

Sample Summary of Internal & External Review Decisions issued in 2020

No.	Review	Summary of Request	Decision	Summary of Reviewer's findings
1.	External	Request for a review of Revenues handling of an audit; allegation that books and records were unlawfully detained by Revenue officials and that Revenue officials dealt with persons not entitled to act on behalf of the company.	Against Taxpayer	The Reviewer has decided that no intervention by him is warranted and has therefore found in favour of Revenue. He has noted that the complainants' firm had assisted in the conduct of the audit and subsequently became directly involved. He further states: "...Your decision not to intervene (during the audit) can only lead to the conclusion that you were satisfied in the manner in which the audit was carried out. Your attitude only changed after Revenue raised assessments in respect of additional liabilities".
2.	Internal	Request for an Internal Review of the imposition of a statutory interest charge on late payment of Preliminary Corporation Tax 2017.	Partly Revised	The Reviewer has found that the approach adopted by Revenue was in accordance with the relevant legislation. He has however suggested that it would not be unreasonable for Revenue to allow the taxpayer some level of mitigation under its Care and Management provisions, in light of the unusual and specific circumstances of this case. His view is that mitigation of at least 50% of the interest charged would be appropriate in the specific circumstances of this case.
3.	External	Request for review of the level of penalties and interest imposed by Revenue on overdue liabilities.	Against Taxpayer	The Reviewer has found that the outstanding liabilities had not been paid on the due dates; settled over 5 and 6 years later. He noted that as a consequence of the late payment statutory interest charges arose. He also pointed out that Revenue had afforded the taxpayer opportunities to pay the outstanding tax and interest by instalments and that these offers had not been availed of. The Reviewer therefore found that as a consequence, the collection of the liabilities due was referred to the Sheriff adding further charges for his fees.
4.	External	Request for a review of the Collector Generals overall handling of a case.	Against Taxpayer	The reviewer found that Revenue officers dealt with the taxpayer's case in a competent and professional manner, in accordance with Revenue's Customer Service Charter and the CS4 complaints procedures. He also stated that he did not consider that senior peer-on-peer complaints' reviews in specialist functions such as the Collector-General's Division undermine the authenticity of the CS4 complaints protocol, noting that an aggrieved taxpayer retains the option of an independent external 'stage 3' review.
5.	External	Request for a Review of the seizure of a vehicle	Against Taxpayer	The External Reviewer found that the local reviewers' findings were reasonable and made

		and the circumstances surrounding that seizure by customs officers.		after full consideration of the complainants' comments. The External Reviewer also stated that he saw no evidence that would cause him to alter the Local Reviewer's decision. On that basis he decided that no intervention by the External Reviewer was warranted in this case.
6.	External	Request for a review of Revenue's decision to refuse mitigation of penalties/surcharges for the late filing of iXBRL financial statements.	Against Taxpayer	The Reviewer has found that the surcharges have been calculated in accordance with the legislation, and Revenue are correct in applying the legislation as being the wishes of the Legislature; the three month extension granted by Revenue for submitting iXBRL files was granted by Revenue to assist taxpayers, not the Revenue, in the switch to electronic filing. The Reviewer also agrees that Revenue having granted all taxpayers a 3 month extension, any further extension for the same 'default' would seem inappropriate and that Revenue have clearly applied the concession as described in its eBrief 75/16. Consequently, a lower rate of surcharge cannot arise under the 3 month concession.
7.	Internal	Request for a review of Revenue's decision to request a 'VAT group' to adjust its VAT recovery rate for certain years and remit any consequent interest and penalties arising on the adjusted amounts to Revenue.	Against Taxpayer	The reviewer found that the methodology used to calculate the VAT recovery rate by the 'VAT group' was far removed from normal recovery methodology in the particular industry. The 'VAT group' had not sought advance clearance before it implemented a methodology based on an agreed approach which is used in a different industry. He is of the opinion that the calculation used by the 'VAT group' is not acceptable as the methodology applying in the other industry was a bespoke solution developed for that industry because of the particular complexities and volumes present and therefore the methodology concerned is not transferrable. In summary, the reviewer considered all the relevant points made by the agent in his submission and considers that the approach adopted by Revenue in this case is appropriate having regard to the relevant legislation and guidance and that their findings, conclusions and conduct are not manifestly incorrect or unreasonable in relation to the calculation of dual use inputs.
8.	External	Request for an External Review of Revenue's decision to impose a surcharge in respect of the late filing of iXBRL financial statements.	Partly Revised	The Reviewer found in favour of Revenue as he considered that the surcharge was properly imposed. However, he also recommended that due to certain specific mitigating circumstances that applied in this case, the surcharge payable should be reduced to half of its normal level. (This case is linked to 9 below)

9.	External	Request for an External Review of Revenue's decision to impose a surcharge in respect of the late filing of iXBRL financial statements	Partly Revised	The Reviewer found in favour of Revenue as he considered that the surcharge was properly imposed. However, he also recommended that due to certain specific mitigating circumstances that applied in this case, the surcharge payable should be reduced to half of its normal level. (This case is linked to 8 above)
10.	External	Request for a Review of the decision by Revenue to apply 23% VAT to past sales of a particular food supplement.	Against Taxpayer	The reviewer declared in respect of the primary document relied upon by the claimant that, in his opinion the content of the letter concerned is not enforceable; it is merely indicative of Revenue's thinking at the time but the wording falls short of issuing a confirmatory ruling or taking the form of a legal offer that requires formal acceptance to be valid. He further commented that having reviewed the relevant correspondence issued subsequent to the letter relied upon, he agrees with a comment by Revenue that the letter concerned 'expressed a preliminary view to facilitate the on-going consultation process'. He further commented that he has not seen anything to dispute the view that the consultation process did not reach a satisfactory conclusion and the framework discussed in the letter was not in fact adopted.
11.	External	Request for a review of Revenue's decision to take corrective action in regard to tax deductions claimed and charge and collect the resulting additional liabilities.	Against Taxpayer	The reviewer has found in favour of Revenue on the grounds that the disallowed claim for relief is in accordance with the legislation. He has further noted that this applies regardless of any advice that the taxpayer may have been given. The claim was made under the self-assessment system but was not eligible for relief. Revenue was correct therefore in amending the assessments to disallow the relief which had been incorrectly claimed. In recognising that errors may also have been made by Revenue a formal apology was issued; the taxpayer was facilitated by the collection of the underpayment arising over an extended period of 4 years without the imposition of interest and charges.
12.	External	Request for a review of Revenue's rejection of the company's application for admittance to the Temporary Wage Subsidy Scheme (TWSS) due to 'an administrative error on our part'.	Against Taxpayer	The reviewer expressed his sympathy for the company's particular predicament but has found in favour of Revenue's position on the matter. Revenue was unable to take account of the particular circumstances of this case and to treat the company as a 'special case' as to do so would, in Revenue's view, be unfair to other taxpayers. He noted that the company has subsequently been admitted to the TWSS successor scheme; Employment Wage Subsidy Scheme (EWSS). He also noted that the company has received

				'sweepback payments' in accordance with the provisions of the new scheme which the company would not have been eligible to receive had they been receiving TWSS grant assistance for the months concerned.
13.	External	Request for Review of Revenue's decision that the taxpayer's claim (Domestic Employee) does not fall within the scope of the Temporary Wage Subsidy Scheme (TWSS).	Against Taxpayer	Decision: The reviewer has found in favour of Revenue as he does not consider Revenue's opinion (essentially that to benefit from the wage subsidy, an employee needs to be employed by and work for the affected business) to be 'clearly incorrect'.