

# TALC AUDIT Sub-Committee Meeting Minutes

Tuesday 18<sup>th</sup> February 2020 – 10.00am

Revenue Commissioners, Planning Division, Bishop's Square, Dublin 2.

## Attendees:

Practitioners:	Gerry Higgins (Chair)	CCAB-I
	Kimberley Rowan	CCAB-I
	Julie Burke	Irish Tax Institute
	Jim Kelly	Irish Tax Institute
	Aidan Lucey	Irish Tax Institute
	Mary Healy	Irish Tax Institute
	Liam Grimes	Irish Tax Institute
	Ruth Higgins	Law Society

Revenue:	Kathleen Redmond	Revenue
	Pdraigh Donnelly	Revenue
	Fay Kearney	Revenue
	Stephen Flynn	Revenue
	Miriam Scahill	Revenue
	Bernadette Davis	Revenue
	Emma Murphy (Secretary)	Revenue

Apologies:	Brian Boyle	Revenue
	Tom Martyn	Law Society
	Sandra Brennan	Irish Tax Institute
	Paul Dillon	CCAB-I

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## Item 1 – Review of Minutes of Meeting held 26th November 2019

Gerry Higgins, the new chair for 2020, welcomed the participants.

Subject to one amendment, proposed by CCABI and agreed by the meeting, the draft minutes of the meeting on 26<sup>th</sup> November 2019 were agreed.

They will be circulated to the group and published on Revenue's website.

## Item 2 – Work Plan 2020

The draft work plan for 2020 had been circulated in advance of the meeting. Participants requested a further opportunity to submit proposals for inclusion. These are to be circulated in advance of the next meeting.

### 2.1 Code of Practice for Revenue Audit and other Compliance Interventions

Revenue updated the group on their current project to review the suite of compliance interventions. When this work is completed there may be revisions needed to Code of Practice to reflect any changes made. Revenue were not in a position to provide a precise timeframe for this as yet but indicated that they would hope to have something to bring to the group in the second half of the year. Practitioners undertook to put forward ideas and suggestions for the revised Code in advance of the next meeting

### 2.2 National/Divisional Projects

An update was provided on a number of significant National/Divisional Projects. An overview of the planned 2020 Divisional Projects will be given to the Committee at the next meeting.

#### Medical Locums

There are 230 open audits open as of the 17<sup>th</sup> January 2020 in the Medical Locums project. There may be other cases opened in the coming months but nothing on a large scale. The project is overseen by a steering group to ensure consistency across the Divisions.

#### Foreign Income and Assets Disclosures

There are 67 cases open across the Divisions. This represents 2% of the submissions received however it accounts for 16% of the estimated yield.

#### Non-Filer Programme

An update was then provided on the non-filer programme for 2020. The IT non-filer letter issued in early February. The practitioners have found it helpful to be provided with a copy of the IT non-filer letter. The CT non-filer letters are due to be issued the week beginning 6<sup>th</sup> March 2020. The programme is targeted towards companies whose financial year-end occurs during 2018 who have not yet filed their CT return; 26,000 letters will issue. Revenue advised that a copy of the CT non-filer letter would be circulated to the practitioners when finalised.

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## Short-Term Letting Project

Revenue have commenced a pilot project on short term lettings. To date 44 Aspect Query letters have issued and more are expected to issue. The Aspect Query letters are a follow on from the Service for Compliance letters which previously issued.

## Automatic Exchange of Information (AEOI)

There are a range of intervention projects being conducted using data received under the various AEOI arrangements (DACs, FATCA and CRS). Revenue will organise a presentation on this topic for the next meeting.

## Older Cases

An update was also given on interventions that were opened prior to 2016). The number of open cases has reduced significantly in the last year and as of 31<sup>st</sup> January 2020 there are 293 open cases and 474 cases at appeal. There will be a further breakdown of the figures provided for the next meeting.

## **Item 3 – PMOD**

Revenue confirmed that PMOD engagement is still mainly within a service for compliance mode. Revenue are continuing to support employers who may experience genuine difficulties in complying with their obligations but also emphasised that employers who are engaging may be subject to the application of penalties

Practitioners indicated that there were still some issues in relation to proprietary directors that have not yet been addressed in Revenue's guidance notes. The practitioners provided examples of the issues that they are encountering. Revenue undertook to follow up and provide any necessary clarification to the published guidance.

Revenue was asked to confirm if self-correction would continue to apply to 2020. Revenue will confirm the position and reflect this in the Code of Practice in the coming weeks.

## **Item 4 – Compliance Interventions**

As a follow-up to the submission made by the practitioners during 2019 on Audit Procedures and Processes, Revenue undertook to carry out a Quality Assurance review on the case management of audit interventions. Revenue outlined that the case management system used by the organisation (RCM) allows for real time recording of all contacts with taxpayers and their agents during the course of a compliance intervention.

Following an examination of closed audits, almost all audits showed proactive engagement by both Revenue and the taxpayer/agent. In the few cases where it was not evident in RCM, an examination of the file either confirmed that proactive engagement had taken place and where there was no cooperation appropriate action was taken e.g. assessments raised.

Overall, there is evidence of proactive engagement between taxpayers, their agents and Revenue. A similar review will be conducted regularly, and the committee will be updated on the findings.

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### Item 5 – Issues raised

An example was provided by the practitioners in relation to a difficulty in contacting the correct Revenue official when the query could not be dealt with at the first point of contact. Revenue explained that the contact numbers provided should enable most queries to be dealt with at the first point of contact. However, the nature of the

Action Points from this meeting	Responsible	Deadline
Practitioners invited to submit comments/proposals in relation to the Code of Practice.	Practitioners	ongoing
Non-filer programmes 2020 – Revenue will circulate the CT non-filer letter	Revenue	March 2020
Presentation on AEOI	Revenue	Next meeting (April 28 <sup>th</sup> 2020)
Significant / Divisional Projects update to include non-filers programme and legacy cases project	Revenue	Next meeting (April 28 <sup>th</sup> 2020)
Revenue to review guidance on proprietary directors under the PMOD system	Revenue	Next meeting (April 28 <sup>th</sup> 2020)
Revenue to confirm position on PREM self-correction	Revenue	Next meeting (April 28 <sup>th</sup> 2020)

query may have necessitated the query being transferring to a specialised area/case worker.

### Item 6 – AOB

There was no other business. Gerry Higgins closed the meeting by thanking everybody for attending.

The next meeting of the TALC Audit Sub-Committee April 28<sup>th</sup> 2020 at 10am in the Conference Room, Bishop's Square.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee