

Minutes of Main TALC meeting

1 March 2022 at 2:30pm

Meeting held via Microsoft Teams

The Chairperson thanked Caroline Devlin for her stewardship of Main TALC in 2021 on behalf of the Law Society and welcomed Cróna Clohisey and Gearóid O' Sullivan from CCAB-I as new committee members of Main TALC.

The Chairperson also welcomed the guests to the meeting, Sarah Waters and Eoin Gibson from Revenue's Accountant General's and Strategic Planning Division to facilitate a presentation and Q&A on the Compliance Intervention Framework, which was dealt with as the first item on the agenda.

Item 1 Revenue Presentation on the new Compliance Intervention Framework

Revenue provided an overview of the new Compliance Intervention Framework (the Framework) and planned internal and external communications in advance of its implementation on 1 May 2022. Clarifications provided during the Q&A included:

- The number of Aspect Queries that issued in recent years is not representative of the number of Level 2 Risk Review Notifications expected to issue from Revenue. This was welcomed by Practitioners. Aspect Queries were issued on a broad basis. In contrast, Level 2 Risk Review Notifications are directed at circumstances where a specific risk(s) has been identified. Instances where a risk has not been identified, for example, a request for supporting information following the filing of a tax return would generally be classified as a Level 1 compliance intervention in the Framework. The channel of issue and format of notifications has been raised at the TALC Audit Sub-Committee and Revenue has agreed to provide some sample template letters to that sub-committee for review as soon as it is possible.
- There is no definitive date for a general restart of in-person Revenue Audits (or site-based Risk Reviews). Revenue has found that remote working of interventions has proved effective over the last two years and a blended approach may be adopted. Currently, Revenue staff continue to primarily work from home, however, office attendance is permitted following the removal of the pandemic-related public health restrictions.
- Level 2 Notifications will begin to issue during the month of May. However, it is not expected that large numbers of these notifications will issue immediately. Revenue staff have been instructed not to open more notifications than can be actively managed. In addition, Revenue staff are cognisant of the potential administrative burden if large volumes of Level 2 Notifications are issued, considering the scope of the qualifying disclosure expected in response to these notifications.
- Compliance interventions in respect of participants in the Cooperative Compliance Framework (CCF) are classified as Level 1 compliance interventions in the Framework. The CCF remains open to entry by LCD groups who meet the entry criteria.
- Revenue noted that they have allocated resources to train staff to ensure that they are fully briefed on the new Framework.

Revenue acknowledged the constructive engagement at the TALC Audit Sub-Committee as the *Code of Practice for Revenue Compliance Interventions* was developed, notwithstanding areas of

differing opinions between Revenue and practitioners. Revenue also appreciated the respect shown for the confidentiality of the draft text of the Code that was provided to the sub-committee during the engagement process.

Item 2 Minutes of Meeting held on 7 December 2021

The minutes of the Main TALC meeting on 7 December 2021 were taken as agreed (subject to minor subsequent amendments).

Item 3 Committee Members' Briefing Pack

The Chairperson referred to the "Briefing Pack" provided to committee members in advance of the meeting, which included summary updates from all TALC Sub-Committees on their recent meeting agendas and/or workplan items for 2022. In line with the TALC Operational Guidelines, this pack was provided to assist Main TALC in its oversight of TALC activity. Committee members will be provided with such material in advance of each Main TALC meeting for the year ahead. Committee members agreed that the briefing material was useful.

Item 4 Matters arising

- i. Update on indicative timeframe to review Customer Service Standards for queries**
Practitioners acknowledged the positive engagement at the TALC MyEnquiries Sub-Group but queried Revenue's plans to review and improve the published Customer Service Standard for MyEnquiries (to reduce it from 20/25 working days), considering the Revenue phonelines restricted opening hours.

Revenue noted that it has no further update on its plans on published standards. Revenue's focus is on service quality rather than setting a new single service standard given that the complexity of queries received can vary. Revenue noted the "exceptional contacts" and the MyEnquiries Sub-Group, as the appropriate forum for engagement on service delivery issues over the year ahead, unless matters need to be brought back to Main TALC for consideration.

- ii. Update on DWT Real-time Reporting (if any developments to report)**
There are no current plans to proceed with the development of DWT Real-Time Reporting. It was agreed that this item would be removed from the agenda and could be revisited should circumstances change during the year.

- iii. Engagement on treatment of certain gains and losses on foreign currencies**
Referring to the previous discussions on this topic, practitioners noted that the draft Tax and Duty Manual (TDM) had been circulated and requested a pause on issuing this TDM while the policy matter was still under discussion with the Department of Finance. Revenue agreed to consider the request and advise of the status of the draft TDM.

Practitioners queried whether the concerns practitioners raised could be addressed through the Finance Bill being prepared to legislate for the December 2021 amendments to the COVID-19 Support Schemes. Revenue explained that this would not be possible. The Bill will only legislate for amendments to the COVID-19 Support Schemes, which are currently operated by Revenue under their care and management procedures, and a small number of other urgent measures.

Action Point: Revenue to advise of the status of the TDM.

iv. Update to Revenue’s COVID-19 hub concessional treatments

The remaining COVID-19 concessions are being unwound given the removal of public health restrictions and the phased return to offices. The COVID-19 hub on Revenue’s website will be updated imminently to confirm that the concession relating to the application of Benefit-in-Kind to employer-provided vehicles will be ceased (this update was published after the meeting).

In addition, the short extension to the Transborder Workers Relief concession for the period during which individuals were required to work from home due to public health restrictions arising from COVID-19 will cease on 31 March 2022. The issue of an eBrief to provide transborder workers with advance notice of this change is imminent (this eBrief issued after the meeting).

Practitioners observed that while public health restrictions have been relaxed in Ireland, in some other jurisdictions (e.g., those pursuing a “Covid-zero” policy) quarantine and restrictions remain in place, making business travel to Ireland difficult.

v. Update on Exchange Traded Funds (ETF)

An updated ETF TDM was issued on 21 February 2022. The TDM will be discussed at the next meeting of the TALC Direct/Capital Taxes Sub-Committee.

vi. LONA update

The TDM titled *Requests for Clearance in Death Cases (Part 46-01-02)* was published on 25 February 2022, following engagement at the Letters of No Audit (LONA) Sub-Group. The Sub-Group is meeting on 14 March to discuss secondary liability clearance procedures regarding CGT and non-resident vendors. Revenue is engaging internally to provide some concrete proposals at the meeting. It is expected that development of the procedure and related TDM, will advance quite quickly.

vii. Update on Revenue’s internal technology refresh where relevant to practitioners

The current focus is on internal Revenue underlying systems and there are no significant changes to the interfaces used by taxpayers or practitioners. Revenue will update TALC should developments relevant to practitioners arise during 2022.

Item 5 Revenue update on the Debt Warehousing Scheme

Recent amendments to the Debt Warehousing Scheme were discussed in detail at the recent meeting of the TALC Collections Sub-Committee. Revenue provided an overview of the key developments since the December Main TALC meeting.

On 21 December 2021, the Government announced changes to the COVID-19 Support Schemes to assist businesses impacted by the re-introduction of COVID-19 related public health regulations. This included an extension to Period 1 (the Covid restricted trading phase) of the Debt Warehousing Scheme where certain criteria are satisfied.

The extension of Period 1 to 30 April 2022 applies to those businesses already participating in the Debt Warehousing Scheme who are entitled to and who have made a valid claim for a relevant Government COVID-19 Support Scheme during the period 1 January 2022 to 30 April

2022. These relevant support schemes include the Employment Wage Subsidy Scheme (EWSS), the Covid Restrictions Support Scheme (CRSS) and some smaller Government support schemes not operated by Revenue.

For qualifying businesses, the extension applies to the Period 1 end date for all taxes that the taxpayer has warehoused. These businesses can continue to warehouse tax liabilities up to 30 April 2022. This will include, for example, tax liabilities arising from the March/April 2022 VAT Return and April PAYE (Employer) Return. Period 2 (the zero-interest phase) for these businesses will begin on 1 May 2022 and end on 30 April 2023.

Businesses that do not meet the qualifying criteria are not eligible for the extension. Therefore, the warehousing periods are unchanged for those businesses. Period 1 ceased for these businesses on 31 December 2021.

Revenue will shortly write to all participants in the Debt Warehousing Scheme to advise them of their status regarding the warehousing of debt. Practitioners requested that the letters set out clearly where appropriate the tax liabilities owing and in instances where tax returns are outstanding, these should also be set out. Businesses who are now in Period 2 will be reminded to submit any outstanding tax returns and finalise any returns which had been filed on a “best estimates” basis so that the warehoused debt can be accurately quantified. Revenue agreed at the TALC Collections Sub-Committee to provide the professional bodies with sample copies of the letters issuing so that they can be brought to the attention of their members.

Item 6 Update on DAC6 (standing item carried forward from 2021)

It was agreed that this item would be removed from the Main TALC agenda, as there is active engagement at the TALC BEPS Implementation Sub-Committee on an updated TDM on DAC6, which will be discussed at a meeting of the sub-committee on 9 March.

Item 7 Simplification on the TALC agenda for 2022

The Chairperson referred to the function of TALC as stated in its Terms of Reference i.e., to review and make recommendations to achieve more effective and efficient administration.

Administrative simplification is central to this objective and the Chairperson cited the eCG50 as a positive simplification measure that benefited taxpayers, practitioners, and Revenue. The Chairperson proposed that each body at Main TALC is to consider one area of administration meriting simplification and for these suggestions to be discussed at the June Main TALC meeting.

Committee members welcomed the thrust of the proposal in principle. It was agreed that each body would consider the matter with a view to making a suggestion at the June meeting to enable the committee to identify achievable and appropriate simplifications.

Action Point: Each body to identify and suggest one simplification measure (within the Terms of Reference of TALC) to be discussed at the June Main TALC meeting.

Item 8 Reporting of sub-committees to Main TALC

Notes on the TALC sub-committees' workplans and agenda items for 2022 were provided in the committee members' Briefing Packs, with issues to be raised by exception. No issues were raised at this meeting.

Item 9 Return to office/meetings in person

Practitioners queried Revenue's policy on staff returning to the office and the potential for in-person or hybrid meetings in 2022 across the TALC forum, referencing the proposal for an in-person Main TALC meeting in June.

The committee discussed the matter and recognised the value of some level of in-person engagement at the TALC sub-committees. Currently, Revenue staff are predominantly working remotely with permission to attend the office. Revenue staff are also geographically dispersed which would make in-person attendance at meetings more difficult. Therefore, while there may be scope for some level of in-person engagement in 2022, a hybrid approach with flexibility regarding in-person attendance would be required. It may be a matter for consideration as the year progresses.

Item 10AOB

i. ATAD 3

Practitioners proposed a discussion at TALC about the draft EU Directive, known as ATAD III, given the two-year lookback period included in the draft Directive effectively impacts on current transactions and structures. Revenue agreed to refer the topic to the upcoming meeting of the TALC BEPS Implementation Sub-Committee.

Action Point: Revenue to refer the matter to the March meeting of the TALC BEPS Implementation Sub-Committee.

ii. Updated SARPTDM and related revised Form SARP 1A

Practitioners sought an update on the timeframe for release of the updated SARP TDM and revised SARP 1A. Revenue hopes to issue the TDM and revised form by the end of March.

Attendance

ITI	Revenue	CCAB-I	Law Society
Kieran Twomey (Chairperson) Mary Healy (Secretary) Mark Barrett David Fennell Pat Mahon Anne Gunnell	Brian Boyle Eugene Creighton Joe Howley Declan Rigney Geraldine McEvoy Sarah Waters Eoin Gibson	Paul Dillon Enda Faughnan Peter Vale Cróna Clohisey Gearóid O' Sullivan	Caroline Devlin Sonya Manzor James Somerville

Apologies

Brian Purcell