraud** continues to be a key corporate priority for us and, based on the evidence to date, we are satisfied our overall strategy is effective in combatting the illicit trade in fuel products. In 2021, we detected 3 fuel laundries and continue to remain vigilant to emerging trends and risks in this area.

In 2021, we resumed our Oil National Random Sampling programme after Covid-19 public health restrictions impacted on the 2020 programme. Sampling was conducted in a coordinated nationwide programme over the first two months of 2020 and the summer of 2021 where 136 licensed fuel traders and 112 transport sector traders were sampled. The programme showed evidence of the sale of laundered fuel at 4 of the 136 retail outlets tested. Evidence of misuse of reduced-rate fuel was found in none of the 112 transport sector traders tested. The findings of the sampling programme suggest that while the systematic selling of illicit fuel through retail outlets and its use in the transport sector is negligible, the illicit trade in fuel has not been completely eliminated. The results of the sampling programme are published in the Research area of the Revenue website at: <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/excise-and-vat.aspx>.

Under **cash seizure provisions** in the Proceeds of Crime (Amendment) Act 2005 (POCA), we detain cash amounts of €1,000 or more which are suspected to be the proceeds of, or intended for use in, criminal activity. When cash is detained, an application is made by us to the Courts requesting further time to investigate the source of the cash. The Courts, once satisfied with the application, may grant a detention order for any period up to three months and for a total duration of no longer than 24 months to allow us carry out a comprehensive investigation with a view to having the money forfeited to the State, where appropriate. In 2021 we were granted detention orders in respect of 51 cases for investigation of cash amounts totalling €805,948 (Table 20).

In cases where links to criminality are established, we apply to the Courts for a forfeiture order. In 2021, the Courts granted forfeiture orders in respect of 30 criminal cash seizures amounting to €250,620 (Table 21).

Our action against **counterfeit, fake or pirated goods** is provided for by EU Regulations. We make regular detections of counterfeit goods at the country's ports, airports, and postal hubs as a result of risk profiling. Many of the counterfeit goods that are detected and detained are intercepted in postal or courier hubs, addressed to individuals who have purchased them via the internet. Occasionally, larger consignments are detected in shipping containers, as a result of intelligence and risk profiling.

During 2021, we detected almost 33,957 items of suspected counterfeit goods valued at almost €8.6 million. The range of counterfeit goods seized includes electronic goods, cosmetics, mobile phones/accessories, clothing and jewellery, the majority of which were consigned from China, Hong Kong, and Turkey. In addition, we seized 3 amounts of counterfeit cash which resulted in 2 arrests.

## Ensuring Fairness, Transparency and Effectiveness

Our mission is to serve the community by fairly and efficiently collecting tax and duties. Ensuring a fair, transparent, and effective tax and customs system is, therefore, extremely

important to us. To protect tax yields and preserve the fairness of the tax system, we proactively identify and challenge **tax avoidance schemes** and the use of tax legislation, reliefs and allowances in a way that was not intended. In 2021, we completed 131 tax avoidance cases with a yield of over €13.6 million in tax, interest, and penalties. Additionally, at the end of 2021, we were actively challenging 405 cases involving potential tax avoidance, relating to 23 transactions.

## **Challenging Tax Avoidance**

### **Employee Benefit Trusts**

A number of employers entered into similar transactions to pay amounts, characterised as loans, to employees by way of an offshore employee benefit trust. Following a series of steps, the loans were ultimately repaid at the expense of the employer and the employee received these amounts without the deduction of income tax. We challenged the transactions on the basis that the amounts paid were emoluments and subject to PAYE. To date, a number of employers have settled with us on this basis.

### **Taxable Distribution**

A Small Self-Administered Pension Scheme (SSAPs) of two company directors was used to acquire an interest in a commercial property. The property was used by the directors' business. In addition, the SSAP issued a loan to a separate company, which was used indirectly for the directors' company. We challenged both the acquisition of the property and the provision of the loan on the basis that they constituted taxable distributions from the pension scheme to the directors. The matter was settled with us on that basis.

As a consequence of the transposition of the **DAC 6 Directive**, a mandatory disclosure regime for cross-border arrangements that could potentially be used for aggressive tax planning came into operation on 1 July 2020. Ireland exercised an option given to Member States in Council Directive (EU) 2020/876<sup>25</sup>, to take account of Covid-19 related difficulties and delays. This option allowed the postponement, by six months, of the filing and exchange dates for the first returns of information in relation to reportable cross-border arrangements. DAC 6 reporting therefore commenced on 1 January 2021, and the first exchange of information by Ireland took place by 30 April 2021, Ireland made four exchanges of reportable arrangements in 2021. A total of 1,735 returns were made, 1,605 of which were exchanged in quarter one. Most of the returns exchanged in quarter one were in respect of a look-back period which applied to cross-border arrangements implemented between 25 June 2018 and 30 June 2020.

Identifying, targeting and confronting **offshore evasion** is an integral component of our overall compliance framework. A fundamental element of our work in respect of offshore assets is making the best use of all the data at our disposal to identify and target non-compliance. This includes data received under international arrangements for the automatic exchange of information which is used to identify and pursue those who have attempted to use offshore accounts, structures or assets to evade or avoid their tax obligations.

In 2021, we concluded 17 interventions on cases which were selected using information received under the *Foreign Account Tax Compliance Act (FATCA)*. FATCA is an information sharing agreement between Ireland and the United States of America. These cases yielded approximately €860,000 in tax, interest and penalties, with 3 of the 17 cases meeting the criteria for publication in the Tax Defaulters List. We also completed 22 interventions as part of our review of information received under the *Directive on Administrative Co-operation 2 (DAC 2)* international exchange of information programme. These cases yielded approximately €186,000 in tax, interest and penalties.

<sup>25</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020L0876&from=EN>

We undertake **investigations** where we discover cases of serious tax and duty evasion and fraud, seeking to apply the full legal sanctions available that reflect the seriousness of the evasion involved.

In 2021, we referred 6 cases of suspected serious evasion to the Director of Public Prosecutions (DPP) for consideration of **criminal proceedings**. In the same period the DPP directed that criminal proceedings be initiated in 6 cases.

Additionally, 9 convictions for **serious tax and duty evasion** were secured before the Courts:

- 5 convictions for serious tax offences. Custodial sentences ranging from 18 months to 3 years were imposed in 4 cases, 3 of these were fully suspended while 1 case resulted in a full custodial sentence of 2 years. A fine of €5,000 was imposed in 1 case.
- 4 convictions for serious duty offences. Custodial sentences ranging from 12 months to 18 months were imposed in 3 cases, all of which were fully suspended. 240 hours of community service was imposed in 1 case.

At the end of 2021, there were 57 cases of serious evasion or fraud under investigation and a further 49 cases are currently before the courts (Table 22).

## Debt Collection

Our approach to effective debt collection is based on a segmented case management structure. This improves our ability to tailor our response based on taxpayer behaviour and provides greater flexibility in matching our debt management resources to counter tax collection risk. This flexibility continued in 2021 within the challenging Covid-19 environment.

Throughout 2021, we maintained our focus on supporting businesses with cash flow and trading difficulties arising from the impacts of the Covid-19 pandemic through our continued administration of the *Debt Warehousing Scheme*. At the end of 2021, approx. €2.9bn in tax debt had been warehoused for over 98,000 customers. During the year we communicated with all taxpayers availing of the scheme on a number of occasions, confirming the amount of debts they had warehoused and, in some cases, to draw attention to the need to keep their tax returns up to date which is a key condition of remaining on the scheme.

The application of interest on late payments and debt enforcement activity continued to be suspended for most taxpayers during 2021. However, we resumed our debt collection activities for a specific cohort of businesses, mainly those not impacted by Covid-19 and who were not meeting their timely tax return filing and payment obligations. We also resumed debt collection activities in more egregious cases as well as certain cases with pre-Covid debt.

As the economy recovers from the impacts of the pandemic, our risk-based approach will continue to be incrementally widened to focus on those businesses who fail to meet their tax return filing and payment obligations and who operate in sectors least impacted by the pandemic.

## Collaboration

We collaborate effectively with other Departments and Agencies, both nationally and internationally, to combat tax evasion in all its forms, including fraud, smuggling and other forms of criminality and to support and facilitate legitimate trade and regulatory objectives. Examples, rather than an exhaustive list, of our national and international collaboration are set out below.



## Examples of our National Collaborations

- ✓ We work very closely with An Garda Síochána, the Criminal Assets Bureau, the Naval Service and the Defence Forces, providing mutual operational, intelligence and material support.
- ✓ We actively contribute to the national response in tackling organised crime, including the secondment of 17 staff members to the Criminal Assets Bureau (CAB).
- ✓ We participate in the Oversight Forum on Drugs, led by the Department of Health, which oversees the implementation of the Government's National Drugs Strategy 2017-2025.
- ✓ We work closely with colleagues in the Department of Agriculture, Food and the Marine and the Health Service Executive in managing the requirements of the new trading environment with Great Britain, to facilitate an efficient flow of goods through our ports and airports.
- ✓ We coordinate the enforcement and interception of prohibited and restricted goods and products on behalf of our colleagues in the Department of Agriculture, Food and the Marine, the Food Safety Authority of Ireland, the Department of Enterprise, Trade and Employment, the Health Products Regulatory Authority and the Competition and Consumer Protection Commission.
- ✓ We collaborate with the Dublin Society for the Prevention of Cruelty to Animals and other Agencies in relation to the illegal trade of animals.
- ✓ We work with Dublin City Council in relation to tackling non-compliance in connection with environmental waste.
- ✓ We work closely with colleagues in the Department of Justice and a range of other Agencies in the collection and dissemination of risk information in relation to passenger movements through the Irish Passenger Intelligence Unit.
- ✓ We work in partnership with the Department of Agriculture Food and the Marine, the Food Safety Authority of Ireland and the Health Service Executive on the Geographical Indication Scheme for Irish Whiskey and Irish Poteen.
- ✓ We collaborate effectively with the Private Security Authority (PSA) in exchanging information, in accordance with the Private Security Services Act 2004, as amended, and the Taxes Consolidation Act 1997, to support the regulation of the private security industry.
- ✓ We work closely with the Office of the Director of Corporate Enforcement on corporate enforcement matters. There is a Revenue Liaison Officer established under a signed Memorandum of Undertaking.
- ✓ We provided assistance throughout 2021 to the Health Service Executive (HSE). 23 staff provided support to the contact tracing team from 1 January 2021 until 31 March 2021. 83 staff supported the HSE Covid-19 vaccination registration helpline and the Department of Health Digital Certificate Helpline.

## Examples of our International Collaborations

- ✓ We work very closely with many international bodies and agencies and participate in the EU's Law Enforcement Working Party-Customs. We have seconded officers to EUROPOL in The Hague, the Irish Embassy in the UK and the Maritime Analysis and Operational Centre-Narcotics (MAOC-N) which is based in Lisbon and the Irish Permanent Representation based in Brussels.
- ✓ We actively engage with the activities of the World Customs Organisation (WCO) directed towards addressing the threats posed by fraud and smuggling.

- ✓ We also work closely with Her Majesty's Revenue and Customs (HMRC) and other law enforcement agencies in Northern Ireland. The cross jurisdictional Joint Agency Task Force, established under the Fresh Start Agreement, prioritises the area of fiscal fraud. Under this framework, we work with the Police Service of Northern Ireland, An Garda Síochána, HMRC, the Criminal Assets Bureau, and the National Crime Agency.
- ✓ We are a key partner at the annual Cross Border Crime Conference, a collaborative event between representatives of law enforcement agencies and related organisations in the field of combatting organised crime on both sides of the border.
- ✓ We engage with the EU Commission and other Member States on the ongoing implementation of the Traceability and Security Features systems for tobacco products, as required by EU law.
- ✓ We participate in the EU Commission's expert group on tax debt recovery through mutual assistance established by Council Directive 24/2010.
- ✓ We are active members of the OECD's Joint International Taskforce on Shared Intelligence and Collaboration (JITSIC) which brings together 42 of the world's national tax administrations that have committed to more effective and efficient ways to deal with tax avoidance. JITSIC offers a platform to enable its members to actively collaborate within the legal framework of effective bilateral and multilateral conventions and tax information exchange agreements to share their experience, resources and expertise to tackle the issues they face in common.

### ***Central Register of Beneficial Ownership of Trusts***

Ireland is committed to supporting an effective anti-money laundering and terrorist financing regime. Anti-Money Laundering legislation requires each EU Member State to establish a Central Register of Beneficial Ownership of Trusts (CRBOT). The purpose of the CRBOT is to help prevent money laundering and terrorist financing by improving transparency on who ultimately owns and controls Irish trusts.

The CRBOT is being managed by Revenue in the context of Ireland's obligations as an EU Member State under anti-money laundering legislation. Our role in managing the CRBOT is completely separate from our role in tax and customs administration. Each Trust registered will be given a registration number for the purposes of the CRBOT alone. This is in addition to any tax registration number the Trust may already have. Revenue records will not be used to update the register.

Since 26 July 2021, relevant Trusts and their beneficial owners can register on the CRBOT which is available in both ROS and myAccount. All express trusts established prior to 24 April 2021 had until 23 October 2021 to register their beneficial ownership details on the CRBOT. Trusts established after that date have 6 months to register.

# Making It Work

## 2021 Staff Numbers



**549**

Staff appointed

**6,783**

Permanent staff at year end

## Diversity, Inclusion and Wellbeing



**Revenue**

We recognise and respect diversity and are committed to improving inclusion in the workplace

**Revenue**



Our wellbeing programme 'RevWell' supports our staff in minding their mental health.

## Training & Development



**26,178**

Training Days

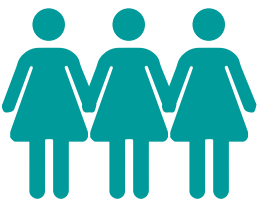
**175**

UL 3rd level qualifications awarded

**252**

ITI professional tax qualifications awarded

## Gender Balance - Females at Management Levels



**56%**

Assistant Secretary

**58%**

Principal Officer

**55%**

Assistant Principal

**55%**

Administrative Officer / Higher Executive Officer

Overall **62%** of Revenue staff are female

## Internal Information Technology Certification



**ISO 27001**

IT Security Management Certification

**ISO 22301**

IT Certification

**ISO 20000**

IT Service Management

# Making it Work: Our People and Structures

We continue to invest in our people to develop their skillsets and our overall capability as an organisation. We place the safety and wellbeing of our people at the heart of our approach, achieving our vision to be an employer of choice for both our existing staff and prospective new recruits.

Our effectiveness in supporting compliance and tackling non-compliance is reliant not only on continued investment in our people but also on-going investment in technology, the use of targeted recruitment, a strong culture of effective governance and accountability along with the agility in our structures.

We are a large organisation with almost 7,000 staff in over 30 locations nationwide. We see it as essential to our effectiveness that both our structure and our people continue to be agile, resilient and responsive. The skills, capability and professionalism of our people, the flexibility of our structures and our continued ability to harness innovation in technology and business practices are critical factors that enable us to carry out our role and achieve our goals.

We foster a positive and fulfilling work environment through meaningful engagement and maintaining a strong focus on wellbeing, diversity and inclusivity. We also recognise the need to continuously build the capability, leadership, management and technical skills needed today and for the evolving organisational challenges of the future.

It has never been more apparent than over the last two years that our agility enables us to adapt quickly to changing environments. We will continue to develop, evolve and refine our structures to ensure that we optimise the alignment of our resources with risk and deliver a high-quality service to support taxpayer compliance.

## Our People

The flexibility, resilience and professionalism of our people is paramount to everything we achieve. At the end of 2021, there were 6,783 permanent staff working in Revenue, equating to 6,530 full time equivalents. We continually invest in our people so that we are able to respond effectively to existing and emerging challenges, changes in taxpayer behaviour and changes in the business and economic environment.

We use **targeted recruitment** to ensure that we build and retain internal capacity, talent and leadership and have the right people and skills. During 2021, we appointed 549 staff across all grades from open recruitment, interdepartmental and Top-Level Appointments Committee (TLAC) competitions.

These comprised: 3 Assistant Secretaries, 21 Principal Officers, 42 Assistant Principals, 1 Solicitor, 80 Administrative Officers, 33 Higher Executive Officers, 84 Executive Officers, 282 Clerical Officers and 3 Service Officers.

Against the backdrop of a continuously changing environment, emerging operational risks and the retirement of experienced staff, we continue to support and enable our people to perform to the highest levels through a range of **skills and capability development programmes**. This ensures our people, and our structures, remain adaptable and flexible.

We provide a comprehensive range of needs-based tax technical and customs training for staff and have a range of externally accredited programmes as well as in-house stand-alone training modules. The training includes technical training programmes to support service for compliance and address non-compliance. We also provide a comprehensive range of leadership, management, and soft skills training to develop and support the skills, capability and professionalism of our staff.

In 2021, over **26,170 training days** were delivered to Revenue staff (Table 24). We operate a model of blended learning that includes self-managed learning, eLearning, recorded training content and virtual classes. For example, 183 staff completed our *Trade Facilitation Programme* in 2021 and 1,593 staff completed other customs and enforcement training, including Postponed Accounting for VAT on imports. The provision of these training programmes significantly enhanced our ability to adapt to the challenges of the UK's exit from the EU.

We have built strong **educational partnerships** with the *University of Limerick (UL)* and the *Irish Tax Institute (ITI)* who assist us in continually investing in the learning and development needs of our staff and provide professional development opportunities that enhance the technical knowledge, skills and professionalism of our workforce.

In 2021, UL awarded 175 third level qualifications to Revenue students. The qualifications included Diploma in Applied Taxation, BA (Hons) in Applied Taxation, Customs Certificates and Masters in Business Administration (MBA). In addition, the ITI awarded 252 professional tax qualifications to Revenue staff. The qualifications included Diploma in Tax as well as Revenue Certificates in Income Tax and Payroll Fundamentals, VAT and Other Indirect Taxes, Capital Taxes and Corporation Tax (Tables 25 and 26).

Our **continuous personal and professional development (CPPD) programme** provides a range of supports and opportunities to build and maintain the capability of our staff. This enables them to perform effectively and to meet the challenges of operating in a fast-paced and changing environment. In 2021, a comprehensive suite of courses enabled staff to take responsibility for their own development, improve their knowledge and skills and develop their expertise. Our staff are further supported through a variety of funding options that assist them attaining recognised professional and 3rd level academic qualifications.

The **'OneLearning' Management System (LMS)** is a key component of Civil Service Renewal and underpins the Civil Service People Strategy and our own HR Strategy. Through Revenue's *OneLearning LMS* digital platform our staff have access to a comprehensive suite of training courses. An increasing range of Revenue's eLearning modules can also be accessed directly through this platform. From a desktop portal, staff can enrol in a range of learning and development options, including soft skills and ICT training. The system also facilitates the administration, tracking and reporting of organisational training activity.

In line with the vision of *Civil Service Renewal 2024* to increase HR professionalisation in the Civil Service, our staff are encouraged to enhance their capability and skills in HR practice. In 2021, 4 staff members were presented with Certificates and 10 with Diplomas in Human Resources Practice awarded by the Institute of Public Administration (IPA) and by the Chartered Institute of Personnel and Development (CIPD).

During 2021, the majority of our staff continued to effectively operate in a remote working environment. We strengthened and enhanced the arrangements in place to support our staff in this regard, including providing technical software and communications solutions. For example, we undertook a major refresh of our workstation estate in 2021. The refresh allowed more modern and improved video-conferencing software to be deployed on an organisation wide scale to enhance communications both internally and externally for all staff. Allied to this, we rolled out softphone technology to all staff working remotely thereby allowing them to take calls via their workstation device. This greatly enabled our call centres to operate at full capacity and handle the large call volumes received throughout the year.

While a significant cohort of staff were working from home, a smaller number of staff worked on-site in essential roles. We ensured the consistent implementation of Covid-19 safety measures at offices where staff were working on-site. Our Covid-19 Response Plan ensures a coordinated approach to virus prevention in the workplace and we continually liaise with the Health Service Executive, Health and Safety Authority and other Government Departments to define

and update best practice. These include induction training, distancing measures and limited numbers in the workplace, PPE requirements, cleaning and sanitisation procedures, public health signage and the implementation of protocols for staff who are ill at work.

Out of necessity due to the emergency caused by Covid-19, and like many organisations across the country and globally, we have adapted to new ways of working over the past two years. What we have learned from the experience of remote working during this time very much informs the future opportunities available to us in terms of how we work and where we work. Rather than going back to the way things were before the pandemic and having regard to the recently published *Blended Working Policy Framework for Civil Service Organisations*<sup>26</sup>, we are actively progressing our future, longer-term blended working arrangement. Our aim is to build on the efficiencies gained over the last two year in delivering our core business and to further leverage the use of enhanced technology solutions to enable a working environment that seamlessly facilitates a mix of on-site and virtual working, rather than strictly a mix of only a fixed office location and home working. This approach will maximise flexibilities that enhance wellness and a better work-life balance, ultimately increasing the attractiveness of Revenue as an employer of choice.

### **Staff Survey 2021**

In May 2021, we conducted our second staff survey since the onset of the Covid-19 pandemic. The survey provided helpful insights and views about three important issues: remote working, wellbeing and the diversity of our workforce.

We had an excellent response rate to the survey, with 72% of all staff participating. The survey results provided very good indicators for wellbeing and overall health, job satisfaction and job performance. The results compared well with the experience of other Civil Service organisations as measured in the Civil Service Employee Engagement Survey 2020 (CSEES 2020).

The results also indicated that the experience of remote working continues to be positive for most staff. Some of the key findings were that:

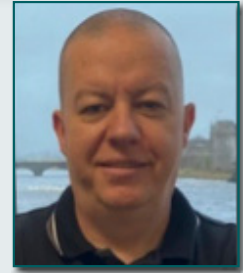
- 94% of respondents indicated a preference to retain some element of remote working in their post-pandemic working arrangements
- 70% felt more positive about remote working since the start of the pandemic (10% were less positive)
- on average, the preferred number of days staff would like to work from home into the future was 3.35 days per week.

We will use the results from the survey to inform the development of 'RevWell' initiatives that will better support staff wellbeing. The survey will also inform our approach to longer-term blended working arrangements, which we expect to roll out along with the rest of the Civil Service in 2022. We will also use the results to assess the diversity of our workforce and to inform equality and inclusion initiatives.

<sup>26</sup> <https://www.gov.ie/en/publication/da010-blended-working-policy-framework-for-civil-service-organisations/>

## Staff Profiles

### **John Murtagh – Clerical Officer**



#### **Collector General's Division**

I joined Revenue in October 2019 after a very diverse 30-year career in the private sector, including in roles in manufacturing, transportation, customer service and retail. While I didn't know quite what to expect joining the Civil Service, I found it very exciting to have the chance to apply my existing experience to a large diverse organisation.

I knew from the first hour of my induction training just how well organised and forward-thinking Revenue is in its approach and how much it invests in the future of its staff.

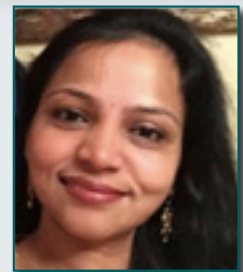
I joined the Accommodation/Divisional Support Unit in the Collector-General's office which was really an eye opener as far as job diversity goes. I was dealing with all issues within the building; staff concerns, health and safety and building fabric issues as well as dealing with customers and external contractors. I can honestly say that each and every day is different.

My work throughout the pandemic was vital as many members of staff who were in key roles were still working 'on-site'. In the early stage of the pandemic we also accommodated a large number of HSE contact tracing staff in Sarsfield House. Currently, I am involved in the huge logistical task of moving all Revenue staff from River House to Sarsfield House in Limerick. Despite the challenges, so far, we are right on schedule!

I am very much focussed on my career and I can see many options and opportunities for myself within Revenue. The support for self-learning using the Training Branch online portal, training from our in-house team and help and guidance from staff and managers is amazing and without this support the past two years may have been very different.

As I am now mid-way through my third year in Revenue, I can wholeheartedly say that I am proud to work in Revenue and I am excited by the opportunities to progress that are available to me.

### **Snehalatha Myadam - Executive Officer**



#### **Information, Communications Technology and Logistics Division**

Before joining Revenue, I was working as a part time data engineer in the private sector. However, I wanted a more challenging role.

I joined Revenue as an Executive Officer in 2019 and was assigned to work in the ICT Division on the Release Management team. My team is responsible for the deployment of Revenue IT systems and supports multiple application code releases every year. We manage the code through the various test environments ultimately releasing it into Revenue's 'live' IT systems, both customer and internal facing. My team looks after 37 test environments in total. In my current role I have been entrusted to make changes to all of Revenue's 'live' IT systems and last year my team managed almost 2,400 code releases to our live systems. Because these systems support Revenue's core business, it is extremely important that these releases go smoothly and that any issues are addressed speedily.

My team also contributes to the maintenance of multiple test environments, ensuring that they are properly setup, configured and available for each project as scheduled. I also deal with various technical requests and troubleshoot issues raised with a view to resolving them as quickly as possible.

I have received very good support in obtaining the necessary training to enhance my capabilities. As well as benefiting from the support and guidance of my team, I have also had the opportunity to help train and mentor new members of staff. The work whilst challenging, is very rewarding and there is a great team ethos with plenty of opportunities for advancement. I am confident I will continue to develop personally and professionally with Revenue.

The support I have received in Revenue has been exceptional. This position has helped me to become more confident and I have gained invaluable knowledge from more experienced colleagues. My career in Revenue so far has been very enjoyable, team focussed and fulfilling, and I am proud to be a part of this organisation.



## ***Damien Dolan – Higher Executive Officer***



### **Large Cases – High Wealth Individuals Division**

In 2009, I graduated with a bachelor's degree in Accountancy and began working in a small accountancy practice preparing accounts for self-employed individuals and small companies.

In 2017, I joined Revenue as an Executive Officer. I was assigned to a tax, audit and compliance role based in Galway. I immediately commenced Revenue's Diploma in Applied Taxation training course.

In 2018, I transferred to the Athlone office, again working in an audit and compliance role. I worked on a number of different projects including promoting PAYE Modernisation. I experienced a wide variety of work on a day to day basis and also completed my diploma, graduating in 2019.

During 2018, I began working in Large Cases - High Wealth Individuals Division (LC-HWID). In July 2019, I was promoted to Higher Executive Officer in Dublin, remaining in LC-HWID. Part of my role is to understand how the high wealth individuals for whom I have responsibility manage their wealth and to undertake the appropriate compliance interventions to address any identified tax risks.

I transferred back to the Athlone office in July 2021. In each office I have worked in I have gained valuable experience from colleagues with different levels of expertise, who are always willing to provide their knowledge and assistance. I have also had the opportunity to share knowledge and experience with colleagues across other Divisions.

Due to the pandemic, I have been working from home since March 2020. However, with the IT facilities made available to me by Revenue I find it easy to communicate with my team despite the restrictions. I have been fortunate that Revenue is very flexible as an organisation in regard to remote working.

The educational and professional supports that are available within the organisation and the wide variety of work makes Revenue a great place for career progression, whilst providing many opportunities to achieve career satisfaction. Working in Revenue also enables me to have a good work life balance, which allows me to participate in my sporting interests in the evenings and weekends.

## ***Yvonne Clifford – Assistant Principal Officer***



### **Accountant General & Strategic Planning Division (AGSPD) – Compliance Policy and Evaluation Branch**

I joined Revenue in April 2002 as a Clerical Officer. I began my career in Capital Taxes and, in 2003, moved to what was then called Investigations and Prosecutions Division (IPD). Over my 13 years in IPD, I was fortunate enough to be offered a wide variety of work, develop new skills and gain extensive experience.

Revenue offers great opportunities for development and, in 2013, with the support and encouragement from my manager, I undertook the Tax Technician course with the Irish Tax Institute (ITI). Although no easy task, I further expanded my tax knowledge by enrolling with the ITI to study for a qualification as a Chartered Tax Advisor (CTA), qualifying in 2019.

In 2016, I was promoted to Executive Officer and assigned to an audit and compliance area. This was a great opportunity for me to put my tax technical skills into practice. In 2017, I was promoted to Higher Executive Officer and although I stayed in audit and compliance, my role became more focused on addressing high risk investigation cases. I was exposed to more complex audit cases which allowed me to practically apply the skills and knowledge I had learned as part of my CTA studies.

During lockdown I enrolled in a Ecollege course for Project Management and gained a qualification as a certified associate of Project Management with the Project Management Institute (PMI).

In late 2020, I was promoted to Assistant Principal Officer and assigned to Compliance Policy and Evaluation Branch in AGSPD. As the role is a policy-based role rather than operational I had a lot to learn and doing that remotely brought its own challenges. However, I overcame these challenges with the support and kindness of my Branch colleagues. In September 2021, to assist me in my current role, I began a Masters of Economic Science (Policy Analysis) with the Institute of Public Administration.

When I began my career in Revenue 20 years ago, I never thought I would be where I am today. I feel very fortunate to have a career in Revenue and blessed to have had the opportunities to develop and build such great friendships and networks within the organisation.



## Our Culture

We are a highly responsive organisation that provides a positive, engaging and fulfilling work environment for our people. Our core values of respect, professionalism, collaboration, agility and integrity are embedded in our culture, our interactions with colleagues and in all our dealings with taxpayers. We foster openness and accountability in everything we do and place compliance with our legal responsibilities, including health & safety, data protection, taxpayer confidentiality, financial management and freedom of information, at the heart of how we work.

We support our people through meaningful staff engagement, by promoting health and workplace wellness and by providing opportunities for development. Our commitment to deepen **employee engagement** at all levels across the organisation continues to be a key priority. We work together in a partnership approach, maximising engagement and supporting involvement, innovation and high performance to support our continuous improvement.

Our *Central Partnership Committee* is chaired by the Chairman and attended by the full Board along with representatives from management, unions and staff. During 2021, the Committee met on three occasions. This regular and positive engagement not only supports and enhances employee engagement but also serves to underpin our Mission, Vision and Core Values and the achievement of the objectives set out in our Statement of Strategy.

We embrace individuality and have built a strong culture of acceptance and **equality** among our staff, ensuring that **human rights** are respected in both internal and external environments, and that our Public Sector Duty Action Plan is implemented. All our newly recruited staff are trained in Equality and Diversity as part of their induction training. Following the establishment of a Partnership Intensive Group, a new Equality, Diversity and Inclusion (EDI) strategy and associated Action Plan is being finalised. The strategy provides a future EDI framework, ensuring we are following best practice in this important area, promoting a culture of dignity and respect for all employees, and eliminating all forms of discrimination. The strategy and action plan will be complemented by an EDI policy that is currently under development. This work will be further developed in 2022 in the context of our Statement of Strategy and a new Workforce Plan for the period 2021-2026.

As an employer of almost 7,000 staff, we recognise, welcome and respect **diversity** in sexuality and gender identity and are committed to improving inclusion in the workplace. Our LGBT+ Staff Network and steering committee work with other Civil Service Departments to develop a civil and public service wide LGBT+ Employee and Ally Network which is a key component of the *National LGBTI+ Inclusion Strategy*. In 2021, we again supported Pride month with a number of events including:

- a 'lunch and learn' session for all staff hosted by our LGBT+ Staff Network. Following the opening address by the Chairman, a guest speaker gave an overview of the history of the Pride festival in Ireland
- participating in Digital Dublin Pride Festival's virtual parade, alongside other civil and public service LGBT+ Staff Networks under the banner 'Proud to work for Ireland'
- flying the Pride flag at our offices in Dublin Castle, O'Connell Street, Dublin and Waterford
- supporting Pride 2021 on our twitter handle alongside our LGBT+ Staff Network logo.

We have established a dedicated intranet page and contact hub that enables our LGBT+ Staff Network to provide information, resources, peer support and networking opportunities for all staff members.

However, we recognise that diversity is not just about generation, physical characteristics or gender. Through our recruitment programmes, we are continuing to build a diverse workforce that reflects contemporary and evolving Irish society, cementing our commitment to equality.

Listening to, and learning from, diverse experiences and perspectives from a collective workforce with a range of social, ethnic, cultural and educational backgrounds helps develop us to be better at what we do. Additionally, a workforce that more closely reflects the society that we serve increases trust in what we do and how we do it.

We actively support initiatives to improve **gender balance** at all levels, right across the organisation and have made significant advances in this regard over the last 6 years (Table 27).

### ***Diversity and Inclusion Week***

Through our National Wellbeing Committee, LGBT+ Staff Network as well as Divisional and HR support teams, we have a well-established framework to promote and support diversity and inclusion in the workplace.

In November 2021, we held our inaugural annual Diversity and Inclusion week. The purpose of this initiative was to provide an opportunity for all staff across the organisation to reflect on the importance of diversity and inclusion in Revenue, and to reflect on the important part we all play in ensuring that all of our colleagues, peers and managers feel, included and respected.

The initiative also had an educational focus to raise awareness among our staff on issues around diversity and inclusion in the workplace, and externally for our customers. The importance and significance of the week was highlighted in an opening address from the Chairman who was accompanied by an Irish Sign Language (ISL) interpreter.

Other events included an introduction to Irish Sign Language, a fireside discussion on diversity in the workplace, a presentation on Human Rights and Equality in the Public Sector, and a quiz on unconscious bias.

We also launched the first edition of our *Diversity and Inclusion Newsletter*. The publication highlighted the supports available to staff, including information on Revenue's Access Officers, Disability Liaison Officers and our LGBT+ Network. It also featured articles from colleagues from various diverse backgrounds outlining their experience of working in Revenue, and an article providing customer service tips for dealing with our diverse customer base.

While we intend to build on the success of this initiative by making Diversity and Inclusion week a permanent fixture in our calendar each year, we recognise that diversity and inclusion are hugely important for all of us every day. This initiative simply sharpens the focus on the need to always have an attitude of mind and a way of behaving that positively embraces the differences between us so that we all feel a sense of belonging and respect in Revenue.

## Gender and Pay in Revenue

The Gender Pay Gap Information Act 2021, once regulations are made, will require certain employers to publish information relating to the remuneration of their employees, by reference to the gender of such employees, for the purpose of showing whether there are differences in such remuneration referable to gender.

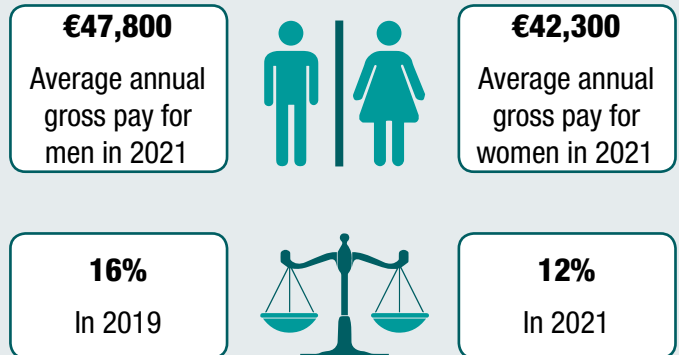
In 2020, prior to the enactment of the legislation, we published, for the first time, an analysis of our gender pay gap based on 2019 pay and staffing levels. The research documented the pay gap in Revenue and the factors that result in differences in pay levels between men and women. The analysis included a statistical model that breaks down the gender pay gap into its constituent parts. Gender differences by grade are the leading cause of pay gap in Revenue. This is due to the fact that more women are working in junior grades and women are five times more likely to work part-time. The analysis showed there were no unidentified explanation, such as wage discrimination, for the existence of Revenue's gender pay gap.

Earlier this year, we updated our analysis based on 2021 data. Revenue's gender pay gap in 2021 is estimated to be €5,500 or 12%.

The analysis shows that Revenue's gender pay gap is narrowing and that it has reduced by a quarter since 2019.

Changing gender shares across grades is identified as a key factor in the stronger pay growth for women and the associated reduction in the pay gap in 2021. The impact of changing grade shares is primarily due to hiring and retirements, with promotion of current staff playing a limited role in the explanation.

The reduction in the pay gap between 2019 and 2021 is due to the share of women in more senior grades increasing, while their share in more junior grades decreased, as well as increases in the share of women working full-time. The pay gap has also reduced within the cohort of workers who work full-time, reducing from 12% to 8%.



We are conscious that each and every one of us has a part to play in the fight against climate change and, on an on-going basis, we actively seek out opportunities to reduce our carbon footprint. **'Green' Public Procurement** refers to procurements, that use public funds, which aim to purchase goods, services and works with a reduced environmental impact throughout their life cycle when compared with goods, services and works with the same purpose that would otherwise have been purchased.

During 2021, following procurement competitions published nationally and in the EU, we awarded 21 contracts for the supply of various goods and services. Of the contracts awarded, four of the procurement processes included 'green' or reduced environmental impact criteria. We awarded a further 17 contracts under Office of Government Procurement (OGP) framework agreements, of which 15 included 'green' criteria and environmental considerations.

Going forward, we will further promote awareness of 'green' Public Procurement with the objective of increasing the number of future contracts that incorporate environmental provisions through guidance, procurement planning and internal policy.

## Innovation

We optimise the use of technology and continue to invest in our IT capability. This approach enables us to develop progressive and innovative business solutions that help drive efficiency and quality. Our priority and focus is to ensure that we have both the IT platform and capability to enable our key business programmes and to modernise further taxes and duties through process automation, digitalisation and personalisation of services.

As part of the continuous refresh of our technology infrastructure, we undertook two **Artificial Intelligence (AI)** Proof of Concepts (PoC) in 2021. The first involved the auto classification of

taxpayer queries which enhanced the customer experience by removing multi-layer drop down menus from a webform for the taxpayer to classify their own query. The system was modified to replace drop down options with free text query and apply AI & Natural Language Processing (NLP) to auto classify the query and direct to the appropriate group for processing. This has led to an improved customer experience and more efficient processing with less errors in classifying and directing queries. The second PoC involved the auto processing of email queries to a taxpayer focused technical support helpdesk. Again AI & NLP were applied to auto classify the query and direct to the appropriate group for processing. Additionally, it was also possible to auto remove 'no action required' response emails (e.g. 'thank you, that worked'). This has resulted in more efficient processing of emails and staff savings in manual processing of certain email types.

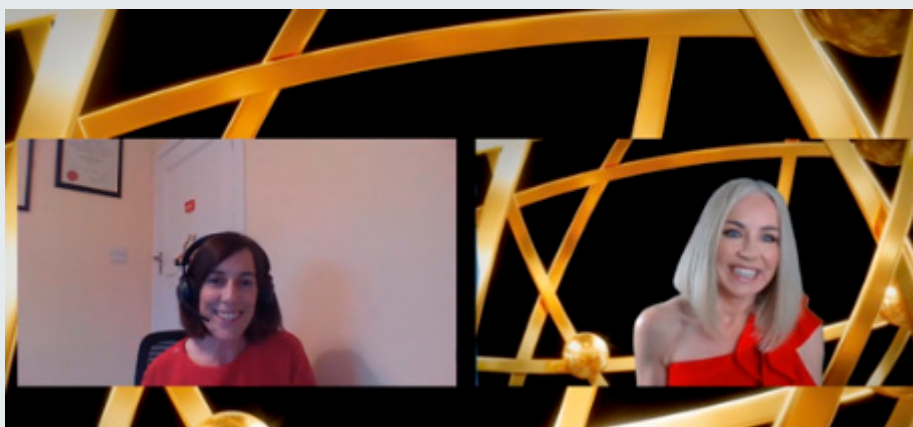
We continue to provide, and further extend, shared computing facilities to other public sector bodies from our Data Centre with over 47 different organisations availing of this service. This hosting service provides estimated savings of at least €2.5 million per annum to the organisations hosted. We are also continuing to provide printing and mailing services to a number of organisations (approx. 0.5 – 1 million items per month). For 2021, this printing service provided a combined total saving of almost €1.5 million for the relevant organisations.

### **PMI (Project Management Institute) Awards**

The Ireland Chapter of PMI (Project Management Institute) honours excellence in project management across Ireland, in sectors such as IT, public sector, construction, pharmaceuticals, professional services, financial services and manufacturing.

The PMI awarded the 'Project Management Office (PMO) of the Year 2021' to Revenue's Programme Management Office. The award recognises a PMO that has demonstrated superior organisational project management abilities by adding value to its organisation through its support of successful strategic initiatives.

In making the award to Revenue's PMO, recognition was given to the team's *"comprehensive approach to developing and imbedding project management ways of working across the organisation"*.



*Photo shows Cleo O'Beirne, Revenue and Tara Loughrey-Grant at the PMI Awards*

## **Taxpayer Confidentiality**

We fully appreciate our legal duty to protect the confidentiality of taxpayer information. Across all our services and business processes, taxpayers' personal data is treated with the highest standards of security and confidentiality.

Additionally, in the context of the on-going threat of a Cyberattack, it is important to reiterate that the security of our systems and data is a fundamental priority for the organisation. Security is designed into all services operated by or for Revenue. Security is emphasised to all staff and is part of the culture of the organisation. However, we cannot, and do not, assume that we are immune from the risk of an attack and, therefore, continue to be vigilant and to invest in and upgrade our security infrastructure, resilience and responsiveness.

Public facing services and taxpayer data are protected through a robust Information Security

Management System (ISMS) that is **ISO27001 certified**. We successfully achieved re-certification in September 2021. Personal information displayed from our website is encrypted using a 256-bit Extended Validation (EV) SSL certificate, signed by a publicly trusted certificate authority. Taxpayers can verify that the page is secure by looking for a padlock icon in their browser.

All business services related to the collection of taxes are required to have and maintain a business continuity procedure and a form of high availability and resilience. This is managed in accordance with and certified to **ISO22301**. We successfully passed a surveillance audit in this regard in July 2021.

Our systems and services are tested to **ISO29119** standards and then delivered, managed and certified to the **ISO20000** standard to ensure change control, service management, incident management and incident review. Our ICT Support teams actively monitor and assess security advisories for systems and applications under their control. Additionally, we utilise 3rd parties to carry out Penetration Testing across our external facing services on a regular basis.

In 2021, as part of our ongoing efforts to continue to provide protection to users of our public facing systems, we introduced **Two Factor Authentication (2FA)** for our *myAccount* online service. This is currently an optional, additional step for taxpayers and means that, in addition to entering their username and password, logging-in to *myAccount* also requires a one-time password. This is sent to the taxpayer via text message to their validated mobile number. This protects taxpayers from the majority of automated, credential harvesting attacks while also serving as an alert should someone try to access their account in the event of stolen credentials.

We also undertook a major upgrade of the **Public Key Infrastructure (PKI)** that underpins the signing of the *Revenue Online Service (ROS)* certs for use by taxpayers and/or tax agents. As a fully managed service, we have secured a state-of-the-art PKI platform which is capable of handling increased traffic and resource requests for years into the future, particularly as certificate signing cryptographic algorithms become increasingly more complex and require greater compute resources to generate and maintain.

We publish an increasing amount of statistics and research on tax receipts and costings of tax policy options. In doing this, we balance the expectations of the public, researchers, Government and the Oireachtas for information with the requirement to be compliant with data protection rules and the need to protect the confidentiality of taxpayer information. To ensure that the successful protection of taxpayers' data is central to our publication of statistics, we maintain a Statistical Disclosure Control policy<sup>27</sup>, which is published on our website.

## Public Service Reform & Civil Service Renewal

We play an active role in the ongoing implementation of Civil Service Renewal and in Public Service Reform. Some achievements related to the high-level outcomes for the public service in 2021 include:

- contribution to the development of Civil Service Renewal 2024 and the over-arching 10-year 2030 Renewal Plan
- active participation in the interdepartmental group developing the Blended Working framework for the Civil Service
- the launch of the electronic Professional Services Withholding Tax (ePSWT) system which has removed a significant volume of paper from the system and reduced the administration burden on those with reporting obligations

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<sup>27</sup> <https://www.revenue.ie/en/corporate/documents/statistics/about/statistical-disclosure-control.pdf>.



- the development of an online facility that enables taxpayers to claim certain tax credits and reliefs in ‘real-time’ i.e. as the expense is incurred
- the shortlisting of the Customs RoRo service for the Civil Service Excellence and Innovation Awards 2021 in the category ‘Integrated Digital Excellence’
- continued support for Ireland’s National Data Infrastructure (NDI) and the principles of Open Data in accordance with the National Open Data strategy.

### ***CIO and IT Leaders Awards***

John Barron, Revenue’s Chief Information Officer (CIO) received the “CIO of the Year for Government/Public Sector” award in March 2022.

Tax and Customs legislation and the required administrative requirements are broad-ranging and complex, and these require sophisticated ICT solutions and services. Under John’s leadership, Revenue’s ICT Division has played a key role in supporting Revenue’s mission by delivering PAYE Modernisation, remote working at scale, Covid wage subsidy schemes and a new Import system to support Brexit requirements. He has ensured that through continued strategic investment in ICT capability, Revenue can effectively continue its critical work of collecting taxes and duties as well as playing a central role in the delivery of key business supports as part of the national response to the Covid-19 pandemic.

John is currently overseeing a roadmap of projects to upgrade applications and architectural components which will address key technology obsolescence risks, reduce the cost of ownership of Revenue’s technology stack and provide enhanced functionality and user experience for employees and taxpayers. This modernisation of technology will be the driver of digital transformation within Revenue into the future. This award is a great recognition of the critical role that ICT plays in maintaining Revenue as a leading Tax and Customs Administration.



*Picture: John Barron being presented his award by Shane Heraty, Cisco managing director for Ireland and Scotland.*

# Governance

The Revenue Board comprises three Commissioners, appointed by the Taoiseach, one of whom is appointed by the Minister for Finance as Chairman. The Board has statutory responsibility to carry out its functions. Our governance structures promote transparency and ensure accountability and are designed to enable us to achieve our strategic goals, deliver our business programmes in a cost-effective way and meet all our regulatory requirements.

Our *Corporate Governance Framework*<sup>28</sup> is updated regularly and published on our website. It sets out the framework to ensure the correct alignment of our structure with business strategies and direction, with a clear focus on increased transparency and mitigation of risk. It dictates the shared values, philosophy, practices and culture within Revenue which, along with our structures and working arrangements, determine how we deliver on our mission and ensure quality outcomes.

Our *Statement of Strategy 2021 - 2023*<sup>29</sup> was published in December 2020.

During 2021, our **Risk Management Committee** actively monitored and updated our Corporate Risk Framework to ensure that appropriate actions were taken to mitigate risks that could impact on the achievement of our corporate objectives. The level of participation in our risk identification and assessment process has been increased to provide a more effective risk management framework and an enhanced linkage with divisional risk management. The Risk Management Committee provided input to the Forum on Tax Administration (FTA) Enterprise Risk Management Community of Interest throughout 2021. This OECD FTA community focuses on the top risks facing tax administrations now and into the future.

The Board is committed to maintaining and supporting a quality **Internal Audit** function. This function is carried out by the Internal Audit Unit (IAU) operating with the direct authority of the Board and under the general supervision and guidance of the Audit Committee. IAU operates in adherence to the Internal Audit Standards issued by the Department of Public Expenditure and Reform to provide independent objective assurance that the systems, processes and procedures that underpin our activities are properly and effectively managed, or otherwise to recommend corrective measures as appropriate.

The internal audit programme is informed by our Internal Audit Universe, Corporate Risk Register, Annual Corporate Priorities and Statement of Strategy. In 2021, 21 audits, comprising 11 internal audits and 10 follow-up audits, were completed.

The **Audit Committee** oversees the Internal Audit function in Revenue and advises the Board in relation to its operation and development. The Committee reports to the Chairman as Accounting Officer and assesses governance arrangements providing advice and guidance in relation to the systems of risk management and internal controls. The Committee met five times in 2021.

## Audit Committee Membership

- John Murphy, Chairman of the Audit Committee, former Secretary General of the Department of Jobs, Enterprise and Innovation
- Prof. Barbara Flood, Full Professor of Accounting, Dublin City University Business School
- Helen Hall, Chief Executive, Policing Authority
- Dr. Paul Lyons, Adjunct Assistant Professor, Trinity Business School, Trinity College Dublin

<sup>28</sup> <https://www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf>

<sup>29</sup> <https://www.revenue.ie/en/corporate/documents/governance/sos-2021-2023.pdf>



- Gerard Moran, Assistant Secretary, Indirect Taxes Policy and Legislation Division, Revenue (until March 2021)
- Declan Rigney, Assistant Secretary, Personal Taxes Policy and Legislation Division, Revenue (from April 2021).
- Dr Karen-Ann Dwyer, Assistant Professor in Accounting, Dublin City University Business School joined the Audit Committee in January 2022 and replaced Professor Barbara Flood.

## Protected Disclosures

We promote a supportive environment for our staff to raise concerns relating to wrongdoing or potential wrongdoing in the workplace, and provide the necessary supports for staff who raise genuine concerns.

Two such concerns were raised in 2021 under the '*Revenue Policy on Protected Disclosure Reporting in the Workplace*'<sup>30</sup>. These concerns were assessed by Revenue's Protected Disclosures Group and appropriate follow-up action taken.

Our Director of Internal Audit is a 'prescribed person' to receive external disclosures on matters relating to the assessment, collection and management of taxes and duties. Eleven external disclosures were received by the Director of Internal Audit in 2021.

Revenue is a member of Transparency International Ireland's *Integrity at Work* programme and we are committed to fostering an ethical workplace. In 2021, 30 members of staff received training on best practice in dealing with whistleblowing and protected disclosures.

## Ethics, Standards and Behaviour

All Revenue officials adhere to the principles, standards and values set out in the *Revenue Code of Ethics* and *The Civil Service Code of Standards and Behaviour*. During 2021, Revenue updated its Code of Ethics to provide additional clarity to our staff on behavioural standards. In 2021, staff at Assistant Principal level and above, as well as officials in certain designated positions, submitted a Statement of Interests under the Ethics in Public Office Acts 1995 and 2001.

In accordance with Section 6(4) of the *Regulation of Lobbying Act 2015* the names, grades and brief details of the role/responsibilities of the 'Designated Public Officials' in Revenue are published on our website<sup>31</sup>.

We are committed to fulfilling our **data protection obligations** and process personal data in accordance with data protection legislation. We protect the integrity of data supplied to us by our taxpayers and third parties. In 2021, we continued to increase awareness of, and improve compliance with, data protection among our staff. This included measures to be taken to protect data security in a remote working environment.

Our **Programme Management Office (PMO)** is responsible for ensuring that a consistent governance approach is leveraged across all IT projects. The Project Board and Steering Committee are the project level structures that have responsibility for the observance of this approach, ensuring that ICT projects are monitored and reported accurately over time.

<sup>30</sup> <https://www.revenue.ie/en/corporate/statutory-obligations/protected-disclosures/protected-disclosure.pdf>

<sup>31</sup> <https://www.revenue.ie/en/corporate/statutory-obligations/regulation-of-lobbying-act/designated-officers.aspx>

## Freedom of Information (FOI)

In 2021, we received 205 FOI requests (Table 28) and we continue to work with the Department of Public Expenditure and Reform to ensure the efficient and effective operation of the Freedom of Information Act 2014 in Revenue.

In September 2021, Minister for Public Expenditure and Reform, Michael McGrath, T.D., announced that Cabinet approval was obtained for a review of the Freedom of Information Act 2014. The review process commenced in the last quarter of 2021, with research work due to be concluded by the middle of 2022. A report, along with recommendations will be presented to the Government and published at that point. As an FOI body under the Act, Revenue is fully engaging with the review process.

## Complaints

Taxpayers who are dissatisfied with Revenue's handling of their tax affairs can have their case reviewed either internally by a senior Revenue officer, or by an external reviewer. In 2021, 5 requests for internal review were accepted, while 17 requests for external reviews were accepted (Table 29). The Ombudsman finalised 25 complaints relating to Revenue (Table 30).

## Oireachtas Committees

In 2021, the Chairman and other Revenue officials appeared before the Committee of Public Accounts and the Joint and Select Committees on Finance, Public Expenditure and Reform, and Taoiseach.

Additionally, Revenue Commissioner and Director-General of Customs, Gerry Harrahill, appeared before the Joint Committee on Transport and Communications Networks and the Seanad Select Committee on the Withdrawal of the United Kingdom from the European Union.

## Other Governance Matters

We are compliant with the Prompt Payment of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 (Table 31). Our Prompt Payment Returns are published on our website. Just over 93% of all payments were made within 15 days.

We provided responses to 900 Parliamentary Questions and responded to 639 Representations from Public Representatives.

## Senior Management Changes

Following Top Level Appointments Commission (TLAC) competitions, the Minister for Finance, Paschal Donohoe, T.D. made appointments to three Assistant Secretary Level positions in 2021:

- following her appointment on 19 March 2021, the Board assigned Maura Kiely as Revenue Solicitor
- following her appointment on 6 July 2021, the Board assigned Ruth Kennedy to Personal Division
- following her appointment on 13 July 2021, the Board assigned Lynda Slattery to Investigation, Prosecution and Frontier Management Division.

Following a Senior Public Service Mobility process, Deirdre Hanlon joined Revenue from the Department of Transport, taking up her assignment as Assistant Secretary of Indirect Taxes Policy and Legislation Division on 1 May 2021.

Gerard Moran, Assistant Secretary, retired on 21 May 2021.

# Revenue Management Committee at Assistant Secretary Level



**John Barron**  
**Information, Communications Technology and Logistics Division**

Responsible for the provision of secure, reliable and quality information and communications technology services and innovation, adaptability and new advances in technology. Also responsible for the management and delivery of logistical services central to running Revenue.



**Brian Boyle**  
**Accountant General's & Strategic Planning Division**

Responsible for overseeing the development and implementation of business policies, monitoring and evaluating national tax compliance risks. Responsibilities also include performance measurement and reporting, statistics and economics research. Also responsible for financial and information management, banking functions, communications and knowledge management functions.



**Noel Brett**  
**Business Division**

Responsible for the management and development of service, compliance and audit functions for entities registered for VAT, RCT, Customs and Excise. Also responsible for excise license entities with trade or professional income, Proprietary Directors and Subsidiaries/Parent of Business Division companies.



**Orla Campbell**  
**Corporate Services Division**

Responsible for Revenue's human resource management strategies, including workforce planning, recruitment, training and capability development, organisational development, administrative budget management, internal audit, governance, information compliance and corporate reform.



**Florance Carey**  
**Customs Division**

Responsible for the development of Customs legislation and systems and for ensuring the implementation of customs controls. Also responsible for influencing the development of EU policy on all customs related matters, including implementation of the EU Union Customs Code and representing Revenue's and Ireland's interests at various international fora.



**Eugene Creighton**  
**Large Corporates Division**

Responsible for the management and development of service, compliance and audit functions for the largest business customers in the State and also for certain entire sectors, such as, banking, insurance, aircraft leasing, 'Section 110 companies' and investment funds. Also responsible for challenging corporate tax avoidance transactions including abusive transfer pricing.



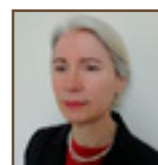
**Jeanette Doonan**  
**Business Taxes Policy and Legislation Division**

Responsible for the policy, legislation and interpretation functions for capital gains tax (CGT), corporation tax, incentives, financial services and other business taxes.



**Orla Fitzpatrick**  
**Medium Enterprise Division**

Responsible for the management and development of service, compliance and audit functions for medium enterprises and Proprietary Directors, Subsidiaries/Parent of Medium Enterprise Division companies, Government Departments and Public Bodies. National responsibility for the delivery of the Revenue Technical Service (RTS).



**Deirdre Hanlon**  
**Indirect Taxes, Policy and Legislation Division**

Responsible for Revenue's contribution to the development of indirect tax policy and legislation at national and EU level and for facilitating the efficient and effective administration of VAT and the various Excise duties.



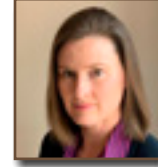
**Joe Howley**  
**Collector General's**  
**Division**

Responsible for the collection of taxes and for the implementation of debt management programmes, including appropriate interventions to maximise timely compliance. Also responsible for debt enforcement action against those who fail to comply.



**Ruth Kennedy**  
**Personal Division**

Responsible for the management and development of service, compliance and audit functions for individuals with PAYE income only or with self-assessed non trading/professional income; and other entities such as trusts, charities, sporting bodies. Also responsible for the co-ordination of Irish Language services.



**Maura Kiely**  
**Revenue Solicitors**  
**Division**

Responsible for providing comprehensive legal support services for Revenue including in the conduct of litigation and appeals and in the prosecution of criminal offences.



**Eamonn O'Dea**  
**International Tax**  
**Division**

Responsible for international engagement (bilateral, EU and OECD-related) on direct taxation policy and on operational matters that include transfer pricing-related negotiation and exchange of information with other tax authorities. Also responsible for monitoring and updating Ireland's tax treaty network.



**Declan Rigney**  
**Personal Taxes**  
**Policy and**  
**Legislation Division**

Responsible for the development of personal tax and capital taxes policy at national and EU level and for managing policy, legislation and interpretation functions for personal and capital taxes (excluding capital gains tax).



**Breda Ruddle**  
**Large Cases - High**  
**Wealth Individuals**  
**Division**

Responsible for the management and development of service, compliance and audit functions for the wealthiest individuals in the State, Pension/Insurance schemes and Retirement funds. Also responsible for challenging tax avoidance transactions using the General Anti-Avoidance Rule.



**Lynda Slattery**  
**Investigation,**  
**Prosecution**  
**& Frontier**  
**Management**  
**Division**

Responsible for leading Revenue's criminal investigation function, ensuring overall supply chain safety and security, managing EU external borders and implementing national level prohibitions and restrictions. Also responsible for Revenue's national investigation functions and the conduct of relevant operations aimed at cross border fraud, drug smuggling and diversion of taxable goods.

# Financial Management

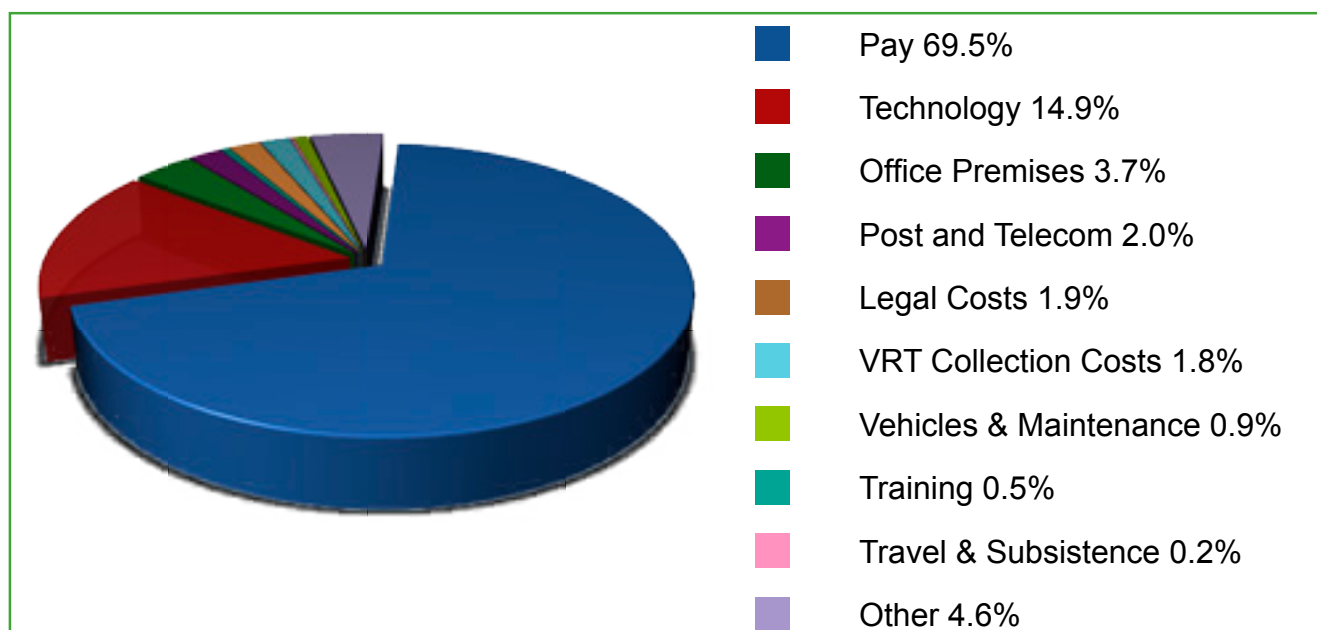
Each year Revenue prepares and submits the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the Appropriation Account of the expenditure for the Office of the Revenue Commissioners to the Comptroller and Auditor General for audit.

The audited 'Account of the Receipt of the Revenue of the State' collected by Revenue for 2021 is presented to the Oireachtas at the same time as the Annual Report. The gross and net Exchequer and Non-Exchequer receipts figures are available at Tables 1 and 2 respectively in this report.

The Appropriation Account of the amount expended by Revenue in relation to salaries and expenses in the year ended 31 December 2021 has been submitted to the Comptroller and Auditor within the statutory timeline. In accordance with the Comptroller and Auditor General (Amendment) Act 1993, the audited account will be published by September in the Report on the Accounts of the Public Services. The account will be published and available at [www.audgen.gov.ie](http://www.audgen.gov.ie). As such, figures referred to below are provisional and will be finalised on completion of the audit of the Revenue Appropriation Account by the Comptroller and Auditor General.

## Financial Performance

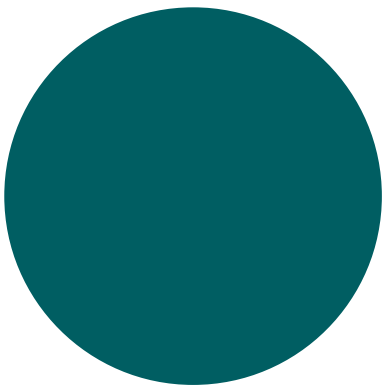
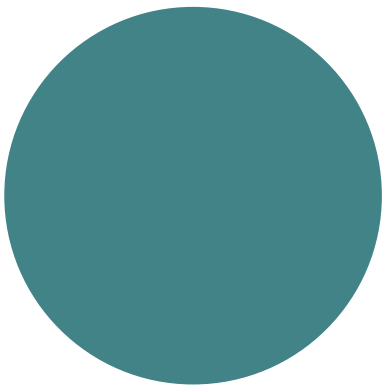
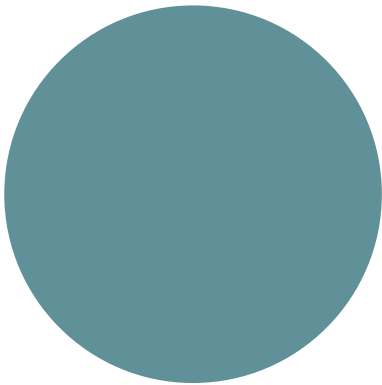
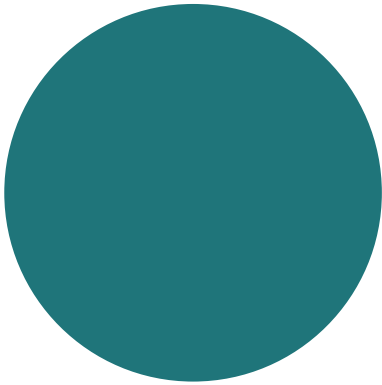
In 2021, Revenue's expenditure on the administration and collection of taxes and duties and frontier management amounted to approximately €488.7 million. This expenditure was partly funded by Appropriations in Aid receipts of €56.7 million, received mainly in respect of services relating to PRSI, and a share of custom duties collected from the Single Authorisation for Simplified Procedures (SASP). A provisional year end surplus of €9.3m arises due to the impact of the Covid-19 pandemic.







# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021



Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the  
year ended 31 December 2021

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## Statement by Accounting Officer on Internal Financial Control

### Responsibility for system of Internal Financial Control

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

### Financial Control Environment

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

### Administrative Controls and Management Reporting

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office to identify potential risks and ensure an appropriate mitigation strategy is in place. Mitigations used to manage risk include:
  - Revenue's governance structures.
  - Environmental scanning to ensure Revenue is aware of influences that affect risk.
  - Integrated strategic/business planning and risk management framework that includes an assessment of risk at organisational, Divisional and Branch level.
  - Implementation of a strong and integrated project management framework for all significant projects.
- There are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks.

### Internal Audit and Audit Committee

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written Internal Audit charter. Its work is informed by analysis of the financial risks to which the Office is exposed and its internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

## **Risk and Control Framework**

This Office operates a Corporate risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks. A Corporate Risk Register is in place which identifies the key risks facing this Office. These risks are described, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated into Revenue's strategic and business planning process.

An enhancement was introduced to the risk management system in Q3 2021. Under new arrangements, Divisions report quarterly on the effectiveness of controls on mitigating actions and residual risk levels following mitigation. These reports are reviewed, and the Corporate Risk Register is updated on a quarterly basis, by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from Divisional management when determining whether there should be changes to the priority or ranking of a risk and provides feedback to Divisions on their quarterly reports. This process provides that risk escalation is recognised, reviewed, reported and included in the Corporate Risk Register. The RMC Chair presents a Corporate Risk Management Annual Report to the Board of the Revenue Commissioners which outlines the activities of the RMC throughout the preceding year and assures adherence to the risk management policy in Revenue.

A Data Protection Officer with responsibility for overseeing Revenue's data protection strategy and implementation, including compliance with the General Data Protection Regulation (GDPR) is in place and is supported by a Data Protection Unit.

## **Ongoing Monitoring and Review**

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

## **Review of Effectiveness**

I confirm that this Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within this Office are responsible for the development and maintenance of the internal financial control framework.

## **Unallocated Tax Deposits (UTD)**

The UTD balance of €85.4m (note 10) includes an estimated €32.5m in audit tax settlements which were allocated to the taxpayer records but as at the 31st December 2021 were not allocated to taxhead receipts as a result of a delay in performing a systems update. These settlements will be included in taxhead receipts in 2022.

## **Internal Financial Control Issues**

No weaknesses in internal financial control were identified in relation to 2021 that resulted in, or may result in, a material loss.

## **Ongoing Impact of the Covid-19 Pandemic**

The Covid-19 pandemic continued to present very significant challenges for citizens, businesses and Revenue. Remote working continued throughout 2021 for approximately 4,500 of Revenue's 7,000 staff. With the commitment and engagement of Revenue's staff, this allowed Revenue to successfully maintain delivery of our core business programmes while continuing to deliver our additional role of administering Covid support schemes. It is envisaged that formalised blended working arrangements will be introduced during 2022.

Revenue reviewed its control environment to take account of the impact of Covid-19 and is satisfied that the risk and control framework is sufficiently robust to respond to any increased level of risk that may emerge.

## **Covid-19 Business Support Schemes**

Revenue continued to utilise its advanced technology infrastructure and its strong operational and project management capabilities to manage the range of subsidy and support schemes introduced by the Government to support tax compliant businesses and their employees during this difficult time. The Covid Employment Wage Subsidy Scheme (EWSS) and the Covid Restrictions Support Scheme (CRSS) were continued by Revenue and the Business Resumption Support Scheme (BRSS) was introduced during 2021. These schemes ensured that critical support payments were provided to employers, employees and businesses.

The administration of the Department of Social Protection funded schemes entailed the management of significant sums, with a total of €4.6 billion paid in respect of EWSS to end 2021. Any balance owing to or from the Department of Social Protection will be accounted for in Revenue's 2021 Appropriation Account.

## **Audit and Compliance Interventions**

In response to Covid-19, Revenue suspended audit and other compliance intervention activity on taxpayers' premises from March 2020. Where possible, Revenue continued to engage with business to progress interventions through our MyEnquiries portal or by telephone. Revenue developed guidelines for conducting compliance interventions remotely during Covid-19, taking into account the Government's published health advice. As at March 2022, there has been no change in the overall approach with interventions continuing to be conducted remotely for the most part. Subject to public health advice, Revenue anticipates moving to an increased level of on-site activity in 2022 having regard to the lessons learned in the successful conduct of remote interventions during the pandemic.

Notwithstanding the challenging operating environment, compliance activity continued in respect of all sectors of the economy and Revenue completed a total of 463,814 compliance interventions with a yield of €1.39 billion. This represented a decrease in the number of interventions from 595,143 in 2020 but an increase in yield from €487.4 million. A small number of high-value transactions had a significant influence on the results for 2021.

Throughout 2021, Revenue undertook a multi-faceted approach to compliance checks to safeguard the integrity of the EWSS. This includes systematic real time checking of claims from employers availing of the scheme and cross-referencing claims against other Revenue data sources to identify anomalies or trends requiring attention. These processes served not only to identify risks of abuse of the scheme, but also to ensure employers claimed their correct EWSS entitlement. To the end of 2021, Revenue had finalised EWSS related interventions in respect of 3,500 employers, recouping €19.2 million of subsidies.

Likewise, a series of systematic real-time compliance checks were undertaken when businesses submitted their claims under the CRSS and BRSS schemes.

## **Other Covid-19 Business supports**

Revenue also continued to provide a range of measures to support businesses suffering cashflow or trading difficulties, including through warehousing of debt, suspension of interest on late payments, and suspension of collection enforcement activity.

In relation to the Tax Debt Warehousing Scheme, the Government extended the period during which relevant tax liabilities can be warehoused to 30 April 2022 for businesses impacted by the public health restrictions introduced in December 2021. As a result, tax debt for these businesses will remain "parked" on an interest free basis until 30 April 2023. For those not qualifying for the extension, tax debt will remain "parked" until 31 December 2022. As at 31 December 2021, over 98,000 individual customers were availing of the Debt Warehousing facility in relation to tax debts totalling €2.9bn.

## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021

In March 2020, at the start of the pandemic, a decision was taken to maintain the tax clearance status of all businesses who held tax clearance at that point and to suspend the periodic review and renewal processes that would apply in normal circumstances.

However, throughout 2021, Revenue carried out two targeted tax clearance campaigns in relation to businesses claiming EWSS and/or CRSS to ensure those businesses were continuing to comply with their obligation to make tax returns. It is intended to recommence regular periodic reviews of tax clearance on a phased basis during 2022. With the impact of COVID-19 and the suspension of debt enforcement activity, Revenue's focus has been on the support of businesses and individuals. As the economy recovers from the impacts of the pandemic, our risk-based approach to debt is being incrementally widened to target those businesses who are failing to engage with their obligations, particularly those operating in sectors least impacted by COVID-19 and those now showing significant signs of post pandemic recovery.

### Customs Controls

The EU Commission identified a Union-wide fraud pattern consisting of the import of textiles and footwear from the People's Republic of China at significantly understated value that led to a systematic loss of traditional own resources (TOR) over several years. Using a statistical method, the Commission calculated Ireland's TOR losses at €30.4m or 0.69% of the losses incurred at EU28 level. Ireland, through the Department of Finance made a payment of €30.4m on reserve on 30th July 2021 following an invitation by the EU Commission to avoid the accumulation of late payment interest relating to the estimated loss of traditional own resources in relation to imports of undervalued textiles and footwear from the People's Republic of China.

In March 2022, the Court of Justice found that the United Kingdom had failed to fulfil its obligations in relation to customs control and the availability of EU own resources by failing to adopt the measures necessary to combat fraud with regards to undervalued imports of textiles and footwear from China. The Court partly rejected the Commission's calculation, finding that the Commission had not established the full amounts to the requisite legal standard. However the Court did approve the method used by the Commission to estimate the amount of traditional own resources losses for part of the infringement period, since that method has proved to be sufficiently precise and reliable to ensure that it does not lead to a clear overestimate of the amount of the losses.

It is now expected that the Commission will assess each Member State's liability, taking the court's decision and GNI contributions into account. To date Ireland has not received any further correspondence from the Commission in the matter. It should be noted that the Commission stated in their letter of 7th May 2021 that Ireland had covered considerably more than 0.69% of the total losses via its GNI-based contributions, compensating TOR losses incurred in other Member States. The net contributions by Ireland to the EU budget will therefore be reduced and this TOR loss may already be covered through our GNI contributions.

Following an EU Commission inspection of Traditional Own Resources (TOR) carried out in Ireland, the Commission stated that the automated refund system does not guarantee protection of the EU financial interest. On 2nd March 2022 the Commission Services advised Ireland in writing that they have launched the internal procedure prior to potential infringement proceedings. The Commission's next correspondence, when received, will be reviewed.

## Brexit

Since 1 January 2021, trade with the UK, excluding Northern Ireland, has been conducted based on the EU-UK Trade and Cooperation Agreement (TCA). This means that all goods arriving from or departing to GB are now subject to Customs formalities. This includes the requirement for Customs declarations, payment of tariffs (where applicable) and possible documentary or physical controls.

This resulted in a significant increase in activity across all aspects of Customs work. In 2020, import clearance procedures were carried out by 15,858 businesses. This increased to 46,256 businesses in 2021. In relation to exports, the number of businesses undertaking export procedures increased from 5,487 in 2020 to 12,200 in 2021. There was also an increase in Customs declarations, from approximately 1m import declarations in 2020 to 27.1m in 2021. Export declarations increased from 900,000 in 2020 to 2.5m in 2021. In 2021 almost 397,000 import and 375,000 export freight movements to and from the UK were facilitated.

Although the EU-UK TCA provides for zero tariffs on all UK origin imports to the EU, not all goods arriving from the UK qualify as UK origin. This means that tariffs are payable on some goods coming from the UK. This has contributed to the 90% increase in the amount of Customs Duty collected, from €273 million in 2020 to €520 million in 2021. These changes necessitated a significant recruitment and redeployment of Revenue staff. In the period from 2017 to 2019, Revenue assigned some 600 additional staff to Customs roles, deployed across a range of functions, with the majority assigned to import and export trade facilitation activities. Staff at the main ports, airports and parcel centres work on a 24/7 basis.



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Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

21 April 2022





## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

### **Account of the receipt of revenue of the State collected by the Revenue Commissioners**

#### **Opinion on the account**

I have audited the account of the receipt of revenue of the State collected by the Revenue Commissioners for the year 2021 as required under the provisions of Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993. The account comprises

- the account of the receipt and disposal of revenue collected
- the statement of balances, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the account properly presents the receipt and disposal of the revenue collected for the year ended 31 December 2021 and the residual balances at that date.

#### ***Basis of opinion***

I conducted my audit of the account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Revenue Commissioners and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. I also take assurance from my examinations of Revenue's collection systems.

#### **Report on information other than the account, and on other matters**

The Revenue Commissioners have presented certain other information together with the account. This comprises the annual report and the statement on internal financial control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
**Comptroller and Auditor General**

**22 April 2022**

## Appendix to the report

### Responsibilities of the Revenue Commissioners

The Revenue Commissioners are responsible for

- the preparation of the annual account
- ensuring that the account properly presents the receipt and disposal of the revenue collected
- ensuring the regularity of transactions, and
- such internal control as they determine is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993 (the Act) to audit the account of the receipt of revenue of the State collected by the Revenue Commissioners and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I evaluate the overall presentation, structure and content of the account, including the disclosures, and whether the account properly presents the underlying transactions and events.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

#### *Information other than the account*

My opinion on the account does not cover the other information presented with the account, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the account, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### *Reporting on other matters*

My audit is conducted by reference to the special considerations which attach to the management and operations of public bodies. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

#### *Revenue collection systems*

Under Section 3 (7) of the Act, I also carry out examinations on a cyclical basis in order

- to ascertain whether the systems, procedures and practices established by the Revenue Commissioners are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State
- to satisfy myself that the manner in which those systems, procedures and practices are being employed and applied is adequate.

As provided under Section 3 (10) of the Act, I report each year on the results of my systems examinations in my Report on the Accounts of the Public Services.

## **Accounting Policies**

### **Introduction**

This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners and the transfer of the proceeds to the Exchequer. The Account also presents non exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States as detailed under Receipts and Repayments.

No administration or operational costs of the Office of the Revenue Commissioners are included in this Account. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.

The Account has been prepared pursuant to Section 3(7) of the Comptroller and Auditor General (Amendment) Act, 1993.

### **Basis of Account**

The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. The Account shows the actual amounts received and paid in the year. Where further amounts are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment.

### **Receipts and Repayments**

Receipts and repayments are recognised on a cash basis except as noted below:

- a. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.
- b. In order to apportion certain Income Tax receipts to the relevant taxhead, an estimated percentage is applied. This apportionment affects PAYE, PRSI, USC and LPT receipts. Once the relevant returns are filed a review of the estimate is conducted and the receipts re-apportioned as appropriate.
- c. Customs duties are collected on an agency basis on behalf of the EU and are recognised on a gross receipts basis except for customs duties collected under an EU customs procedure Centralised Clearance (previously known as Single Authorisation for Simplified Procedures (SASP)). These receipts are shown net of the collection costs. See Note 1 \*3.
- d. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
- e. Customs and Excise payments are retained as deposits and recognised as receipts when the appropriate returns are filed, with the exception of Excise Licences which are on a cash receipts basis. Deposits held are accounted for in the Statement of Balances.
- f. Included in Excise receipts are amounts collected by other agencies on behalf of the Revenue Commissioners as follows:
  - The Courts Service (Excise Licences).
  - Applus+ Car Testing Service Ltd (Vehicle Registration Tax).

A charge is levied by Applus+ Car Testing Service Ltd for the collection of Vehicle Registration Tax. The charge is funded from Voted expenditure and accounted for in the annual Appropriation Account of Vote 9.

## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021

- g. The VAT Mini One Stop Shop (VAT MOSS) scheme came into operation on 1 January 2015 in line with VAT place of supply rules for businesses who make supplies of telecommunications, broadcasting, or electronically supplied services to consumers.

VAT One Stop (OSS) which is an extension and expansion of the MOSS scheme was introduced on 1 July 2021. This new arrangement now covers both the supply of goods and services to final consumers in the EU applying the same principles. Import One Stop Shop (IOSS) scheme facilitates businesses who are importing into multiple states.

These new changes are simplification measures and are designed to assist businesses. The title of VAT One Stop Shop (OSS) in the accounts refers to all/specific parts of the account disclosures on One Stop Shop schemes.

The receipts comprise Irish Vat receipts disclosed in Note 1 and amounts collected on behalf of other EU Member States disclosed in Note 2.

- h. Non Exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States are as follows:

- Social Insurance Fund (Pay Related Social Insurance)
- Department of Health (Tobacco Levy)
- Risk Equalisation Fund (Health Insurance Levy)
- Environment Fund (Environmental Levy on Plastic Bags)
- Department of Enterprise, Trade and Employment (Employment and Training Levy)
- Commissioners of Irish Lights (Lighthouse Dues)
- Department of Finance (Nursing Home Support Scheme payments and Miscellaneous Revenue for Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Companies' Registration Fees)
- Insurance Compensation Fund (Insurance Compensation Fund levy)
- EU Member States (VAT One Stop Shop scheme)
- Department of Housing, Local Government & Heritage (Local Property Tax)

A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags, Lighthouse Dues, Nursing Home Support Scheme payments and the Insurance Compensation Fund levy. Charges are levied on customers who apply for a VRT repayment under the Export Repayment Scheme. Amounts received in respect of these charges are accounted for as Appropriations-in-Aid of Vote 9.

### Cash at bank and in hand

Cash at bank and in hand represents the total cash in both commercial and Central Bank accounts adjusted to take account of unrepresented cheques and timing differences.

### Amounts Awaiting Receipting and Allocation

- a. Taxes and Duties are for the most part paid in the first instance into accounts held by Revenue in commercial banks. In most cases full accounting instructions are known at the time of payment and payments are receipted onto a customer record and transferred to the Exchequer. Unallocated Tax Deposits (UTD) includes payments transferred to the Exchequer as part of the Total Transfers in Note 6 for which customer records have yet to be updated. It also includes receipts which cannot at the year end be allocated to either a taxhead or taxpayer record. In some instances, if sufficient information has not been received within 5 years, the amounts are recognised as a tax receipt and removed from the UTD balance reported in the Account. UTD also include payments made on account during tax audits and audit settlements as well as non audit payments for which accounting instructions have not been completed.
- b. Tax receipts awaiting transfer and allocation are amounts received to commercial accounts which have not been transferred to the Central Bank at the year end.
- c. Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners are amounts received by the Revenue Commissioners and will be brought to account as Appropriations-in-Aid of Vote 9, Office of the Revenue Commissioners.

### Deposits Held

- a. Deposits held under The Criminal Justice Act 1994 relate to money seized under the Act and held on deposit pending court proceedings.
- b. Deposits held with C&E collectors represent amounts received in lieu of Bank Guarantees or pending Bank Guarantees.
- c. Deposits held for C&E liabilities represent amounts received for C&E transactions in advance of the relevant return being received. These amounts are designated as deposits in a control account until the appropriate return is filed and are then allocated as receipts. Due to the manual nature of certain aspects of the management of these deposits, there are some limitations on the availability of the associated transactional level data. Any deposits on hand are surrendered to the Exchequer at 31 December as part of Excise Duty transfers in Note 6.

### Balance owing from Exchequer

The balance owing from the Exchequer represents amounts transferred to the Exchequer not yet recorded as receipts and amounts in the Exchequer due for payover to other government departments not paid over at year end.

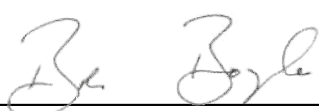
**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the  
year ended 31 December 2021**

**Account of the Receipt and Disposal of Revenue collected**

	Notes	2021 €000	2020 €000
<b>Gross Receipts</b>			
Exchequer Receipts	1	79,055,502	66,862,078
Non Exchequer Receipts	2	17,540,811	15,396,147
<b>Total Gross Receipts of Revenue Collected</b>		<b>96,596,313</b>	<b>82,258,225</b>
<b>Repayments</b>			
Repayment of Exchequer Receipts	3	(11,527,636)	(10,658,360)
Repayment of Non Exchequer Receipts	4	(142,687)	(129,379)
<b>Total Repayments</b>		<b>(11,670,323)</b>	<b>(10,787,739)</b>
<b>Net Receipts</b>			
Exchequer Receipts	5	67,527,866	56,203,718
Non Exchequer Receipts	7	17,398,124	15,266,768
<b>Total Net Receipts of Revenue Collected</b>		<b>84,925,990</b>	<b>71,470,486</b>
<b>Disposal of Net Receipts</b>			
Receipts transferred to the Exchequer	6	(67,502,847)	(56,225,688)
Receipts transferred to other Departments/Agencies/EU Member States	7	(17,387,027)	(15,252,347)
<b>Total Disposal of Net Receipts of Revenue Collected</b>		<b>(84,889,874)</b>	<b>(71,478,035)</b>
Net Movement in the year		36,116	(7,549)
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(456,656)	(449,107)
<b>Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December</b>		<b>(420,540)</b>	<b>(456,656)</b>

The Accounting Policies and Notes 1 to 12 form part of this Account.

  
\_\_\_\_\_  
Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

  
\_\_\_\_\_  
Brian Boyle  
Accountant General  
Office of the Revenue Commissioners

21 April 2022

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the  
year ended 31 December 2021**

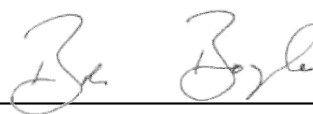
**Statement of Balances**

	Notes	2021 €000	2020 €000
<b>Assets</b>			
Cash at Bank and in Hand	8	122,655	99,985
Amounts due from Government Departments	9	21	2,488
<b>Total Assets</b>		<b>122,676</b>	<b>102,473</b>
<b>Liabilities</b>			
Amounts Awaiting Receipting and Allocation	10	(99,076)	(110,923)
Deposits Held	11	(444,140)	(448,206)
<b>Total Liabilities</b>		<b>(543,216)</b>	<b>(559,129)</b>
<b>Net Liabilities</b>		<b>(420,540)</b>	<b>(456,656)</b>
<b>Represented by:</b>			
<b>Closing Balance on the Account of Receipt and Disposal of Revenue</b>			
Balance owing from the Exchequer	6	(471,494)	(496,513)
Balance owing to other Departments/Agencies/EU Member States	7	50,954	39,857
		<b>(420,540)</b>	<b>(456,656)</b>

The Accounting Policies and Notes 1 to 12 form part of this Account.



Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners



Brian Boyle  
Accountant General  
Office of the Revenue Commissioners

21 April 2022



**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021**

**Notes to the Account**

<b>Note 1. Exchequer Receipts collected</b>	<b>2021 €000</b>	<b>2020 €000</b>
Income Tax	29,389,379	25,195,947
Value Added Tax	21,556,664 * <sup>1</sup>	18,437,211
Corporation Tax	17,517,022	13,896,120
Excise Duty	5,852,591 * <sup>2</sup>	5,453,213
Stamp Duties	1,959,138	2,121,140
Capital Gains Tax	1,674,275	971,506
Capital Acquisitions Tax	586,732	514,069
Customs Duty	519,701 * <sup>3</sup>	272,872
	<b>79,055,502</b>	<b>66,862,078</b>

\*<sup>1</sup> This figure includes the following receipts relating to The VAT One Stop Shop scheme;

	<b>2021 €000</b>	<b>2020 €000</b>
VAT collected in the State proper to Ireland	55,406	12,150
VAT collected by other Member States proper to Ireland	144,458	89,166
Retention amounts on VAT collected for 2018 by the State for EU Member States	-	15
	<b>199,864</b>	<b>101,331</b>

\*<sup>2</sup> A breakdown of the individual taxes included within the Excise Duty category is published in the 2021 annual report of the Revenue Commissioners. This breakdown will be included in the Account of Receipt of Revenue of the State collected by the Revenue Commissioners for 2022.

\*<sup>3</sup> Customs Duty receipts are reported net of collection costs of €12m (€23m, 2020) allowed under Centralised clearance (previously SASP). €6m (€11.5m, 2020) was transferred to other EU Member States and €6m (€11.5m, 2020) was transferred to Vote 9 and recorded as Appropriations-in-Aid.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021**

**Notes to the Account**

**Note 2. Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Pay Related Social Insurance	12,727,495	11,456,328
VAT One Stop Shop Scheme	3,130,681	2,367,479
Risk Equalisation Fund (Health Insurance Levy)	808,999	773,824
Local Property Tax	555,046 <sup>*1</sup>	488,308
Tobacco Excise Receipts	167,605 <sup>*2</sup>	167,605
Insurance Compensation Fund Levy	96,883	99,359
Nursing Home Support Scheme (includes Miscellaneous receipts)	43,214	32,225
Environmental Levy on Plastic Bags	3,513	4,161
Lighthouse Dues	7,350	6,828
Employment and Training Levy	25	30
	<b>17,540,811</b>	<b>15,396,147</b>

\*1 The Local Property Tax (LPT) net collection figure of €551m (receipts of €555m less repayments of €4m) is estimated to be broken down into €36m for Household Charge arrears for 2012 and LPT liabilities for years 2013 to 2020 inclusive, €391m for LPT liabilities in respect of 2021 and €124m for LPT liabilities in respect of 2022 (pre-payments). In 2020 €72m was collected for LPT liabilities in respect of 2021.

\*2 Tobacco Excise Receipts of €167.6m are presented as non Exchequer receipts as they are paid direct to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021

## Notes to the Account

### Note 3. Repayment of Exchequer Receipts

	2021 €000	2020 €000
Income Tax	(2,638,827) *1	(2,548,453)
Value Added Tax	(6,166,431)	(5,962,905)
Corporation Tax	(2,193,904) *1	(2,063,264)
Excise Duty	(29,549)	(26,024)
Stamp Duties	(464,500)	(26,571)
Capital Gains Tax	(29,456)	(21,834)
Capital Acquisitions Tax	(4,958)	(9,252)
Customs Duty	(11)	(57)
	<b>(11,527,636)</b>	<b>(10,658,360)</b>

\*1 The COVID Restrictions Support Scheme (CRSS) was introduced to support businesses significantly affected by restrictions introduced by the Government to combat the COVID-19 pandemic. The scheme commenced on 13 October 2020 and is available to companies, self-employed individuals and partnerships that carry on a trade or trading activities from a business premises. Eligible businesses may submit a claim to Revenue for payment of Advanced Credit for Trading Expenses (ACTEs). For year ended 31 December 2021, payments had issued to 169,566 applicants (87,188 relating to Corporation Tax registrations and 82,378 relating to Income Tax registrations). For year ended 31 December 2020, payments had issued to 14,867 applicants (7,554 relating to Corporation Tax registrations and 7,313 relating to Income Tax registrations).

The Business Resumption Support Scheme (BRSS) was introduced to support businesses significantly impacted by restrictions introduced by the Government to combat the effects of the Covid-19 pandemic and, in particular, those businesses that continued to be significantly impacted even after an easing of public health restrictions. The scheme commenced on 1 September 2021 and is available to companies, self-employed individuals and partnerships that carry on a trade or trading activities from a business premises, irrespective of whether they have previously qualified for other Covid-19 related Government schemes. Eligible businesses may submit a claim to Revenue for payment of Advanced Credit for Trading Expenses (ACTEs). For year ended 31 December 2021, payments had issued to 1,915 applicants (1,109 relating to Corporation Tax registrations and 806 relating to Income Tax registrations).

The Income Tax Repayments figure includes €84.8m (€22.3m, 2020) in respect of net CRSS payments and €1.1m in respect of net BRSS payments.

The Corporation Tax Repayments figure includes €465.8m (€120.8m, 2020) in respect of net CRSS payments and €6.4m in respect of net BRSS payments.

### Note 4. Repayment of Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States

	2021 €000	2020 €000
Pay Related Social Insurance	(123,088)	(120,933)
Local Property Tax	(4,257)	(6,579)
VAT One Stop Shop Scheme	(15,000)	(1,673)
Nursing Home Support Scheme (includes Miscellaneous receipts)	(337)	(190)
Environmental Levy on Plastic Bags	(5)	(4)
	<b>(142,687)</b>	<b>(129,379)</b>

### Note 5. Net Exchequer Receipts

	Gross Receipts 2021 €000	Repayments 2021 €000	Net Receipts 2021 €000	Net Receipts 2020 €000
Income Tax	29,389,379	(2,638,827)	26,750,552	22,647,494
Value Added Tax	21,556,664	(6,166,431)	15,390,233	12,474,306
Corporation Tax	17,517,022	(2,193,904)	15,323,118	11,832,856
Excise Duty	5,852,591	(29,549)	5,823,042	5,427,189
Stamp Duties	1,959,138	(464,500)	1,494,638	2,094,569
Capital Gains Tax	1,674,275	(29,456)	1,644,819	949,672
Capital Acquisitions Tax	586,732	(4,958)	581,774	504,817
Customs Duty	519,701	(11)	519,690	272,815
	<b>79,055,502</b>	<b>(11,527,636)</b>	<b>67,527,866</b>	<b>56,203,718</b>

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the  
year ended 31 December 2021**

**Notes to the Account**

**Note 6. Receipts Transferred to the Exchequer**

	<b>Balance owing to/ (from) Exchequer at 1.1.21 €000</b>	<b>Net Receipts €000</b>	<b>Total Transfers €000</b>	<b>Balance owing to/ (from) Exchequer at 31.12.21 €000</b>
Income Tax	(103,274)	26,750,552	(26,666,648)	(19,370)
Value Added Tax	65,913	15,390,233	(15,441,097)	15,049
Corporation Tax	(791)	15,323,118	(15,324,426)	(2,099)
Excise Duty	(420,817)	5,823,042	(5,838,708)	(436,483)
Stamp Duties	(17,956)	1,494,638	(1,482,820)	(6,138)
Capital Gains Tax	(3,461)	1,644,819	(1,641,680)	(322)
Capital Acquisitions Tax	(391)	581,774	(581,332)	51
Customs Duty	(15,736)	519,690	(526,136)	(22,182)
	<b>(496,513)</b>	<b>67,527,866</b>	<b>(67,502,847)</b>	<b>(471,494)</b>

**Note 7. Receipts transferred to other Departments/Agencies/EU Member States**

	<b>Balance due at 1.1.21 €000</b>	<b>Net Receipts €000</b>	<b>Total Transfers €000</b>	<b>Balance due at 31.12.21 €000</b>
Pay Related Social Insurance	34,578	12,604,407	(12,620,920)	18,065
VAT One Stop Shop Scheme	1,872	3,115,681	(3,090,818)	26,735
Risk Equalisation Fund (Health Insurance Levy)	-	808,999	(808,999)	-
Local Property Tax	2,989	550,789	(552,489)	1,289
Tobacco Excise Receipts	-	167,605	(167,605) <sup>*1</sup>	-
Insurance Compensation Fund Levy	487	96,883	(92,876)	4,494
Nursing Home Support Scheme (includes Miscellaneous receipts)	(70)	42,877	(42,438)	369
Environmental Levy on Plastic Bags	1	3,508	(3,506)	3
Lighthouse Dues	(1)	7,350	(7,350)	(1)
Employment and Training Levy	1	25	(26)	-
	<b>39,857</b>	<b>17,398,124</b>	<b>(17,387,027)</b>	<b>50,954</b>

\*1 The amount of €167,605,000 was paid from the proceeds of Tobacco Excise Receipts to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2021**

**Notes to the Account**

**Note 8. Cash at Bank and in Hand**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Balance in Revenue Accounts held at Central Bank	106,023	82,099
Balance in Revenue Accounts held at Commercial Banks	36,177	37,175
Unpresented Cheques	(19,620)	(19,361)
Cash in Hand	75	72
	<b>122,655</b>	<b>99,985</b>

**Note 9. Amounts due from Government Departments**

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

**Note 10. Amounts Awaiting Receipting and Allocation**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Unallocated Tax Deposits	(85,413)	(102,317)
Tax receipts awaiting transfer and allocation	(13,500)	(8,540)
Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners	(163)	(66)
	<b>(99,076)</b>	<b>(110,923)</b>

**Note 11. Deposits Held**

	<b>2021</b>	<b>2020</b>
	<b>€000</b>	<b>€000</b>
Deposits held under Criminal Justice Act 1994	(2,954)	(3,010)
Deposits held with C&E Collectors	(15,433)	(10,743)
Deposits held for C&E liabilities due after 31 December	(425,753)	(434,453)
	<b>(444,140)</b>	<b>(448,206)</b>

**Note 12. Fraud and suspected fraud**

	Number of cases		<b>2021</b>	<b>2020</b>
	<b>2021</b>	<b>2020</b>		
Fraud *1	-	1	0	3
Suspected Fraud *2	2	-	13	-
	2	1	13	3

\*1 Number of fraud cases are those cases where an internal investigation has been completed, employee dismissed/resigned and the fraud reported to An Garda Síochána.

\*2 Number of suspected fraud cases are those cases which are still under investigation internally and a decision has yet to be made into whether the action amounts to fraud.

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**Table 1: Total Gross Exchequer and Non Exchequer Receipts**

Category	2021 €m	2020 €m
<b>Exchequer Receipts</b>		
Income Tax	29,389	25,196
Value-Added Tax	21,557	18,437
Corporation Tax	17,517	13,896
Excise	5,852	5,453
Stamp Duties	1,959	2,121
Capital Gains Tax	1,674	972
Capital Acquisitions Tax	587	514
Customs	520	273
<b>Non Exchequer Receipts</b>		
Gross Receipts Collections on behalf of other Departments / Agencies*	17,541	15,396
<b>Total</b>	<b>96,596</b>	<b>82,258</b>

*Note: Any apparent discrepancies in totals are due to rounding of constituent figures.*

\* Gross Receipts collected on behalf of other Departments/Agencies include such receipts as Pay Related Social Insurance (PRSI) and Local Property Tax (LPT).

**Table 2: Total Net Receipts**

Duties, Taxes & Levies	2021 Net Receipts €m	2020 Net Receipts €m	2021 Net Receipts +/- 2020 €m
PAYE Income Tax	18,737	15,576	3,161
PAYE USC	3,742	3,260	482
Self Assessed Income Tax	1,949	1,828	121
Self Assessed USC	625	572	53
Life Assurance Exit Tax	129	124	5
Deposit Interest Retention Tax	20	37	-17
Professional Services Withholding Tax	902	759	143
Dividend Withholding Tax	582	487	95
Back Duty/RCT	64	4	60
<b>Total Income Tax and USC</b>	<b>26,750</b>	<b>22,647</b>	<b>4,103</b>
VAT on Imports	1,699	1,802	-103
Internal VAT	13,691	10,672	3,019
<b>Total Value Added Tax</b>	<b>15,390</b>	<b>12,474</b>	<b>2,916</b>
Tobacco Products Tax	1,150	1,034	116
Alcohol Products Tax	1,176	1,204	-28
Mineral Oil Tax	1,926	1,814	112
Carbon	652	494	158
Vehicle Registration Tax	786	751	35
Other Excise Duties	133	130	3
<b>Total Excise Duty</b>	<b>5,823</b>	<b>5,427</b>	<b>396</b>
<b>Corporation Tax</b>	<b>15,323</b>	<b>11,833</b>	<b>3,490</b>
Stamp Duty on Shares	372	506	-134
Stamp Duty on Property	728	566	162
Other Stamp Duty	395	1,022	-627
<b>Total Stamp Duty</b>	<b>1,495</b>	<b>2,094</b>	<b>-599</b>
<b>Capital Gains Tax</b>	<b>1,645</b>	<b>950</b>	<b>695</b>
<b>Capital Acquisitions Tax</b>	<b>582</b>	<b>505</b>	<b>77</b>
<b>Customs</b>	<b>520</b>	<b>273</b>	<b>247</b>
<b>TOTAL NET EXCHEQUER RECEIPTS</b>	<b>67,528</b>	<b>56,203</b>	<b>11,325</b>
<b>Local Property Tax</b>	<b>551</b>	<b>482</b>	<b>69</b>
<b>TOTAL NET EXCHEQUER RECEIPTS AND LPT</b>	<b>68,079</b>	<b>56,685</b>	<b>11,394</b>

Note: Any apparent discrepancies in totals are due to rounding of constituent figures  
Stamp Duty for 2020 is reclassified to align with 2021 presentation.

Table 3: 2021 Volume of Business

Activity	Number / €
<b>PAYE Employees in employment*</b>	2,884,171
<b>Payroll submissions</b>	5,938,398
<b>Self Assessment Income Tax Registrations</b>	829,859
<b>Company Registrations</b>	235,637
<b>VAT Registrations</b>	275,274
<b>LPT properties Returned</b>	1,880,341
<b>RCT Contracts Notified to Revenue</b>	612,004
<b>RCT Payments Notified to Revenue</b>	1,509,187
<b>No. of electronic payments made to Revenue</b>	9,979,244
<b>Value of electronic payments made to Revenue</b>	€90.65bn
<b>No. of electronic repayments made to taxpayers</b>	1,581,028
<b>Value of electronic repayments made to taxpayers</b>	€9.8bn
<b>No. of Electronic Returns received**</b>	7,892,182
<b>Telephone Calls Answered***</b>	2,039,818
<b>Correspondence Dealt with (includes online enquiries)****</b>	3,872,723

\* Includes multiple employments and recipients of occupational pensions.

\*\* Excludes Customs Declarations which are separately outlined in Table 13.

\*\*\* Includes 180,221 answered calls in respect of Local Property Tax handled by an external service.

\*\*\*\* Additional categories added to MyEnquiries in 2021 to extend online enquiries service.

**Table 4: Customer Service Standards & Results**

Service	Commitment	Delivery
<b>ROS for Business</b>	Authentication process completed within one working day	100%
<b>myAccount</b>	100% of online registrations completed within ten working days	90%
<b>IT, CT, PREM</b>	100% of online registrations completed within 3 working days	100%
<b>VAT</b>	100% of online registrations completed within 10 working days	83%
<b>RCT</b>	100% of online registrations completed within 10 working days	93%
<b>ROS Returns and Declarations</b>	100% processed within 2 working days	100%
<b>ROS Refunds</b>	100% issued within 5 working days	100%
<b>Non-ROS returns, declarations, applications</b>	100% within 20 working days.	55%
<b>Non-ROS repayments or offsets</b>	100% within 20 working days.	89%
<b>Correspondence</b>	100% within 30 working days.	92%
<b>Telephone Service</b>	100% answered within 5 minutes	49%
<b>My Enquiries</b>	100% dealt with within 20 working days	91%
<b>Revenue Technical Service</b>	Reply to valid requests issued within 20 days	30%
<b>Complaints</b>	100% processed within 20 working days	61%
<b>Application for Standards in Public Office Tax Clearance Certificates</b>	100% processed within 5 working days	100%

**Table 5: Average Percentage of Tax Collected Within the Due Month (by Tax)**

Taxhead	2021
<b>PAYE/PRSI</b>	99%
<b>VAT</b>	97%
<b>Income Tax (Non PAYE)</b>	98%
<b>Capital Gains Tax</b>	85%
<b>Corporation Tax</b>	98%
<b>Relevant Contract Tax</b>	94%

**Table 6: Return/Payment Compliance by Case Size**

Case Size	Due Month Compliance 2021	Due Month+1 Compliance 2021
<b>Large Cases</b>	96%	98%
<b>Medium Cases</b>	94%	97%
<b>Other Cases</b>	79%	88%

Note: Compliance rates include returns submitted and debt warehoused

**Table 7: Collection Enforcement Programmes in 2021**

Enforcement	No. of Cases	No. of Referrals	Value of Referrals €m	Yield €m
<b>Solicitor</b>	174	183	16.5	14.5
<b>Sheriff</b>	659	707	17.7	9.9
<b>Attachment</b>	21	30	2.3	0.2
<b>Total</b>	854	920	36.5	24.6

**Table 8: Debt Management Service**

Activity	2021
<b>Payments Requests/Estimates Issued</b>	12,388
<b>Final Demands Issued</b>	5,707
<b>Taxpayer Application for Phased Payment Facilities Processed</b>	3,843*
<b>Referrals for Enforcement</b>	920

\* Included rejected applications

**Table 9: Oversight of Corporate and Personal Insolvency**

Activity	2021
<b>Companies wound-up via Creditor Voluntary Liquidations</b>	251
<b>Creditor Meetings Attended</b>	280
<b>Revenue petitions to High Court for Appointment of a Liquidator</b>	1
<b>Receiverships</b>	61
<b>Examinerships</b>	14
<b>Revenue petitioned bankruptcies</b>	14

Table 10: 2021 Relevant Opinions Provided to Companies and Other Entities

Category of Opinion	Number
Trading	1
Reconstructions and amalgamations	18
Exemption from tax in respect of gains on certain share disposals	2
Elections to Tonnage Tax Scheme	3
Availability of interest relief for loans applied to acquire share capital in, or provide loan finance to, a trading company or a company holding shares in a trading company	1
Withholding taxes	26
Stamp Duty	31
Capital Gains Tax	3
Close company surcharges	3
Corporation Tax	7
Miscellaneous	2
<b>Total</b>	<b>97</b>

Table 11: Mutual Agreement Procedures (MAPs)

	Opening Inventory 01/01/2021	Initiated	Completed	Ending Inventory 31/12/2021
Transfer pricing cases	80	23	17	86
Other non-transfer pricing cases	71*	148	155	64
<b>Total</b>	<b>151</b>	<b>171</b>	<b>172</b>	<b>150</b>

\* The number of cases in the opening inventory on 1 January 2021 is different to the number of cases in the closing inventory on 31 December 2020. This number was revised to be consistent with the inventory details formally agreed with Ireland's treaty partners as part of the annual OECD MAP statistics matching process.

Table 12: Advance Pricing Agreements (APAs)

Opening Inventory 01/01/2021	Requests Received in 2021	Concluded in 2021	Withdrawn by taxpayer in 2021	Ending Inventory 31/12/2021	APAs in force as of 01/01/2021	APAs in force as of 31/12/2021
45	11	3	1	52	4	3

Table 13: Volume of Customs Declarations Processed

Declaration Type	2021
Import declarations	27,166,233
Export declarations	2,490,068
Transit - Inbound	52,690
Transit - Outbound	119,634
<b>Total</b>	<b>29,828,625</b>



*Table 14: 2021 Audit and Compliance Intervention Activity*

Intervention	No. Completed	Yield €m
<b>Comprehensive Audits/Investigations</b>	494	388.2
<b>Multi Tax/Duty Audits</b>	162	13.1
<b>Single Tax/Duty/Issue/Transaction Audits</b>	504	36.8
<b>Total Audit/Investigations</b>	<b>1,160</b>	<b>388.1</b>
<b>Aspect Query</b>	55,302	951.3
<b>Profile Interview</b>	818	30.7
<b>Appraisals (no further action)</b>	61,428	N/A
<b>Assurance Checks</b>	337,094	3.0
<b>PAYE Checks</b>	8,012	14.8
<b>Total Non-Audit/Investigations</b>	<b>462,654</b>	<b>999.8</b>
<b>Total Interventions</b>	<b>463,814</b>	<b>1,387.9</b>

*Table 15: Summary of Selected Sectoral Intervention Results*

Sector	No. of Audits/ Investigations	Yield €m	Risk Management Interventions (RMIs)	Yield €m	Total Interventions	Total Yield €m
<b>Accounting, Bookkeeping and Auditing Activities</b>	16	0.7	362	2.9	378	3.6
<b>Construction</b>	119	7.1	7,208	16.7	7,327	23.8
<b>Doctors</b>	31	5.6	205	2.7	236	8.3
<b>Solicitors, Barristers and Other Legal Activities</b>	9	2.2	295	2.5	304	4.7
<b>Pubs</b>	21	0.5	840	2.7	861	3.2
<b>Rental</b>	47	5	1,815	15.9	1,862	20.9
<b>Restaurants and Fast Food Outlets</b>	64	1.1	1,458	3.2	1,522	4.3
<b>Retailers</b>	99	2.6	5,605	18.6	5,704	21.2
<b>Wholesalers</b>	101	5.4	4,944	16.7	5,045	22.1
<b>Totals</b>	507	30.2	22,732	81.9	23,239	112.1

*Note: These results are included in the overall results on Table 14. This table presents a sample of sectors in alphabetical order.*

**Table 16: Publication**

Period	Number and Total of Settlements in €m		Number less than or equal to €100k	Number between €100k and €500k	Number between €500k and €1 million	Number greater than €1 million	Number and Total of Court determined penalties €k	
<b>Q1</b>	30	21.30	14	11	2	3	0	0
<b>Q2</b>	18	3.39	11	6	0	1	6	730,314
<b>Q3</b>	15	2.80	6	8	0	1	1	35,801
<b>Q4</b>	23	2.80	15	7	1	0	1	21,879
<b>Total</b>	<b>86</b>	<b>30.29</b>	<b>46</b>	<b>32</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>787,994</b>

**Table 17: Publications by Selected Sector**

Sector	Publications
<b>Company &amp; Former Company Directors</b>	5
<b>Construction &amp; Related Trades / Property Developers</b>	8
<b>Farmers / Agricultural Services</b>	9
<b>IT / Computer / Business Consultants</b>	2
<b>Landlords / Short-term accommodation</b>	3
<b>Manufacturing Sector</b>	3
<b>Medical Consultants &amp; Related Services</b>	18
<b>Motor Dealers / Related Trades</b>	5
<b>Professionals / PAYE Employees</b>	25
<b>Publicans / Restaurateurs / Take Away Food</b>	2
<b>Retailers</b>	5

*Note: This table presents a sample of sectors in alphabetical order. A single publication case may fall into more than one sector e.g. someone described as Company Director/Landlord will appear as Company Director and as a Landlord in the table.*

**Table 18: Drug Seizures**

Type of Drug	No. of Seizures	Quantity (kg)	Value (€m)
<b>Cannabis (Herbal &amp; Resin)</b>	5,393	1,746	32.4
<b>Cocaine, Heroin</b>	174	912	71.7
<b>Amphetamines, Ecstasy &amp; other</b>	15,596	3,083	10.7
<b>Total</b>	21,163	5,741	114.8

**Table 19: Excisable Products Seized**

Product	No. of Seizures	Quantity	Value €m
<b>Cigarettes</b>	4,889	60.7m	43.5
<b>Tobacco</b>	1,692	38,246 kgs	24.1
<b>Alcohol (Beer, Spirits &amp; Wine)</b>	3,507	429,478 litres	2.7
<b>Illicit Mineral Oil</b>	10	31,650 litres	-
<b>Oil Laundries</b>	3	12,433 litres	-
<b>Vehicles*</b>	601	601	8.5

\* Vehicles seized for marked mineral oil offences, Vehicle Registration Tax offences and because of use in connection with alleged offences under Customs or Excise law

**Table 20: Cash Seizures**

	2021
<b>No. of Seizures</b>	51
<b>Value (€)</b>	805,948

**Table 21: Cash Forfeiture Orders**

	2021
<b>No. of Forfeiture Orders</b>	30
<b>Value (€)</b>	250,620

**Table 22: Prosecutions for Serious Evasion**

During 2021	Total
<b>No. of ongoing investigations</b>	57
<b>No. of cases referred to DPP</b>	6
<b>No. of cases for which DPP issued directions</b>	6
<b>No. of cases before the Courts</b>	49
<b>No. of convictions obtained</b>	9
<b>No. of summary criminal convictions</b>	231
<b>Total Fines imposed</b>	<b>€599,699</b>

**Table 23: 2021 Mutual Assistance Requests**

Mutual Assistance Requests	Received	Sent	Closed	To Hand End 2021
<b>From/To EU Member States</b>	959	270	986	572
<b>From/To Other Countries</b>	247	91	284	64
<b>Total</b>	1,206	361	1,270	636
<b>Europol Request</b>	410	115	525	0

**Table 24: Training Days Delivered**

Training Category	Training Days Delivered
<b>Audit Programme Training</b>	7,597
<b>Customer Services/Technical Taxes</b>	5,493
<b>Technical Customs &amp; Excise</b>	7,318
<b>Computer/IT/Systems</b>	559
<b>Management/Soft Skills/Online courses</b>	737
<b>Collection &amp; Compliance</b>	371
<b>Health &amp; Safety</b>	232
<b>UL Degree Training Days</b>	2,674
<b>Continuous Personal Professional Development</b>	75
<b>One Learning Training</b>	1,122
<b>Total</b>	<b>26,178</b>

*Note: figures have been rounded upwards, where relevant*

**Table 25: University of Limerick 3<sup>rd</sup> Level Qualifications awarded in 2021**

Award Category	No. of awards
<b>Diploma in Applied Taxation</b>	64
<b>BA (Hons) in Applied Taxation</b>	46
<b>Customs Certificates*</b>	62
<b>MBA</b>	3
<b>Total</b>	<b>175</b>

\* Note: In 2021, customs certificates were awarded to 23 students who completed the programme in 2020 and 39 students who completed the programme in 2021.

**Table 26: Irish Tax Institute – Professional Qualifications awarded in 2021**

Award Category	No. of awards
<b>Certificates</b>	108
<b>Tax Technician</b>	131*
<b>Diploma in Tax</b>	8
<b>Chartered Tax Adviser</b>	5
<b>Total</b>	<b>252</b>

\* Note: A change in how the data is represented when compared to previous years provides a more accurate reflection of actual awards issued. 131 Tax Technician awards equate to 457 Certificates.

**Table 27: Percentage Breakdown of Female Staff in each Grade**

Grade	2021 - Female %	2015- Female %
<b>Assistant Secretary</b>	56%	13%
<b>Principal Officer</b>	58%	35%
<b>Assistant Principal</b>	55%	43%
<b>Administrative Officer / Higher Executive Officer</b>	55%	52%
<b>Executive Officer / Staff Officer</b>	64%	71%
<b>Clerical Officer</b>	69%	73%
<b>Service Officer</b>	36%	38%
<b>Total</b>	<b>62%</b>	<b>63%</b>

**Table 28: 2021 FOI Requests**

Category	2021
<b>Received</b>	205
<b>Full Release</b>	32
<b>Partial Release</b>	102
<b>Refused</b>	59
<b>Dealt with Outside of FOI/Withdrawn/Transferred</b>	5
<b>Request for Internal Review</b>	20
<b>Appeal to the Information Commissioner</b>	8

*Table 29: 2021 Internal & External Reviews*

Case Details	Internal	External	Total
Requests brought forward	0	6	6
Cases admitted in year	5	17	22
<b>Total</b>	<b>5</b>	<b>23</b>	<b>28</b>
Number finalised in year	3	17	20
Decision in favour of customer	0	3	3
Decision against customer	2	13	15
Decision revised/partly revised	0	1	1
Discontinued	1	0	1
On hand at year-end	2	6	8

*Table 30: Complaints Relating to Revenue Completed by the Ombudsman*

Outcome	Number of Complaints
Upheld	4
Partially upheld	2
Not upheld	12
Assistance provided	6
Discontinued/Withdrawn	1
Discontinued premature	0
Outside remit	0
<b>Total</b>	<b>25</b>

*Table 31: Compliance with Prompt Payment of Accounts Act*

Payment Made	Number	Value €	% of Total No. of Payments made
Within 15 Days	10,496	127,579,314	93.02
Within 16-30 Days	752	8,840,422	6.66
In Excess of 30 Days	36	158,804	0.32
<b>Total</b>	<b>11,284</b>	<b>136,578,540</b>	<b>100.00</b>
Additional Information	Number	Value €	
Late payment interest paid in 2021	24	1,389	
Compensation costs paid in 2021	24	1,560	
Average days taken to make payment	9	–	

# Appendix 1 - Donation of Heritage Items

## Donation of Heritage Items

Section 1003 of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage items to the national collections. The following items were donated in 2021.

- The Installation of Captain Rock, valued at €1,000,000
- Port of Cork Collection, valued at €891,000
- Two separate collections of Irish silver dating from the 17th to 20th centuries, valued at €875,000 and €750,000 respectively.

The value shown is the market value of the items.

## Donation of Heritage Property to the Irish Heritage Trust/Commissioners of Public Works in Ireland

Section 1003A of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a taxpayer donates certain heritage property to the Irish Heritage Trust or the Commissioners of Public Works in Ireland.

There were no donations under this scheme in 2021.



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