

Vehicle Registration Tax Manual

Section 5

Enforcement

This document should be read in conjunction with sections s133 - 144 of the Finance Act 2001

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Table of Contents

5	Vehicle Registration Tax Enforcement	3
5.1	Summary of Enforcement Policy.....	3
5.2	Legislation	3
5.3	Enforcement action and responsibility	4
5.3.1	Enforcement action.....	4
5.3.2	Enforcement responsibility	4
5.4	Enforcement procedures and guidelines.....	5
5.4.1	Enforcement procedure	5
5.4.2	Guidelines for challenging vehicles	5
5.5	Verbal warnings and demand notices.....	7
5.5.1	Verbal warning	7
5.5.2	VRT Demand Notice (Form VRT 31)	7
5.6	Search Warrants and the entry and search of premises.....	8
5.6.1	Search warrants	8
5.6.2	Entry and search of premises.....	9
5.7	Detention and seizure of vehicles.....	9
5.7.1	Detention of vehicles	9
5.7.2	Seizure of vehicles.....	10
5.7.3	Notice of Detention and Notice of Seizure.....	10
5.7.4	CNET.....	11
5.7.5	Form of Inventory (Form C&E 1107)	11
5.7.6	Completion of Form C&E 1107.....	11
5.7.7	Action following completion of Form C&E 1107	11
5.8	Local release of seized vehicles	12
5.8.1	Terms for Local Release of Seized Vehicles	12
5.8.2	Options for release: Registration or Removal	12
5.8.3	Conditions attached to the Removal Option.....	13
5.8.4	Compromise Sums	13
5.8.5	Receipt Book (C&E 305)	14
5.8.6	Form of Undertaking (Form VRT 20A).....	15
5.8.7	Seizing officer not available to release seized vehicle	15
5.9	Disposal of vehicles.....	15
5.9.1	Requirements for the disposal of seized vehicles	15
5.9.2	Disposal by the State Warehouse of seized vehicles for registration	16
5.9.3	Disposal for Scrap.....	16
5.9.4	Accounting arrangements	16
5.10	Converted Vehicles	16
5.10.1	Terms for Local Release of Converted Vehicles	17
5.11	Plating offences	17
5.12	Off-record trading.....	18
5.13	Feedback.....	18
5.14	VRT enforcement by An Garda Síochána.....	18
5.15	Audit procedures for line managers	19
5.16	Assistant Principal's responsibilities	19

5 Vehicle Registration Tax Enforcement

This section deals with enforcement action in relation to VRT offences or suspected offences and should be read in conjunction with the relevant procedures outlined in the **Customs & Excise Enforcement Procedures Manual**.

5.1 Summary of Enforcement Policy

Revenue's mission is to serve the community by fairly and efficiently collecting taxes and duties and implementing customs controls. This is achieved through the provision of an efficient tax collection system for compliant taxpayers, combined with early and effective enforcement action in respect of those who do not comply.

Insofar as VRT is concerned, the practical implementation of this strategy involves the following:

- providing a vehicle registration and tax collection system that is efficient and customer-friendly
- increasing public awareness of the legal requirement to register a vehicle and pay VRT, and of the penalties for non-compliance
- seizing vehicles and/or prosecuting offenders where the circumstances warrant such action.

5.2 Legislation

The applicable legislation concerning enforcement, including vehicle forfeiture and prosecution for VRT offences, is:

Enforcement

- Finance Act 2001 s.133 – 144 (as amended)

Forfeiture and Prosecution

- Finance Act 1992 s.139 (as amended)
- Taxes Consolidation Act 1997 s.1078 (as amended)

5.3 Enforcement action and responsibility

5.3.1 Enforcement action

Voluntary compliance with registration and taxation requirements should be actively encouraged. Enforcement action should concentrate primarily on ensuring:

- prompt registration and payment of VRT in respect of vehicles brought in permanently from outside the State by persons other than authorised persons,
- declaration and payment of additional VRT on post-registration conversions,
- prompt display of a proper registration plate on all vehicles following registration, and,
- that those engaged in off-record trading are brought within the tax net and that any other necessary action is undertaken as appropriate in the circumstances of the particular case.

5.3.2 Enforcement responsibility

VRT enforcement is primarily the responsibility of Revenue Enforcement units but this does not preclude other members of staff who are properly authorised from engaging in enforcement action where required, and particularly where a Revenue Enforcement unit is not available.

5.4 Enforcement procedures and guidelines

5.4.1 Enforcement procedure

Unregistered vehicles, except those which qualify for an exemption, are required to be registered no later than 30 days following their arrival in the State. Where this legal requirement is not fulfilled, intervention is necessary.

Revenue officers should deal with each instance of failure to comply with the legal requirements relating to VRT in a manner that is fair and proportionate in the circumstances of the particular case. Section 5.4.2 gives examples of the forms of action appropriate in the various situations outlined there.

5.4.2 Guidelines for challenging vehicles

With the exception of checkpoint activity, **enforcement staff should not engage in random challenges of unregistered vehicles** without reasonable suspicion. The targeting of individual vehicles is an essential part of VRT enforcement activity and vehicles should be challenged primarily on the basis of profiling, information received or other circumstances that give rise to a reasonable suspicion, such as previous sightings.

For deterrent purposes, general VRT enforcement in an open and visible manner is desirable and effective. For this reason, VRT enforcement should always be included in checkpoint activity, whether the checkpoints are set up by Revenue Enforcement units or jointly with An Garda Síochána.

Revenue officers will be faced with a variety of situations in dealing with unregistered vehicles. The following table outlines scenarios that may be encountered, and the action considered appropriate in each of those circumstances.

Event	Action
1. Where a State resident is encountered for the first time in possession of a vehicle legally brought into the State by a qualified person who has been granted temporary exemption.	The officer should issue a verbal warning to the State resident, and to the qualified person granted temporary exemption where possible, that they are in breach of VRT legislation and that any future similar occurrence may result in the seizure of the vehicle for a possession offence under s139(3)(a) FA 1992. The officer should note the details and record the action on CNET.
2. Where a Revenue officer has reason to believe that the person in possession of an unregistered vehicle, who claims entitlement to temporary exemption, may in fact be a State resident.	The officer should follow the instructions outlined at section 5.5.2 - VRT Demand Notice (Form VRT 31) . If a VRT Demand Notice (Form VRT 31) is issued the relevant details should be entered on CNET.
3. Where an officer believes there is sufficient evidence that a person in possession of an unregistered vehicle, who claims entitlement to temporary exemption, is in fact a State resident and the vehicle has been in the State for a period longer than 30 days.	The vehicle should be seized for an offence contrary to s139(3)(a) FA 1992. The officer seizing the vehicle should follow the steps outlined at section 5.7– Detention and seizure of vehicles . The officer should state the grounds on, and the legislation under, which the vehicle is being seized, issue a Notice of Seizure and explain the procedure for contesting the seizure. A cautioned interview should be conducted. In all instances of a vehicle being seized the details must be recorded on CNET and a Form of Inventory (see section 5.7.5) must be completed.
4. Where a State resident is encountered in possession of an unregistered vehicle which does not qualify for an exemption and it cannot be established when the vehicle first entered the State.	The person in possession of the vehicle should be informed of the legal requirement to book a pre-registration examination within 7 days and complete registration of the vehicle within 30 days. The State resident's details and the vehicle details should be noted and the action should be recorded on CNET. Follow-up action should be conducted to determine whether registration and payment of VRT has occurred.
5. Where a State resident is encountered in possession of an unregistered vehicle which does not qualify for an exemption and it has been established that the vehicle is in the State less than 30 days.	The person in possession of the vehicle should be informed of the legal requirement to complete registration within 30 days of the vehicle entering the State. The State resident's details and the vehicle details should be noted and the action should be recorded on CNET. Follow-up action should be conducted to determine whether registration and payment of VRT has occurred.
6. Where it has been established that a vehicle is in the State more than 30 days without registration to the satisfaction of the Revenue Commissioners, but satisfactory evidence is produced to show that the vehicle is in the process of registration having been presented to an NCTS Centre or Revenue Office.	The officer should note the details of the vehicle and the driver/owner of the vehicle and this information should be recorded on CNET. The driver and vehicle should be allowed to proceed and follow-up action should be conducted to determine whether registration and payment of VRT has occurred.
7. Where it has been established that the vehicle is in the State more than 30 days without registration to the satisfaction of the Revenue Commissioners.	The vehicle should be seized for an offence contrary to s139(3)(a) FA 1992. The officer seizing the vehicle should follow the steps outlined at section 5.7 - Detention and seizure of vehicles . The officer should state the grounds on, and the legislation under, which the vehicle is being seized, issue a Notice of Seizure and explain the procedure for contesting the seizure. A cautioned interview should be conducted. In all instances of a vehicle being seized the details must be recorded on CNET and a Form of Inventory (see section 5.7.5) must be completed.

In any case in which a statement is being taken, following caution, in relation to a VRT offence, at least two Revenue officers must be present. In this and other instances in this Manual where it is stated that two officers must be present for a VRT enforcement action, an Assistant Principal may, in exceptional circumstances, give permission for a single officer to perform an activity as a once-off emergency measure.

In the relevant instances, when the 30-day period allowed has expired, the detecting officer should verify that the vehicle has been registered or is in the process of registration. Where this is not the case, the address given by the State resident in possession of the vehicle should be visited promptly with a view to seizing the vehicle.

5.5 Verbal warnings and demand notices

5.5.1 Verbal warning

When issuing a verbal warning a Revenue officer should inform the driver/owner of the vehicle of their legal obligations in a clear and polite manner. The Revenue officer should always quote the section of the Act under which the breach or suspected breach of legislation has occurred. The details of the vehicle and person(s) concerned should be recorded on CNET. The driver/owner of the vehicle should be informed that follow-up action will be conducted and further intervention will take place if compliance with the legal requirements does not occur.

5.5.2 VRT Demand Notice (Form VRT 31)

Form VRT 31 should be issued where an officer has reason to believe that the person in possession of an unregistered vehicle, **who claims entitlement to temporary exemption**, may, in fact, be a State resident.

The notice is intended to:

- record the detection
- warn the driver/owner that unless she or he produces evidence in support of their claim to temporary exemption **within thirty days** at an agreed Revenue Office or registers the vehicle to the satisfaction of the Revenue Commissioners, the vehicle may be seized and/or legal proceedings may be instituted, and
- enable legal proceedings to be instituted on the basis of the service of the notice (and on the evidence already available to the officer) without the need for any further investigation/enquiry.

If an officer believes that there is sufficient evidence that the person is a State resident and the vehicle has been in the State for a period longer than 30 days, for instance on the basis of previous encounters, profiling, information received or other circumstances that give rise to such a belief, Form VRT 31 should not be issued and the vehicle should be seized instead. The Revenue officer should state the grounds on, and legislation under, which the vehicle is being seized, issue a Notice of Seizure and explain the procedure for contesting the seizure.

N.B. Where a State resident is encountered, for the first time, in possession of a vehicle legally brought into the State by a qualified person on a temporary basis, a Form VRT 31 should not be issued. In such cases the officer should issue a verbal warning to the State resident and, where possible, to the person granted temporary exemption, that they are in breach of VRT legislation and that any future similar occurrence may result in the seizure of the vehicle for a possession offence under s139(3)(a) FA 1992. The officer should note the details of the vehicle and person(s) concerned and the intervention should be recorded on CNET.

Form VRT 31 is a self-carbonising, three-copy set, which should be completed by the detecting officer and utilised as follows:

- white copy: issue to driver/owner,
- green copy: forwarded to an agreed Revenue Office, where appropriate,
- pink copy: retained by the detecting officer.

On the expiration of the thirty-day period allowed for production of evidence of or for registration of the vehicle, the detecting officer should contact the agreed Revenue Office, where appropriate, and ascertain the current position. Where no evidence has been produced to substantiate a claim for temporary exemption, the vehicle should be seized. However, where the supporting evidence produced fails to establish entitlement to temporary exemption, the driver/owner should be given the options of registering the vehicle and paying VRT, or removing the vehicle from the State, within 30 days.

The details from Form VRT 31 should be entered on CNET, preferably within one working day of issue. This will assist other Revenue officers in determining what action to take should the unregistered vehicle be encountered again.

Follow-up actions for demand notices and verbal warnings

All intervention actions such as seizing vehicles, detaining vehicles, issuing Demand Notices or issuing verbal warnings should be recorded on CNET as soon as possible and preferably within one day of the action taking place, to ensure that accurate and up-to-date information is available.

It is essential that follow-up enforcement action occurs in relation to the issue of Demand Notices and verbal warnings. Supervising officers should ensure that prompt and appropriate follow-up action is undertaken.

Where these procedures are correctly implemented this should result in:

- the number of “open” cases being kept to a minimum and,
- greater efficiency in effecting seizures and bringing prosecutions, where necessary.

5.6 Search Warrants and the entry and search of premises

5.6.1 Search warrants

In the case of a pre-planned operation, a search warrant should be obtained, under s136(5) FA 2001, by swearing the necessary information before a District Court Judge. The instructions in relation to search warrants outlined in the Tax and Duty manual [Customs and Excise Enforcement Procedures](#) should be noted and observed at all times.

5.6.2 Entry and search of premises

Under s136(1) FA 2001, a Revenue officer, on production of an authorisation if requested, may legally enter any premises, other than a dwelling, where the manufacture, distribution, storage, repair, modification, importation, dealing in, delivery or disposal of mechanically propelled vehicles is being, or is reasonably believed by the officer, to be carried on. The Revenue officer is entitled to carry out a search and investigation at that premises under s136(3)(a) FA 2001, as substituted by s73(f) FA 2012.

A Revenue officer may, on production of an authorisation if requested, examine or search a vehicle under s135(1)(b)(iii) FA 2001 and may exercise the powers of detention or seizure referred to in s136(3)(e) FA 2001 (as amended by s73 FA 2012).

5.7 Detention and seizure of vehicles

When dealing with possible breaches of VRT legislation, officers should issue warnings, where appropriate, before detention or seizure action is taken (see the table at section 5.4.2).

Where there are indications of entitlement to exemption/relief from payment of VRT or from the registration requirements, e.g. on transfer of residence or temporary exemption, enquiries should be undertaken to establish the facts, prior to considering further enforcement action.

It is important to note that when a State resident is encountered for the **first time** in possession of a vehicle that is legally brought into the State by a qualified person, on a temporary basis, the officer should issue a verbal warning to the State resident and to the qualified person granted temporary exemption, where possible, that they are in breach of VRT legislation and that a similar occurrence in the future could result in the seizure of the vehicle for a possession offence under s139(3)(a) FA 1992. The Revenue officer should note the details of the vehicle and the persons concerned, and record the verbal warning on CNET.

Vehicles which are liable to forfeiture under s139(6) FA 1992, that is, vehicles in respect of which an offence under subsection (3) or (5) of that section has been committed, but which do not fall within the scope of the warning and notification procedures outlined in scenarios No. 1, 2, 4 and 5 in the table at section 5.4.2, should be detained under s140(3) FA 2001 or seized under s141(1) FA 2001. At least two Revenue officers must be present when the detention or seizure of a vehicle is taking place.

5.7.1 Detention of vehicles

Detention is, in general, appropriate where the evidence to support forfeiture is incomplete, or where further enquiries are required. Reasonable evidence to support detention should be available before this course of action is taken. The officer concerned should issue a Notice of Detention and explain to the driver or owner of the vehicle, if present, the grounds on, and the legislation under, which the vehicle is being detained and the process that will follow. The detaining officer should undertake further enquiries and determine,

within one month of the day of detention, whether the vehicle should be seized as liable to forfeiture or released, as provided in s140(4) FA 2001.

The one-month time limit for detention, under s140(4) FA 2001, must be strictly observed. If the time limit for detention is not observed any subsequent seizure is unlikely to be possible.

5.7.2 Seizure of vehicles

While each instance must be dealt with in a manner that is fair and proportionate to the degree of evasion, an enforcement officer may seize a vehicle in the following circumstances:

- Where it has been established that the vehicle is in the State more than 30 days without registration to the satisfaction of the Revenue Commissioners,
- Where a person has received a verbal warning or demand notice and, after the expiration of the 30-day period allowed, follow-up action shows that the vehicle has not been registered or is not in the process of registration or it has been established that the owner is not entitled to temporary exemption, or the owner has not established that he or she is entitled to temporary exemption,
- When a State resident is encountered in possession of a vehicle, legally brought into the State by a qualified person who has been granted temporary exemption, and a verbal warning had previously been issued for a possession offence in respect of that vehicle, and where the officer has reasonable cause to believe the State resident had use of the vehicle for a period greater than 30 days or on a permanent basis.

The officer should always state to the driver or owner of the vehicle, if present, the grounds on, and the legislation under, which the vehicle is being seized. The officer should also explain the procedure for contesting the seizure.

5.7.3 Notice of Detention and Notice of Seizure

When a vehicle is being detained or seized, a Notice of Detention or a Notice of Seizure should be issued to the person in possession of the vehicle **at the time of detention or seizure** even if the person in possession of the vehicle is not the owner of the vehicle. The officer should inform that person of the grounds on, and legislation under, which the vehicle is being detained or seized. If the owner of the vehicle is not present, they should be sent, promptly, a Notice of Detention or a Notice of Seizure, as appropriate, by registered post.

Notices should be signed and date stamped in all cases. If the vehicle has been seized, the notice should contain information on the procedure for contesting the seizure.

Any time a Notice of Detention or a Notice of Seizure is issued the reason for the detention or seizure should be stated clearly on the form as failure to do so may affect the validity of the detention or seizure and prejudice any follow-up action in relation to the offence. In the case of possession offences under s139(3)(a) FA 1992, the notice should be endorsed “being unregistered and liable to forfeiture”.

5.7.4 CNET

Enforcement actions such as those outlined in the table on page 6 and any other pertinent information concerning the case should be recorded on CNET, preferably within one working day of the incident occurring or the information being received.

5.7.5 Form of Inventory (Form C&E 1107)

This form was introduced in response to claims received by Revenue in respect of alleged damage to vehicles while in official custody. It is essential that a form is completed fully and accurately in respect of each vehicle taken into official custody, whether detained or seized, including vehicles that are handed over to Revenue by An Garda Síochána (see section 5.14). The form comprises an original sheet (white) and two copies (pink and blue) and is self-carbonising.

5.7.6 Completion of Form C&E 1107

The following points should be noted when completing the form:

- care should be taken in indicating the precise condition of the vehicle and the fittings and accessories affixed to the vehicle,
- a refusal by the driver/owner to sign the form should be indicated by ticking the box provided for that purpose.

No pages should be removed from the book other than in the circumstances outlined at section 5.7.7 – **Action following completion of Form C&E 1107.**

5.7.7 Action following completion of Form C&E 1107

After completion of the form, the top copy (white sheet) should be given to the driver/owner of the vehicle, if present.

In cases where the driver/owner is not present but is known to the officer, the form should be forwarded to him or her by registered post together with the Notice of Detention or Notice of Seizure, as the case may be. The CNET ID number should be inserted in the box provided on the form.

The driver/owner of the vehicle should be advised to bring his or her copy of the Form of Inventory when reclaiming the vehicle, in the event of a decision being made to release it.

If a vehicle has been seized, the second copy of the form (pink sheet) should be retained in the book until the vehicle is collected for transmission to the State Warehouse. After checking that the vehicle is in the condition indicated on the form, the officer should request the person collecting the vehicle to sign the form before countersigning the document. The relevant CNET ID number and seal number should be inserted at this stage. This copy of the form should be forwarded to the State Warehouse Liaison Unit for their retention. The third copy (blue sheet) of the form should be retained in the book.

5.8 Local release of seized vehicles

At least two Revenue officers must be present in any instance where terms are being offered or payments are accepted for the local release of a vehicle for a breach of VRT regulations.

5.8.1 Terms for Local Release of Seized Vehicles

An officer may offer the local release of a seized vehicle in cases involving a first offence, including a seizure that resulted from a VRT Demand Notice (Form VRT 31) being ignored. In all other instances the case must be reported to the National Prosecutions and Seizures Office in Investigation, Prosecution and Frontier Management Division, for decision on what action(s) should be taken. In exceptional cases, the National Prosecutions and Seizures Office may provide a verbal decision over the phone on whether a vehicle may be released locally before the seizure report has been submitted to that office.

Under no circumstances should a vehicle be released in a case of aggravated circumstances without consultation with the National Prosecutions and Seizures Office. Cases that involve aggravated circumstances may include instances of serious delays in registration, fraudulent declarations, false plates or obstruction.

Instances where a seized vehicle is released locally should be approved and closed by management at Higher Executive Officer level or higher at local enforcement offices, with all documentation maintained locally. The National Prosecutions and Seizures Office should be notified of any vehicles that remain on hand after thirty days of the seizure taking place.

5.8.2 Options for release: Registration or Removal

The two options for releasing a seized vehicle are outlined below. Under these options, the alleged offender is required to give an undertaking, on a form VRT 20A (see section 5.8.6) that the VRT will be paid or the vehicle will be removed from the State. If the alleged offender fails to comply with these release terms, the vehicle may be seized again.

- **Option 1 – Registration:** Registration of the vehicle in the State on payment of VRT and a compromise sum.
- **Option 2 – Removal:** Removal of the vehicle from the State on payment of a compromise sum.

5.8.3 Conditions attached to the Removal Option.

Option 2 (removal) should be offered in all cases where the VRT liability is less than €1,000.

Where the VRT liability is greater than €1,000, the removal option should also be offered, **except in the following circumstances:**

- In the case of commercial transactions involving non-registered vehicles,
- Where there are aggravated circumstances, such as serious delays in registration, fraudulent declarations, false plates or obstruction,
- Where there are indications that a non-registered vehicle is being retained permanently in the State by a State resident e.g. for a period greater than one month.

N.B. Where there is evidence of a deliberate VRT fraud taking place, a cross-taxhead investigation should be considered (e.g. where the offender also has responsibility for other taxes, in particular fiduciary taxes such as VAT).

5.8.4 Compromise Sums

The scale of compromise amounts to be applied in local release situations is set out below. These should only be departed from in exceptional cases such as where genuine individual hardship has been established. A decision to accept a lesser sum should be approved by a local manager at Assistant Principal or Higher Executive Officer level, after consultation, where necessary, with the National Prosecutions and Seizures Office. Where this responsibility has been delegated to Higher Executive Officer level, the unit's Assistant Principal should ensure that satisfactory reconciliation and checking procedures are in place.

Where a vehicle is released on local terms, one officer must check the accuracy of all computations made by a colleague to ensure that the amounts are, unless otherwise authorised, in accordance with the monetary release scales below. The only acceptable forms of payment are cash, bank draft and electronic funds transfer. A minimum of two Revenue officers must be present when a person is being accompanied to an ATM to withdraw cash to make a compromise payment.

Vehicles in the State more than 30 days but not more than 60 days

- Category A vehicles: 5% of the Open Market Selling Price (OMSP), subject to a minimum of € 100
- Category B vehicles: 2.5% of OMSP, subject to a minimum of € 100
- Category C vehicles: € 100 per vehicle
- Motorcycles: 20% of the VRT due.

Vehicles in the State more than 60 days but not more than 6 months

- Category A vehicles: 10% of OMSP, subject to a minimum of € 200
- Category B vehicles: 5% of OMSP, subject to a minimum of € 100
- Category C vehicles: € 100 per vehicle
- Motorcycles: 40% of the VRT due.

Vehicles in the State more than 6 months

- Category A, Category B and Motorcycles: Increase the **previous penalty** at the rate of 5% **of the penalty** per month or part of a month of the period that has elapsed since registration was due
- Category C vehicles: €200 per vehicle.

The categories of vehicles are defined in **Section 1, Part 1.2 of the Vehicle Registration Tax Instruction Manual – Classification of Vehicles**.

5.8.5 Receipt Book (C&E 305)

The C&E 305 receipt is the only form of receipt to be issued in respect of payments received in VRT enforcement cases. In each instance where a payment is received a second Revenue officer must countersign the C&E 305 Receipt Book to certify 1) the receipt of payment and 2) the issue of a C&E 305 receipt for that payment. A second officer must also countersign the Form of Inventory (Form C&E 1107) issued which outlines the condition of the vehicle at that time.

5.8.6 Form of Undertaking (Form VRT 20A)

This form should be completed **in duplicate** when a vehicle is being released. The original should be given to the driver/owner as an advice of the release of the vehicle. The alleged offender should be advised of his or her obligation to register the vehicle and pay the VRT due, or remove the vehicle from the State, within the specified time limit, which is normally thirty days. This undertaking should be noted on CNET. If the alleged offender fails to comply with the release terms, the vehicle should be seized again.

Duplicates of forms of undertaking should be retained on file. These files should be inspected regularly by supervising officer(s) and follow-up should be conducted to ensure compliance with the terms of release.

5.8.7 Seizing officer not available to release seized vehicle

Where the seizing officer is not available to release the seized vehicle, the Higher Executive Officer or Assistant Principal must sanction the release by a nominated officer (preferably the second officer involved in the initial seizure), accompanied by another officer. The seizing officer must be notified of the release and the terms of the release.

5.9 Disposal of vehicles

5.9.1 Requirements for the disposal of seized vehicles

While an officer may, with the agreement of the State Warehouse Liaison Unit, make local arrangements for the disposal of vehicles for scrap (see section 5.9.3) the disposal of all other vehicles must be arranged by that unit.

Officials involved in the disposal of seized vehicles should ensure that vehicles are only sold to VAT registered entities that hold up-to-date tax clearance. The following requirements must also be met:

- no vehicle should be sold until it is established that the vehicle is lawfully forfeited to the State in accordance with S139(6) FA 1992 and the National Prosecutions and Seizures Office has confirmed that the disposal may take place,
- potential buyers must be given an opportunity to inspect and examine the vehicle(s) prior to sale,
- potential buyers must undertake to provide the Revenue Commissioners with documented proof of either:
 - (a) payment of the appropriate VRT charge
 - (b) proof of export, or
 - (c) a certificate of destruction.

5.9.2 Disposal by the State Warehouse of seized vehicles for registration

The following requirements apply upon the disposal of a seized vehicle for registration:

- vehicles that are not registered in the State (including those with false plates) must be registered by the buyer upon purchase. Form VRT 4 or VRT 5 must be completed by the buyer, even if the buyer is an authorised dealer or is acquiring the vehicle for re-sale,
- if the sale price is less than the Open Market Selling Price the vehicle can be registered on the basis of the sale price.

A vehicle that is disposed of in this manner cannot be registered as being exempt from VRT. The new owner of the vehicle must provide proof of payment of VRT and the new registration number of the vehicle within 30 days of purchase. In the event that proof of payment of VRT is not provided follow-up action should be conducted.

5.9.3 Disposal for Scrap

An officer may, with the agreement of the State Warehouse Liaison Unit, make local arrangements for the disposal of vehicles for scrap (see section 5.9.1). In all such cases, the buyer must sign a form of acceptance that the vehicle is unroadworthy and is being sold exclusively for scrap. The officer arranging the sale must countersign the form of acceptance, give one copy to the buyer and associate the other copy with the **End of Life Certificate** and forward these documents to the State Warehouse Liaison Unit. Where the vehicle registration document is available it should also be placed in the local enforcement office's seizure file.

5.9.4 Accounting arrangements

Where vehicles are sold locally for scrap, the proceeds of the sale should be forwarded to the relevant Divisional Office where the payment will be brought to account and registered as a non-duty receipt. With the exception of vehicles that are disposed locally for scrap, the responsibility for bringing receipts for the disposal of all seized vehicles to account lies with the State Warehouse Liaison Unit.

5.10 Converted Vehicles

A vehicle is deemed to be illegally converted in instances where a converted vehicle (see **Section 1, Part 1.11 of the Revenue Operational Manual – Vehicle Registration Tax**) has not been declared, and/or where the additional VRT due has not been paid or otherwise secured. Responsibility for detection/enforcement in relation to these vehicles lies with enforcement officers and they should be familiar with the rules governing classification and conversion (contained in **Section 1, Part 1.2 and Part 1.11 of the Revenue Operational Manual – Vehicle Registration Tax**).

Where a converted vehicle is encountered that has been illegally converted, or where the driver/owner is not in possession of a signed/stamped Declaration for Conversion, the vehicle should be detained or seized, as appropriate (see section **5.7 – Detention and seizure of vehicles**).

5.10.1 Terms for Local Release of Converted Vehicles

Where an illegally converted vehicle has been seized, it may be released locally to the driver/owner where:

- it is a first offence, and
- there are no aggravated circumstances such as repeat offences, fraudulent declarations, false plates or obstruction.

The amounts which are payable in local release situations are as follows:

- Conversion to Category A: additional VRT due plus 10%
- Conversion to Category B: additional VRT due plus 5%.

In such circumstances, care should be taken as VAT may also be chargeable. The owner, if a VAT registered person, may have been entitled to a deduction of VAT at the time of purchase, under s59 VAT Consolidation Act 2010. Under these circumstances an enquiry should be conducted to establish whether VAT is chargeable for the self-supply of a Category A vehicle based upon the transactions that occurred when the vehicle was first purchased and the estimated value of the vehicle at the time of its conversion to a Category A vehicle. Enquiries should also be made to determine if the vehicle is financed by either a hire-purchase or lease agreement as these may give rise to different amounts of VAT due.

5.11 Plating offences

The format, dimensions and technical specifications of registration plates to be displayed on vehicles, including motor-cycles, are determined by the **Vehicle Registration and Taxation Regulations – S.I. 318/1992**, as amended. Revenue officers have a responsibility for ensuring that this legislation is enforced.

Where an officer observes a vehicle displaying a registration plate which does not conform to the legal requirements, the driver/owner should be issued with a copy of the notice **Format of Vehicle Registration Plates**. The driver/owner of the vehicle should be issued with a verbal warning, instructed to fit a correct set of registration plates as soon as possible and be advised that follow-up action will be conducted. For each notice issued, the enforcement officer should note the details of the vehicle and person(s) concerned and these data should be recorded on CNET. Every effort should be made to carry out follow-up checks. Where these checks reveal that the notice has been ignored, the facts should be reported to the National Prosecutions and Seizures Office so that prosecution proceedings can be instituted under s139(1)(b) or (c) FA 1992.

5.12 Off-record trading

Where a report on suspected evasion of taxes by a motor vehicle dealer is received, the facts should be investigated thoroughly. While the scope and depth of enquiries may vary according to the circumstances of the case, they should involve consultation with the relevant Revenue District, with a view to ensuring that all traders are brought within the tax net and have appropriate action taken by Revenue.

5.13 Feedback

Information concerning VRT non-compliance will sometimes be supplied to Enforcement units by other agencies, members of the public or other Revenue staff. This information can prove important in detecting offences and it is imperative that the interest of the person(s) providing information and, consequently, the flow of information is maintained.

In general, enforcement units should only provide feedback to such persons when enquiries have been completed. In the case of information provided by a member of the public, this should only be done if specifically requested. Members of the public should only be advised that the information supplied is being acted upon or that the case has been finalised: no further information concerning the details of a case or its outcome should be supplied.

In complying with these instructions, care should be taken that Revenue instructions on confidentiality and the confidentiality provisions of data protection legislation are not breached.

5.14 VRT enforcement by An Garda Síochána

The powers granted to members of An Garda Síochána in relation to VRT offences can be summarised as follows:

- The power to stop any vehicle and to keep it stationary for as long as required to discharge their duties for any purpose related to VRT or the registration of vehicles
- The power to detain a vehicle where the member suspects that the vehicle:
 - (a) is unregistered, or
 - (b) is a converted vehicle which has not been declared or, if declared, additional VRT has not been paid.

However, **members of An Garda Síochána do not have the power to seize a vehicle for VRT offences.** Therefore, where a Garda is satisfied, following necessary enquiries/investigation, that a vehicle may be liable to forfeiture, it must be handed over to an authorised Revenue officer. At least two Revenue officers must be present when the hand-over takes place and the Garda's journal and the Revenue officials' notebooks must be noted by both officials. The action should be recorded on CNET and the Revenue officer should ascertain and assess the facts and decide, within one month of the date of detention, whether the vehicle should be seized or released.

Procedural arrangements with An Garda Síochána in this area include:

- the detaining Garda should issue a Notice of Detention,
- the local Revenue Enforcement unit should be notified,
- the vehicle should be handed over to the Revenue enforcement officer **within fourteen days**, with a copy of the official Garda report, to allow for any necessary enquiries to be carried out.

The one-month detention period, within which a decision must be made as to whether the vehicle will be seized or released, commences when the vehicle is first detained by the Garda member in question.

5.15 Audit procedures for line managers

Higher Executive Officers with responsibility for VRT enforcement must review, on a regular basis, the progress of all outstanding VRT detention and seizure cases on record. When absent from the office, on leave or official business, appropriate arrangements should be made for the conduct of such checks by a colleague Higher Executive Officer or Assistant Principal line manager. This review, which is to include all financial records, will scrutinise the following:

- a) Recent detentions and/or seizures of vehicles and the progress/outcome of these cases,
- b) That Seizure records and CNET are properly maintained and updated,
- c) Receipts are properly and accurately recorded (such as C&E 305 Receipt numbers/amounts and Receipt Other Than Duty (ROD) numbers/amounts),
- d) Cases are dealt with in a timely manner, and
- e) Local release conditions, where they apply, are adhered to, and the appropriate procedures are followed in instances where a lesser sum is accepted for the release of a vehicle.

A list of the cases reviewed, as above, containing a brief progress report on each seizure, must be forwarded periodically to the Assistant Principal line manager.

5.16 Assistant Principal's responsibilities

An Assistant Principal who acts as line manager to officers engaged in VRT enforcement activities must ensure that the periodic reviews of VRT enforcement activity and related records are carried out by the Higher Executive Officers responsible, and must also review, in accordance with the foregoing procedures, not less than 10% of detention/seizure cases dealt with by Higher Executive Officers.