Response Number 799

Q.1 What are your views on the proposal to introduce real-time reporting for B2B and B2G transactions?

[redacted]. The vast majority of our sales are in store to the general public. The majority of our costs are imported stock. We may have the occasional business customer in store, SMEs particularly, but the stated aim of the real time reporting, facilitating easier compliance, is not relevant to us given our business model.

Q.2 What matters should be considered in planning for a transition to a new VAT Reporting system?

A risk-based approach, targeting known areas of noncompliance, and this includes deminimis thresholds below which business will not be required to report. Also, given the low level of B2B sales in our business, any cost of implementation needs to be commensurate with the benefits.

Q.3 If your business is currently subject to a VAT reporting programme in another EU or non-EU country, can you please share best practice, recommendations or lessons learnt?

[redacted] in a number of EU Member States. Many States have introduced variations on real time reporting, and e-invoicing. A common theme, and a common complaint, is lack of official guidance, short lead in times, and failure to adopt common protocols. This has meant a lack of harmonisation and a lack of certainty.

Q.4 Have you any observations, concerns or recommendations on a move to mandatory electronic invoicing for B2B & B2G domestic VAT transactions?

Instead we account for what has been recoded as a sale at the till rather than what has been invoiced. For this reason, we are not sure that electronic invoicing addresses any risks, nor brings any benefits. We would add a further point; customers who ask for a VAT Invoice may be Retail Export customers who later obtain a refund of the VAT. At point of sale we may not know whether this is a domestic transaction. There will therefore be a mismatch between the invoice and the final VAT reported. Again, e invoicing does not address any risk in our circumstances.

Q.5 Revenue is particularly interested in hearing views from businesses that are already engaged in eInvoicing Public Bodies within Ireland or engaged in B2B eInvoicing throughout Europe and beyond. How did you prepare and what challenges prevailed in your preparations for eInvoicing?

[redacted] we have experienced the introduction of B2B invoicing in a number of other EU Member States. A common theme is lack of lead in time, lack of certainty, lack of harmonisation. The principal challenge remains common in our business, that we are not a B2B seller, but instead will have occasional, sporadic business customers to whom we need to react at point of sale. As stated before, unlike other businesses for whom the process of sending invoices to customers is integral to their business model, the invoice we create reactively at point of sale is not part of our accounting or control process.

Q.6 What suggestions would you offer in Ireland's arrangements for a mandatory B2B and B2G eInvoicing programme?

Ideally we would want to see a deminimis threshold that exempts low value transactions, or exempts entirely business that trade overwhelmingly B2C and for whom the invoice is not a record of sale, but instead a post sale document.

Q.7 Revenue are cognisant that small businesses may have different perspectives and

requirements to large businesses, so what information prompts would you find useful for businesses in completing the VAT return?

We are not a small business, but our B2B sales transactions are small and we refer you to the previous answer.