

Minutes of TALC Direct and Capital Taxes Sub-Committee Meeting

8 December 2021

Skype conference call at 2:30pm

These minutes should be read in conjunction with the agenda, notes and materials for the meeting.

Item 1: Review of minutes from meeting of 1st November 2021.

It was noted that the minutes from the meeting of 2nd September 2021 had been approved by email.

Item 1 of the agreed minutes noted that “subsequent to the meeting, it was confirmed that the updated guidance will apply for tax returns due for filing in 2022 and subsequent tax years”. In the interest of clarity, Revenue confirmed that updated guidance will apply for tax returns related to 2022 and subsequent tax years. Updated guidance applies with effect from 1 January 2022. This aligns with further clarifications provided by Revenue as set out in Item 10 below.

It was agreed that the minutes from the meeting of 1st November, which each body had commented on, could be agreed by email following the meeting.

Item 2: Matters arising from meeting on 2nd September 2021.

Matters arising were as follows:

a. **Section 980 – Update on the software functionality enhancement planned for September and October 2021.**

Revenue noted that the updates for (i) certificates to no longer state the market value of the asset, and (ii) to include an option where an asset is sold for non-monetary consideration, had both gone live.

b. **Update from Revenue on matters where submissions have been made.** - Addressed as part of agenda item 4.

c. **Update from Revenue on Revenue Guidance.** - Addressed as part of agenda item 11.

d. **CAT returns, Form SA2 & PPS Numbers – Status following meeting between Revenue and practitioners.**

Revenue noted that there had been two meetings with practitioners on 7th October and 2nd November, which had been very productive. In particular, Revenue noted that practitioners had provided detailed submissions in respect of issues with the ‘prior benefits’ field on the Form SA2 being mandatory, which had been very useful and as result, the field would now be non-mandatory. Revenue stated that they still require this information in general, but noted that they understand it was difficult for practitioners to obtain in certain circumstances.

Revenue also noted that there had been discussions in respect of the requirement for a PPSN to be provided for non-resident beneficiaries and acknowledged that while there were certain exceptional cases, this requirement will remain. The Law Society noted their disappointment with this outcome.

It was agreed that the discussions in respect of PPSNs could be removed from the agenda, but CAT returns and the Form SA2 would remain as an agenda item, as there will be further discussions between Revenue and practitioners.

e. **Sections 31C and 31D SDCA 1999 related queries. Status? – has Revenue received the further information from practitioners in relation to the interplay with section 80 SDCA 1999?**

Revenue noted that no further information had been received to date. It was agreed to remove this item from the agenda.

f. Administrative requirements on Foreign Companies requiring a TRN purely to file a stamp duty return. Status?

Revenue noted that there had been requests for the new requirements for foreign companies applying for a stamp duty number to be postponed until the relevant TDM had been updated. The TDM had since been updated, and Revenue asked practitioners whether they had any queries or comments.

Practitioners stated that the requirement for a company to identify 'associated companies registered for tax in Ireland' is burdensome for companies, and may give rise to further discussion in future. It was also noted by practitioners that while they had understood that the additional information was being requested to ensure compliance with conditions for stamp duty relief, such as associated companies relief, the information requests were being made even where no relief was being claimed, and queried whether it could be restricted to relief situations.

Revenue stated that the information was being collected to facilitate future compliance interventions by Revenue, and generally to enhance Revenue compliance. Revenue agreed to consider the point further, but noted that they need to ensure that they have complete information as where a company has Irish associates, there is potential for the movement of assets within the associated group, which Revenue needs to be able to track. Revenue acknowledged practitioners' request to only require this information where relief is being claimed, but stated that it would be difficult to implement this.

g. Definition of a close company and its relevance to charities. Status? – has Revenue received examples from practitioners?

Revenue stated that they hadn't received any further information from practitioners. It was noted by a practitioner that the client in question didn't wish to make a named submission, but that it was common for charities to have trading subsidiaries without intending to pay dividends, which gave rise to this technical point. Revenue noted that their expectation is that the close company provisions aren't intended to apply to charities, but a submission setting out how issues may arise (on an unnamed basis) would be useful. Practitioners agreed to make a submission to Revenue.

h. Section 110 – withholding tax deduction. Status? – has Revenue had an opportunity to consider this further?

Revenue noted that they remain of the view that this is a legislative matter rather than one that could be dealt with via guidance, and it has been passed on to the Department of Finance. Practitioners stated that their submissions had set out a number of positions that could be worked around using guidance, particularly as section 110 companies were unwittingly being caught in the crossfire.

Revenue acknowledged that section 110 companies were being impacted, but stated that interpretations cannot be ring-fenced just for section 110 companies. Practitioners expressed concern that there hadn't been any progress to date, and requested that the Department of Finance give an indication of the policy direction early next year, to avoid delays with the following year's Finance Bill. Practitioners also noted that it was disappointing from an 'Ireland Inc' perspective that issues such as this one weren't resolved in a timely manner. It was agreed that this item should remain on the agenda until it is resolved and that Revenue would keep the committee informed of any updates.

i. Negative interest rates. Status? – has Revenue received a submission from practitioners?

Revenue noted that two submissions had been received and discussed, and it wasn't clear what the outstanding issues were, as there was no loss relief under Cases III and there was effectively none for Case IV so there was no benefit to considering them, and trading companies would fall within Case I /

section 81 TCA principles. As such, Revenue stated that they could not give a blanket statement on deductibility, as it would depend on the trade.

Practitioners queried why no loss relief would be available under Case IV. Revenue noted that interest income taxed under Case IV has suffered DIRT and that individuals who suffered DIRT could never receive a refund thereof. As Case IV loss relief is only available against 'other similar income' the only income against which a loss, if negative interest was a loss, could be offset is the other interest which suffered DIRT. As no refund can arise, there is effectively no relief valuable and therefore no point in determining if the negative interest is a loss.

Practitioners raised a concern regarding the proposed 'symmetrical treatment' of positive and negative interest, noting that there are circumstances where negative interest is charged which would be deductible if it was used for working capital purposes as it was supporting trading activities. Revenue agreed with this point, but noted that this will still be determined on a case-by-case basis, depending on what the money that attracted negative interest was used for.

Practitioners then asked Revenue whether an individual not chargeable to DIRT (such as a pensioner) who was in receipt of interest income could set negative interest against the interest income, and Revenue said that such a query is specific enough to be submitted to Revenue for review.

Practitioners also queried whether an unincorporated firm of solicitors suffering negative interest on client funds could deduct the interest, and Revenue stated this would again depend on the facts and circumstances.

The characterisation of negative interest was discussed, and Revenue noted that such charges could be considered annual payments that suffer withholding, and stated that they would consider any detailed submissions made on this point, as it would have general applicability.

Certain practitioners noted that they had not seen a copy of the submissions made, and it was agreed that they would be re-circulated to all bodies.

j. **Anything else**

Practitioners noted that it had been previously agreed that 'letters of no audit' would remain on the agenda until the matter was resolved. It was noted that the issue had been discussed at the Main TALC meeting the previous day, and minutes with a detailed update should be published soon. Practitioners stated that the progress mentioned at Main TALC in respect of splitting the issues into two separate issues, introducing a new procedure for cases involving a deceased individual and publishing a new TDM, reflected the position from July 2019, and that there had been no change since then despite comments on a draft TDM being given in June 2021.

Revenue acknowledged that the impression for those present at the Main TALC meeting was that there had been substantial progress, particularly in respect of cases involving deceased individuals. It was agreed that the participants at the Main TALC meeting may not have been aware of the status of this issue in June, which was regrettable, but Revenue stated that the new TDM should be published in mid-January and would be circulated to all practitioners involved with its progress.

Separately, Revenue noted that practitioners had questioned whether there was a conflict between sections 95 and 100(8) CATCA at the September meeting. Revenue stated that the minimum ownership requirements for business relief under section 94 CATCA were relaxed in certain circumstances, such as under section 95 CATCA's provisions regarding replacement business property and as section 100(8) CATCA covers newly acquired property, which is not replacement property, Revenue is of the opinion that they don't conflict as 'replacement property' would not be 'excluded property' under section 100(8) CATCA. Practitioners welcomed this confirmation.

Item 3: Matters arising from meeting on 1st November 2021.

Matters arising were as follows:

- a) **Proposed section 617A TCA being limited to mergers by absorption - Status? – has Revenue received examples from practitioners?**

Revenue noted that they had received a submission from the Law Society on 6 November, and issued a response on 11 November noting that the concerns raised related more to the Companies Act 2014 than the TCA, but they were happy to consider any further submissions in respect the application of sections 615 and 617 TCA to the matters raised in the submission of 6 November. It was agreed that the submission and response would be circulated to all bodies.

- b) **Deduction in respect of certain expenses of remote working, and whether the legislation should be amended to differentiate between the position for PAYE and self-assessed taxpayers – Status?**

Revenue stated that they do not plan to differentiate between self-assessed and PAYE taxpayers for the time being, but will consider this further after the end of the year. They noted that self-assessed taxpayers will only have to submit receipts for tax year 2022 onwards, and the returns therefor will not be prepared until 2023, so it will depend on the legislation then.

Practitioners queried whether the requirement to provide receipts would be in the guidance, and Revenue noted that if self-assessed taxpayers wanted to claim the relief at the end of the year rather than in real time, they would also require receipts. Practitioners expressed concern that this was placing a lot of burden on self-assessed taxpayers, as most self-assessed taxpayers prefer to claim relief in their end of year tax return. Practitioners also noted that to date, there had been a lot of verification checks by Revenue, and the administrative burden thereof could seriously impact the use of remote working relief. It was agreed to keep this matter on the agenda for 2022.

- c) **Sections 18 and 36 of Finance Bill 2021 – Status? – did Revenue receive submissions from practitioners?**

Revenue stated that a submission from the Irish Tax Institute had been received on 5 November, which was shared with the Department of Finance, but did not result in any changes to the legislation. Practitioners noted their dissatisfaction with the position for non-resident landlords.

- d) **Amendment of Part 16 of Principal Act (relief for investment in corporate trades) – Status? Did Revenue (i) consider the ‘connected persons’ rules for limited partnerships and investment limited partnerships, and (ii) discuss the reintroduction of a condition relating to increased employment / R&D with the Department of Finance?**

Revenue noted that when consideration was being given to the extension of the EIIS scheme to limited partnerships and investment limited partnerships, Part 16 (including the ‘connected party’ rules) was reviewed thoroughly to ensure that the fund structures would be workable as the intention was to give investors other pathways to investing using EIIS, not to create a different scheme.

Practitioners stated the reintroduction of the condition relating to increased employment and R&D was a bigger concern, as it seemed to be moving backwards and didn’t reflect policy. Practitioners noted their disappointment that there had been no changes to this condition at the committee stage. Revenue stated that it is not a reintroduction, but a correction of an oversight whereby the conditions were removed by mistake. This is the view of the Department of Finance also. The intention in Finance Act 2019 was to remove the requirement to claim the relief in two tranches only and to maintain the requirement to meet

the employment related conditions. Practitioners viewed this as complicating the scheme, where it had previously been simplified.

- e) **Amendment of Part 35C of Principal Act (implementation of Council Directive (EU) 2016/1164 of 12 July 2016 as regards hybrid mismatches)** - Revenue informed practitioners that section 835AVA TCA would be amended to include the words 'directly or indirectly', and the wording in respect of common contractual funds in section 835AVD TCA would be reworked also. Status?

Revenue confirmed that the relevant amendments had been made to the legislation.

- f) **Interest limitation - Status? – did Revenue receive submissions from practitioners on the €3 million cliff edge, borrowing-related derivatives, the interpretation of 'interest equivalent', or other items?**

Revenue confirmed that no submissions had been received and while the issues raised had been raised with the Department of Finance, no changes had been made to the legislation.

- g) **Covid-19: special warehousing and interest provisions (income tax) - whether a PPA automatically ceases if a director, who has entered into a PPA, filed their income tax return early and submitted the requisite declaration to avail of warehousing of their Schedule E liability.**

Revenue confirmed that a director will have to contact the Collector General in order to cease a PPA. Revenue also noted that if the PPA covered more than a Schedule E liability, it can also be amended to exclude the Schedule E liability by contacting Revenue.

Item 4: Update from Revenue on various matters.

4.1	Submissions on the Stamp Duty – Associated Companies Relief TDM. Submissions on the Stamp Duty – Associated Companies Relief TDM.
	Revenue noted that this had not yet been considered, and would be on their agenda for early next year.
4.2	Submission on Employment Investment Incentive Scheme (EIIS), regarding whether an anti-dilution clause in a constitution could render a shareholder a connected person under section 500 TCA 1997.
	Revenue thanked practitioners for providing a sample anti-dilution clause, and confirmed that such a clause should not render a shareholder a connected person, on the understanding that the purpose of the clause is to prevent a company from diluting the shares of an early investor. While section 500 TCA states that a shareholder is 'connected' where they have an interest in the capital of the company, bonus shares (such as may be granted pursuant to anti-dilution rights) don't render the shareholder connected, as sections 584 and 508K TCA treat the issue of bonus shares as a reorganisation of share capital, and the bonus shares are not considered 'new'. Revenue stated that this view is on the basis that the bonus shares would be the same class of shares and the same rights would attach. Practitioners noted that this confirmation was very helpful, but queried whether bonus shares with different rights where the initial shares were ordinary shares when such shares were eligible under the scheme, such as preferential rights to dividends, would be covered by this view, as such shares would still be eligible under the Part 16 definition. Revenue confirmed that this should be in order, once all shares were considered qualifying shares.
	Practitioners also asked whether an earlier query on the meaning of 'liquidation preference' had been considered, and Revenue stated that it had been answered at the September meeting.

4.3 Submission in respect of the basis of taxation on the commutation of a foreign pension which accumulated from contributions out of foreign income.

Revenue stated that they had reviewed the submission, and continued to hold the view that precedent 28 no longer applies, but noted that more detail from practitioners would be useful. Revenue noted that their view is that if a lump sum is paid before an individual becomes resident, there is no issue whereas if it is paid after they become resident, it is treated as income of that year rather than being treated as capital.

Revenue stated that section 200 TCA could apply to relieve income tax on foreign pensions, for example, on ROTH IRAs. Practitioners queried whether there could be an offline discussion in respect of the submissions, in order to understand the level of detail required by Revenue. Practitioners stated that there are plenty of 'live' cases and queries that are underpinned by precedent 28, and asked Revenue whether there had been a change in policy or interpretation and if so, how lump sums should be taxed. Revenue stated that they hadn't been aware that precedent 28 was still being relied on, and their position is that a lump sum is Case III income, but they are open to considering it further.

Practitioners queried why a lump sum from a foreign pension is now treated as income rather than capital as precedent 28 had been in place since the 1980s without being challenged. Revenue stated that the lump sum had always been considered income, but it wasn't taxable. Revenue noted that they had reviewed a number of precedents recently to ascertain which were no longer in force based on the 5-year rule, but practitioners queried whether the 5-year rule applied as precedent 28 had been based on legislation at the time.

Revenue said that they are open to equalisation treatment, and practitioners agreed that the confusion arose based on the different treatment of lump sums from Irish and foreign pensions. Practitioners also noted that the established approach is that income which accumulates when an individual is neither resident nor ordinary resident is capital, and queried why different treatment should apply to money accumulated abroad and put in a pension. Revenue differentiated the position on the basis that the income from the pension is being paid when the individual is resident, and practitioners argued that this is more akin to an annuity rather than a lump sum.

Practitioners also noted that there were several examples of precedent 28 being used in the past 5 years, and being referenced in correspondence with Revenue. Revenue requested that details of the timeframes and Revenue departments that were involved be provided to them, and agreed that it would be considered whether guidance or new legislation could be used to provide equalisation.

4.4 Submission regarding the position of Section 110 companies who suffer foreign tax on their income.

Addressed as part of agenda item 2(h).

4.5 The draft TDM on the treatment of certain gains and losses on Foreign Currencies for corporation tax purposes.

Revenue stated that they had sympathy for the issues raised, but there were no further updates since the September meeting. Revenue confirmed this matter will be raised with the Department of Finance and Revenue has paused publishing guidance until this matter is resolved.

4.6 The draft TDM on the classification of foreign entities for Irish tax purposes.

Revenue stated that the TDM is still a work in progress and acknowledged that it has been on the agenda for a while. It was noted that Revenue had been awaiting a High Court decision which had been delayed, and the TDM would be prioritised in Q1 2022.

4.7 TDMS Part 27-01a-02 – “Investment Undertakings”, Part 27-01a-03 – “ETFs and ETCs” and Part 27-02-01 – “Offshore funds”.

The Irish Tax Institute made submissions, which were addressed as part of agenda item 10.

4.8	The TDM on the payment and receipt of interest and royalties without deduction of income tax, regarding annual payments and difficulties experienced getting the US tax authorities to stamp the self-certification form.
	Revenue noted that there had been significant correspondence on DTT relief at source and while there had been requests to extend it to other annual payments, Revenue had no intention to do so but would welcome a detailed submission thereon. Practitioners stated that two detailed submissions had been made to LCD which focused on patent royalties, and the Revenue officials confirmed that they would review these in order to avoid unwittingly giving extensions to all annual payments.
4.9	The TDM Payments on Termination of an Office or Employment or Removal from an Office or Employment regarding other forms of termination that may arise in which the ‘fire and rehire’ paragraph may be relevant, and inclusion of commentary and / or examples of situations covered by the ‘change in the functions of employment’ limb referred to by the legislation (which Revenue agreed to consider).
	Revenue noted that the ‘fire & rehire’ issue had been discussed at the September meeting, where they had indicated it would be useful to understand specific concerns, but hadn’t received further information yet. In respect of the change in function of employment, Revenue stated that they do like to provide concrete examples, but that it was difficult to provide a general example, as it was dependent on facts and circumstances.
	In considering the change in functions point, Revenue stated individual facts and circumstances would apply and therefore if practitioners need clarity on a specific case this can be raised with Revenue Technical Services (RTS).
4.10	The Share Schemes Manual - Chapter 8 - Restricted Shares, on amending the paragraph in relation to restricted shares to include the UK (in accordance with the Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2019).
	Revenue acknowledged that this point was picked up at the September meeting, and noted that as a number of changes will be made to the Share Scheme TDM, it was proposed that all changes be made at once and that the updated TDM will be published before the end of the year.

Item 5: Finance Bill 2021 issues

Practitioners requested confirmation on which information will be mandatory and which will be optional in the form CT1 in the context of interest limitation. Revenue noted that they are working with the team developing the form CT1 for 2022 to identify the mandatory and optional information. Revenue stated that if a company is stand-alone, it will be able to indicate its status, but the reporting regulations may depend on the attributes or exemptions that apply. Revenue stated where exemptions apply a company or interest group may still decide to record information, therefore, claiming the relief may not automatically mean there are no reporting obligations. Where the *de minimis* applies the taxpayer will be asked to confirm it applies. Revenue confirmed it is mindful of the compliance burden for taxpayers and is taking this into account throughout the development process.

Practitioners also requested clarification on the consequences for a relevant entity wishing to claim total spare capacity in future where it may not have tracked its capacity for the previous five years (for example, where it did not previously have an interest expense). Revenue stated that every company will need supporting documents to show their spare capacity as it should track its capacity every year. Practitioners noted that a company will have capacity even where it isn’t paying interest, so a company should know whether it’s mandatory to track capacity even where it doesn’t expect to claim an interest deduction in future. Revenue stated that it makes sense for companies to track capacity yearly, but that they will consider what their filing requirements in this regard should be.

Practitioners acknowledged that the interest limitation rules were heavily discussed at the previous meeting, as reflected by the minutes, and reiterated that Ireland’s position on the cliff edge *de minimis* is disappointing. It was noted that further discussions would be held between Revenue and practitioners at a meeting of TALC BEPS the following day.

Item 6: Discussion on committee and report stage amendments to Finance Bill 2021

Addressed as part of agenda items 3 and 5.

Item 7: Section 31C SDCA 1999 – “Control”

Practitioners requested that consideration be given to amending the Revenue TDM on section 31C SDCA to confirm that the section should not apply in circumstances where there is a bona fide reorganisation which does not result in a change in the ultimate control over an immoveable property, and there is substantial identity of ultimate ownership and control over the property immediately before and after the reorganisation.

Revenue confirmed that at present, a bona fide group reorganisation and change in control would be caught by the legislation, and that they would review the position.

Item 8: Interaction of sections 31C and 83D SDCA 1999

Practitioners requested that the Revenue TDM for section 31C is updated to amend a possible typo in section 6.1 of the manual which refers to section 31D (rather than section 83D), and that the Revenue TDMs for section 31C and section 83D are updated to provide expanded guidance on the interaction of these two sections regarding possible refunds of stamp duty where immoveable property is used for residential development.

Revenue confirmed that the typo in the section 31C TDM had been corrected. Revenue also confirmed that if stamp duty at a rate of 7.5% was paid on the acquisition of shares and residential development was subsequently carried out, a refund may be availed of. Revenue agreed that the manual will be amended accordingly, which practitioners welcomed.

Item 9: Queries in respect of the proposed application of the updated ETF guidance.

Practitioners note the change made to item 3.5 of the TDM to provide clarity on the timing of the proposed changes, but have raised a number of queries in respect of the proposed application of the updated ETF guidance to ETFs currently held, which were addressed as part of agenda item 10.

Item 10: ETFs

Practitioners queried whether Revenue could identify the key issues which brought about a level of comfort with respect to investments in ETFs domiciled in the USA, EEA and other OECD countries from 1 January 2014. Revenue stated that the provision of this information would add little value, as there have been significant changes since 2014, with ETFs tracking Bitcoin, etc. Revenue also noted that many of the queries raised in practitioners' submissions arise from a misunderstanding of the previous guidance.

Revenue stated that if a fund is not offshore, a taxpayer could continue in the usual manner whereas if it is, the offshore funds regime must be followed. Practitioners noted that a large number of non-domiciled individuals would have invested in ETFs on the assumption that they were not subject to the remittance basis. Revenue stated that the updated guidance did not change the situation with regard to the interaction of the remittance basis and the offshore funds regime, and it applies the same as it always has. Revenue noted that relevant guidance will be updated to further clarify whether income is Case III or IV (where not already confirmed), and noted that the remittance basis will not apply to Case IV.

Practitioners queried whether for ETFs investments held prior to 1 January 2022, the first deemed disposal is to arise on 1 January 2022, or 1 January 2030, and Revenue stated that the '8 year clock' will only begin on 1 January 2022, but the original acquisition cost will remain relevant for calculating the taxable amount for both the deemed and ultimate disposals. Revenue also confirmed that guidance will be updated to confirm the interaction of the 8 year "deemed" disposal rule with the updated ETF guidance.

Practitioners also sought clarity on whether gains/losses arising prior to 1 January 2022 are to be treated as falling outside the tax regime attaching to investment funds. Revenue stated that from 1 January 2022, taxpayers and their advisors will need to decide whether the funds are offshore or not and if a fund is offshore, losses forward won't be allowed against them in future under the offshore funds regime, but can be used against other gains.

Practitioners also asked Revenue to provide a list of items, on a non-exhaustive basis, to consider in determining whether a fund is similar in all material respects to an Irish regulated fund. Revenue agreed that if practitioners could provide examples of what they think may or may not be appropriate, Revenue will consider them. Revenue noted that they previously took this approach when giving guidance on the equivalence of pension funds in the context of IREF, and informed practitioners that this had taken c. 18 months and that every fund would need to be analysed on its own merits. Practitioners noted that the decision tree in Revenue guidance didn't cover certain items such as 747B, or EU / OECD funds and Revenue stated that the guidance will not address these products.

Practitioners noted that taxpayers simply want to ensure that they are paying the correct tax, and noted that Revenue would have to provide guidance to their own caseworkers for future audits. Revenue stated that they are happy to consider characteristics, and as noted in September TALC, Revenue encourage submissions proposing general guidance, but highlighted that it couldn't be done quickly, and that taxpayers need to seek out expert advisors. Practitioners stated that advisors were also struggling with the position due to the volume of products that would need to be analysed by 31 December 2021, to avoid potentially adverse tax implications. Revenue noted that the draft TDM had been circulated in June and published in September, and that the committee had been given notice that this change would arrive. Practitioners and Revenue disagreed on whether there had been sufficient time to discuss and consider the updated guidance, and practitioners requested that the implementation be postponed, which Revenue said was not possible.

Practitioners stated that investors have made investment decisions based on the previous Revenue guidance, and have a legitimate and fair expectation of relying on that guidance. It was noted that offshore funds are a complex area, and many investors do not have advisors, and a grandfathering period in respect of investments made pre-1 January 2022 would be welcome. Revenue stated that if the Minister for Finance wished to amend the legislation as it applies to existing investments in the Finance Bill, he could, so it was not possible to place a higher standard on Revenue in respect of changing the position set out in guidance. Revenue reiterated that the guidance, as drafted, does reflect the legislation. Practitioners argued that legitimate expectation could not be easily dismissed and while Revenue have engaged on the issue, there has been a short timeframe to discuss such a significant change. Practitioners also noted that if legislative amendment was introduced, practitioners would have the benefit of lobbying the Department of Finance and engaging on the process more thoroughly. Practitioners queried whether there was an urgency with the 1 January 2022 implementation date. Revenue confirmed that as noted, current guidance was not based on a legislative footing and the updated guidance realigns tax treatment with legislation,

Revenue agreed to consider the issue further, noting that it was unlikely that their view would change with respect to the implementation date of the updated guidance .

Item 11: Update from Revenue on Revenue Guidance on:

11.1. Offshore Funds

Addressed as part of agenda item 10.

11.2. Investment Undertakings

Addressed as part of agenda item 10.

11.3. PAYE Exclusion Orders

Revenue noted that the new Global Mobility branch are updating the TDM with details of the COVID-19 concessions that applied in 2020, and expect to update and circulate it by the end of this year.

11.4. Stock Lending and Repos Transactions

Revenue confirmed that the TDM has been published.

11.5. Pay As You Earn (PAYE) system - Employee payroll tax deductions in relation to non-Irish employments exercised in the State

TDM Part 42-04-65 is currently unavailable and practitioners request an update from Revenue on when the updated guidance will be published. Revenue noted that it had been taken down at the end of August, but should be updated and published by the end of year.

Item 12: AOB.

Practitioners queried whether future virtual meetings could be hosted on Teams rather than Skype, and Revenue confirmed that all virtual meetings from 1 January 2022 would be conducted via Teams.

Item 13: Next meeting

It was noted that the dates for meetings in 2022 had not yet been confirmed, but would be chaired by CCAB-I.

CCAB-I confirmed that Peter Vale would act as chairperson, and thanked the Law Society for their chairing of the meetings this year.

The chairperson acknowledged all contributions made by the representative bodies, practitioners and Revenue, noting that significant progress has been made on many issues, and that the continued collective collaboration has been welcome and mutually beneficial. The chairperson noted that looking to the future, in the context of international tax changes, he was very much of the view that tax competition will increase, and in that context what will become more important in terms of Ireland's attractiveness is the culture and infrastructure from a tax perspective; and that continued stakeholder engagement will be important to further improve this, particularly in relation to policy and / or legislative matters.

The chairperson noted that the joint meeting between Main TALC & this committee for Finance Bill discussions was useful, and proposed that including representatives from the Department of Finance in future at such a forum may also be helpful in ensuring that the discussion is as effective as possible.

Practitioners and Revenue agreed that great progress had been made by the committee over the year, and thanked the chairperson.

Attendees at this meeting:

Revenue	ITI	CCAB-I	Law Society
Niamh Behan Mark Bradshaw Mary Breen Dave Brennan Alan Carey Maria Doyle Karen Drake Mark Flanagan Ashling Gallagher Aine Hollingsworth Alan Kelly John Kelly Tom Kiely Norma Lane Jeanne McKeon Sinead McNamara	Emma Arlow Cillein Barry David Fennell Laura Lynch Clare McGuinness David Moran Stephen Ruane Lorraine Sheegar	Maud Clear Norah Collender Enda Faughnan Ken Garvey Brian Purcell	Padraig Courtney Caroline Devlin Maura Dineen Aidan Fahy (Chair) Aileen Keogan David Lawless Chloe Power (Secretary)

Barbara Ní Neachtain Keith Noonan Brendan O'Hara Sharonne O'Reilly Declan Rigney Eleanor Smiley Liam Smith			
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