

Minutes of TALC iXBRL Subcommittee meeting

Date: 22 November 2017

Location & time: Revenue Large Cases Division, Ballaugh House, Mount Street, Dublin 2.

Item 1: Minutes of previous TALC iXBRL Subcommittee:

It was noted that it had been over a year since the last meeting and minutes of the meeting of 30 August 2016 were agreed.

Minutes will be published in accordance with the procedures agreed at main TALC.

Item 2: Future restrictions of the older taxonomies (IE IFRS and IE GAAP) and proposed timeline for phasing out of these older taxonomies

Given that the FRS 101/102 and updated IFRS accounting frameworks are applicable to accounting periods commencing on or after 1 January 2015, Revenue is keen to ensure that iXBRL submissions are tagged using the taxonomy that is aligned to the accounting framework under which the Financial Statements have been produced.

While acknowledging that the taxonomies for FRS 101/102 and EU IFRS were not released until December 2016, there are still a large number of submissions that relate to accounting periods commenced on or after 1 January 2015 that have been tagged using the IE GAAP or IE IFRS taxonomies.

Revenue would like to phase out the use of the IE GAAP and IE IFRS taxonomies and proposes that these taxonomies will be withdrawn from use for all iXBRL submissions in 2018.

Practitioners prefer that the withdrawal of these taxonomies will be subject to sufficient advance notice to allow practitioners and software developers to adopt their software to work with the new taxonomies for FRS 101/102 and EU IFRS (including the DPL).

Revenue advised that they would review the situation following the closure of the consultation period on the DPL (due to close on 30 November 2017) before making any decisions as to the withdrawal of the IE GAAP taxonomy. With regard to the IE IFRS taxonomy, Revenue are of the opinion that there is no reason that the withdrawal of this taxonomy can not take place, and it is therefore proposed by Revenue that an eBrief in respect of a date for withdrawal of this taxonomy will be drafted and circulated to practitioners and software developers before setting a final date. A three month phase out period was discussed by the committee.

Practitioners said they would revert by the end of the month with comments on phasing out of old taxonomies.

Item 3: Change to FAQs – related to superseded taxonomies

This item is closely related to Item 2 and concerns a proposed change to the FAQ with reference to superseded taxonomies.

Practitioners requested that a proposed change to the FAQ was provided in advance of the meeting:

Current text – “What taxonomies will Revenue accept?”

The taxonomy list and versions accepted by Revenue may change over time, as concepts are added/modified. In general Revenue will support and accept versions of superseded taxonomies for a period of 18 months from the date the newer version of the taxonomy has been accepted. For example, the "Public Working Draft" (PWD) of the Irish Extension to UK-GAAP was superseded by the Candidate Release (CR) version (which was published in December 2012). The CR version of this taxonomy has been accepted by Revenue since July 2013.”

Proposed text – “What taxonomies will Revenue accept?”

The taxonomy list and versions accepted by Revenue may change over time, in line with changes to the accounting frameworks in operation in Ireland. Revenue believes it is desirable for all stakeholders to make use of new taxonomies at the earliest opportunity in order to ensure that financial statements are tagged using the taxonomy aligned to the accounting framework under which the financial statements are produced. Accordingly, as new taxonomies become available, Revenue will determine a schedule for the adoption of each new taxonomy and the withdrawal of superseded taxonomies on a case-by-case basis, affording reasonable time to stakeholders to update their software and practices.”

Some discussion took place as to what would be considered as “affording reasonable time to stakeholders to update their software and practices” and Revenue were of the opinion that it was not practical or desirable to state that there would be a standard timeframe for the withdrawal of superseded taxonomies. For example, the large number of changes to Irish GAAP that took place with the introduction of FRS 101/102 would necessitate a more generous adoption period than the introduction of the DPL or the upcoming minor updates to FRS 102. For this reason, Revenue proposes to work with practitioners and software developers to arrive at a reasonable timeframe for the withdrawal of superseded taxonomies before publishing an eBrief once a date has been agreed by all parties.

Practitioners also requested that the proposed change to the FAQ would be changed to reflect the fact that Revenue would publish any withdrawal dates by way of eBrief. To this end, the following sentence will be inserted at the end of the proposed text: “Withdrawals of superseded taxonomies will be notified by way of eBrief.”

Item 4: FRS 101/102 and EU IFRS taxonomies – filing issues:

- It was noted that there had been a number of issues with bedding in the taxonomies for FRS 101/102 and EU IFRS and that this had led to a high number of filing issues
- Revenue advised that many of the issues had arisen during the April to September 2017 period and that there had been none raised in the six weeks since the start of October 2017, so it was hoped that the issues were behind us.

Item 5: Revenue Detailed Profit and Loss (DPL) taxonomy and mandatory use –

➤ **Mandatory tagging**

Practitioners queried whether the new DPL mandatory tags were mandatory from the date of publication (i.e. 31 October 2017) and whether there would be any requirement for retrospective tagging of the DPL in respect of prior submissions.

Revenue responded that the mandatory tags will be mandatory from the date that Revenue mandates the use of the new DPL – the consultation period is open until 30 November 2017 and Revenue will consider a future date for mandating use of the new DPL taxonomy following the expiry of the consultation period. There will be no requirement to retrospectively tag prior iXBRL submissions with the new DPL taxonomy.

Practitioners stated that “There are cases where a DPL may not be included as no further breakdown is possible. Rather than requiring DPL values to be included could we include a tag ‘Explanation of why a DPL is not included’ and the validation process then checks for the 4 tags or the Explanation.”

Revenue responded that a DPL is required in all iXBRL submissions from 1 December 2015 and the 4 mandatory tags in the DPL correspond with CT1 mandatory fields such as Turnover, Gross Profit, Profit Before Tax etc. They were introduced to ensure that this data is gathered not just for the purpose of assessing the liability to tax but also for statistical purposes. Revenue believes that it is easier and cleaner for all filers to declare 4 zeros than provide a free text Explanation as to why there is no DPL so they did not propose to introduce an “Explanation of why a DPL is not included” tag.

➤ **Completeness of tags**

Practitioners:

To allow for full tagging (of the DPL) consider inclusion of a Generic tag option that allows the description as well as amount to be tagged and for these 2 tags to be grouped. Examples include:

DPL Description of Revenue by type, amount of revenue by type
DPL Description of other income item, amount of other income item
DPL Description of other cost item, amount of other cost item

Other option might be to use a tag that allows a description to be recorded when applied:

DPL Revenue by type
DPL Other income item
DPL Other cost item

These tags would only be used when no other tag is available.

Revenue:

As per the FAQ “What format or layout does Revenue require for the iXBRL DPL?”, Revenue will consider the DPL requirement met if a business fully breaks down its DPL income and expenditure items using all relevant tags in the accepted taxonomies.

If a business should have items that do not correspond with any of the available tags, then they may use items such as “Other operating income” or “Other non-operating net gain (loss), before tax” to record income, or “Other costs” to record expenses. Should they wish to provide further detail then they can avail of the “Detailed Profit and Loss free-text comment” to make further disclosures. Revenue did not propose to introduce generic tags as this would reduce comparability.

Should practitioners wish to provide specific examples of incomes or expenditures not covered by the DPL for which they feel there should be a tag, such items will be considered for addition to the DPL the next time it is updated.

Item 6: iXBRL filings for SPV/Section 110 companies

Section 110 companies who have not elected to file their Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP but instead choose to file their Corporation Tax returns on the basis of single entity accounts prepared under Irish GAAP as applied at December 2004 (i.e. old Irish GAAP), are required to file an iXBRL version of the single entity old Irish GAAP management accounts upon which they base their return. These single entity old Irish GAAP management accounts should, at a minimum, include a DPL and Balance Sheet, together with the Auditor’s Report and Directors’ Report that are included in the signed accounts.

Currently, the IE GAAP taxonomy is used to tag submissions that are prepared in such circumstances, and Revenue queried whether it would be possible for such entities to use the newer FRS 102 taxonomy to tag their submissions, noting that the IE GAAP taxonomy is not aligned to old Irish GAAP and that there never would be a taxonomy aligned to it.

Practitioners raised concerns that the use of the FRS 102 taxonomy might be interpreted by Revenue as an involuntary election to file Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP.

Revenue responded that the taxonomies had no legal standing and the use of the FRS 102 taxonomy to tag submissions prepared under old Irish GAAP would not in any way constitute an election to file Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP. Accordingly, Revenue proposed that the FRS 102 taxonomy would be used by such companies following the planned restriction of the IE GAAP taxonomy. Practitioners will consider Revenue's proposal and revert with details of any objections.

Item 7: Ability to file iXBRL files in batches and filing errors

There is currently a ROS issue that is preventing the upload of multiple financial statements. Practitioners noted that there were reports of some colleagues with up to several hundred files to submit before the December 2017 deadline and requested an update on this as soon as possible.

Revenue replied that they would liaise with their ROS colleagues in an effort to resolve this issue and keep practitioners informed of a proposed date by which the issue would be resolved.

Another frequent ROS issue related to the fact that submissions were getting stuck at 'processing' when being uploaded. This necessitates contact with the ROS Helpdesk in order to have the files removed from 'processing' before they can be re-submitted.

Revenue acknowledged that this was an unsatisfactory state of affairs and advised that they would liaise with their ROS colleagues and provide an update on this issue as soon as possible.

Item 8: Specific queries from Practitioners

1. Practitioners requested clarity on how Revenue determines the average number of employees a company has for the purposes of Phase II waiver availability, stating that there had been different approaches taken by different Revenue districts in recent months, so clarity and consistency would be very useful.

Revenue replied that they were aware of how it was calculated in the financial statements (i.e. in accordance with S317 of CA2014), but were not aware of another approach in the districts. Unfortunately, neither the FAQs nor the Taxes and Duties Manual (TDM) set out what criteria the districts should apply when such requests are made. Revenue will liaise with the districts to ascertain what approach or approaches are being taken in this regard and advise practitioners once a single approach has been decided on by Revenue. The impact of PAYE Modernisation will be considered. The approach will also be published in the FAQ and TDM so filers will know what to expect

2. Linked to the average number of employees issue, practitioners noted that where a

company files a tax return ticking the box to say that they are availing of the Phase II waiver but the P35L shows 50 or more employees, the iXBRL filing requirement is marked as outstanding/late on ROS. However, no notification of this is given to the tax payer or agent so in many cases, it goes unnoticed until a refund / tax clearance certificate is withheld. Practitioners requested an update to Revenue's process to highlight cases where the iXBRL filing requirement remains despite the box claiming a waiver being ticked.

Revenue responded that they would confer with the districts and ascertain what approach or approaches were being taken and decide on a single approach that would be published. Depending on the approach decided, Revenue will also investigate possible methods to notify agents and taxpayers where the iXBRL obligation remains where the box claiming a waiver has been ticked. Revenue also requested that practitioners provide them with further information on the different approaches being taken by the districts that they had encountered.

3. Practitioners: "Can Revenue give some consideration to including an option on the Form CT1 for situations where a company is in voluntary liquidation and is not filing iXBRL accounts on foot of the FAQ which provides for exemption where assets available for distribution are less than €25k. This exemption is currently only available upon application so it would be good if there could be self-certification if possible. However, even if Revenue are not in favour of this and plan to continue with the requirement to apply for the exemption, there should be an option for these circumstances on the Form CT1 in any event."

Revenue replied that the exclusion from filing in such cases is a waiver and not an exemption, and stated that they would confer with their colleagues with regard to whether companies might be able to self-certify in such instances and also investigate options with regard to the request to have an option on the CT1 for filers who had been granted the waiver.

4. Practitioners: "Revenue continues to ask for copies of a company's financial statements where they have been filed in iXBRL format. Can this cease given that the various districts should be able to obtain the iXBRL files that have been submitted through ROS?"

Revenue responded that a reminder would issue to colleagues in the districts to the effect that financial statements should not be requested under any circumstances where they had already been filed via iXBRL.

5. Practitioners: "Can Revenue provide an update on the next phases of mandatory iXBRL?"

Revenue: There are no current plans to implement the next phase of mandatory iXBRL filing. Analysis is ongoing by Revenue of the information obtained through iXBRL filings and until such time that Revenue has processed all the information received to date there will be no further phase of mandatory iXBRL filing.

6. Practitioners: "Can Revenue provide insight into the plans to deal with the FRC updates to taxonomies for release in Q1 2018 and extension to the Irish taxonomies?"

Revenue: The FRC taxonomies are adopted for use in Ireland by XBRL Ireland and Revenue do not propose taking on any responsibility for this work. Revenue has released the DPL on the basis that it is an add-on taxonomy that allows Revenue to better assess a taxpayer's liability to tax. However, Revenue does not believe that it would be appropriate or desirable to take responsibility for the taxonomies aligned to Irish accounting standards. There will be a meeting of XBRL Ireland later in the week and this matter will be discussed with that committee.

7. Practitioners: "Revenue test site – advance notice of downtime and its duration."

Revenue will be happy to undertake to notify practitioners and software providers where it is known that the test site will require downtime. The primary test site is currently down and filers who visit the primary test site are being re-directed to a secondary test site while maintenance work is ongoing.

AOB

Practitioners raised a query with regard to inactive cases. Currently, such cases can tick a box on the CT1 stating that they are inactive and practitioners wanted to know if it applied to LCD cases too.

For background, the CT1 states that "Phase 1 of mandatory iXBRL filing applied to all companies whose tax affairs are dealt with in Large Cases Division. All remaining Corporation Tax filers, other than those satisfying one of the conditions below, are covered in Phase 2 and are required to file electronic financial statements along with a Form CT1."

This matter has previously been addressed by the iXBRL TALC Sub-Committee at its meeting of 11 June 2013 where it was agreed that the inactive waiver applied to LCD cases. Accordingly, Revenue will clarify this point in its iXBRL FAQs.

Practitioners requested that where possible significant updates and changes to the iXBRL filing process be grouped and scheduled for release together. It was acknowledged that this is more often than not impossible due to the requirements of the iXBRL filing process.

The date for the next meeting of the committee is 14 February/21 February at 2pm in Ballaugh House, Mount Street.

Action Points	Responsible	Timeline
Revenue to review the withdrawal of the IE GAAP taxonomy following the closure of the consultation period on the DPL and release an eBrief setting a date for its withdrawal.	Revenue	Before end 2017

Revenue to issue an eBrief in respect of a date for withdrawal of the IE IFRS taxonomy.	Revenue	Before end 2017
Revenue to update FAQ with regard to superseded taxonomies.	Revenue	As soon as possible
Practitioners to provide specific examples of incomes or expenditures not covered by the DPL for which they feel there should be a tag.	Practitioners	Ongoing
Revenue to release an eBrief regarding Section 110 companies stating that the use of the FRS 102 taxonomy does not constitute an election to file Corporation Tax returns on the basis of single entity IFRS Financial Statements or modified Irish GAAP and advise that the FRS 102 taxonomy is to be used by such companies following the future withdrawal of the IE GAAP taxonomy.	Revenue	Before end 2017
Revenue to liaise with ROS colleagues in an effort to resolve the multiple financial statements upload issue and notify practitioners when resolved.	Revenue	As soon as possible
Revenue to liaise with ROS colleagues to try to fix the issue of submissions being left at 'processing'.	Revenue	As soon as possible
Revenue to review issues of 50 employees and advise practitioners on proposed course of action to resolve these issues. Also to be published in FAQ and TDM.	Revenue	As soon as possible
Practitioners to provide information on different methods applied by districts in calculating average number of employees.	Practitioners	As soon as possible
Revenue to review whether companies in liquidation might be able to self-certify that assets available for distribution are less than €25k and also investigate options with regard to the request to have an option on the CT1 for filers who have been granted the waiver.	Revenue	As soon as possible

Revenue to remind colleagues in the districts that financial statements should not be requested under any circumstances where they have already been filed via iXBRL.	Revenue	As soon as possible
Revenue to notify practitioners and software providers where it is known that the test site will require downtime.	Revenue	Ongoing
Revenue to adjust FAQ to make it clear that the inactive company waiver also applies to LCD cases.	Revenue	As soon as possible

Attendees:

Revenue:

Eugene Creighton (Chairman)

James Fagan (Secretary)

Dave Russell

CCAB-I:

Kimberley Rowan

Crona Brady

Aileen Carroll

XBRL Ireland:

Karen Angley

ITI:

Cáit Monagher