

Collection Manual

Guidelines for Phased Payment Arrangements

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A more recent version of this manual is available

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1 Scope

These guidelines are for all Revenue staff engaged in Debt Management case- working. This document outlines Revenue's approach to the collection of taxes and our approach to assisting previously compliant taxpayers by allowing Phased Payment Arrangements in certain circumstances.

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The Collector Generals' outline of Revenue's approach to Phased Payment Arrangements is available at [Appendix 1](#).

Revenue has published information on applying for a Phased Payment Arrangement on our website. See [Tax Payment Difficulties](#)

2 Summary

- 2.1 The following is a summary of the main points covered in this guideline to assist staff in dealing with requests and making decisions in relation to Phased Payment Arrangements.
- 2.2 Revenue will assist in dealing with tax payment difficulties by agreeing to Phased Payment Arrangements in appropriate cases, provided that
- the liabilities are fully quantified,
 - there is early, positive and honest engagement by the taxpayer, and
 - the fundamentals of the underlying business are sound.
- 2.3 Revenue has introduced a new computer system Debt Management Services (DMS) which will result in streamlined procedures and standardised requirements for those seeking Phased Payment Arrangements in relation to outstanding tax liabilities.
- All applications for a Phased Payment Arrangement will be self-managed by customers through the Revenue On-Line Service (ROS).
 - Only customers with debts greater than €500 (Tax, Interest and Penalties combined) can make an application for Phased Payment Arrangement.
 - All applicants are required to submit a Phased Payment Application along with any required supporting documentation by way of upload through ROS. The documentation requested will vary depending on the level of debt outstanding.
 - All Phased Payments Arrangements must include a minimum down-payment of 25% or 40% (where tax clearance is required) of the total liability outstanding i.e. Tax Interest and Penalties.

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- Details of all requirements and terms and conditions are outlined to the customer via the phased payment option on the 'Other Services' page of ROS.

2.4 Where a customer requires their agent to apply for and manage the Phased Payment Arrangement on their behalf, they must provide the agent with [written authorisation](#) to do so. This authorisation is available for download through a hyperlink on the 'Agent Declaration' Screen in ROS. Once uploaded by the agent, the agent will have all the functionality available to the customer to deal with the Phased Payment Arrangement.

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- 2.5 When considering the appropriateness of granting a Phased Payment Arrangement, all data showing the viability of the business and, in relevant cases, the capacity to meet the terms of a payment plan together with ongoing compliance in relation to future tax liabilities, will be taken into consideration.
- 2.6 Customers are advised that caseworkers will respond to PPA applications within 10 working days, therefore caseworkers and managers should deal with all applications as quickly as possible. Applicants should be notified swiftly of any issues requiring clarification or any additional information required through the negotiation facility in DMS ([See 4.9](#)).
- 2.7 A Phased Payment Arrangement application cannot be initiated by the customer where the customer has outstanding tax returns as all applications need to address the total liability, i.e. all outstanding tax, full interest and any outstanding penalties. Where returns are outstanding, the ROS system will prevent the customer from proceeding with the application and will notify the customer of the returns which are required.

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3 Introduction

- 3.1 Customers are legally obliged to pay their full liability at once, but Revenue recognises that in some cases this could cause undue hardship and may be impossible for some customers. To facilitate the customer in making payment of the liability, Revenue may grant the extra-statutory concession of paying the liability over a period of time.
- 3.2 Customers can apply through ROS to make payments against their tax liabilities on a phased basis. ROS will request the taxpayer to submit their application by way of upload of the prescribed PPA1 form together with the relevant supporting documentation. Having considered the information supplied, the caseworker may agree to grant a Phased Payment Arrangement on the basis that it is the best method of collecting outstanding tax liabilities, i.e. if refusal to do so would result in failure to collect any money.

4 Phased Payment - Application

- 4.1 The ROS system has been updated to accommodate the self-management of phased payments by the customer. The customer is deemed to have accepted the terms and conditions by continuing with the application process.

Customers may also be required to upload documentation in support of their application.

In all instances, customers must submit a completed [ePPA1](#) form.

- 4.2 For debts under **€5,000** customers should only complete certain sections of the ePPA1 form.
- Section 1 - Business and Tax details
 - Part A - Business and Tax Details
 - Section 2 - Repayment Capacity
 - Part A - Bank and Other Financial Institution Details and Lending Commitments
 - Part C - Specify how proposal will be serviced having regard to requirement to pay future taxes
 - Declaration

No further supporting documentation is required at application stage but may be sought by the case-worker on review.

- 4.3 For debts greater than €5,000, customers must complete the entire ePPA1 form and in all cases submit the following documentation:

- current Bank statements (Previous 6 months),
- list of Assets and encumbrances
- outline of cost cutting measures

- 4.4 For applications in cases where the debt is greater than €100,000, customers must also submit:

- six-month cash-flow projections
- management accounts

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- 4.9 The 'negotiation' facility in DMS can be used to liaise with the customer while negotiating suitable terms for the Phased Payment Arrangement.
- 4.10 Customers are advised of the terms and conditions of the Phased Payment Arrangement when making their application on ROS. Caseworkers should avail of any opportunities to remind customers of the need to file and pay current taxes as they fall due.
- 4.11 Where a customer wishes to include a period at enforcement in a Phased Payment Arrangement, the option will be unavailable to them on ROS.

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5 Phased Payment Arrangement Criteria

- 5.1 The standardised requirements for Phased Payment Arrangement applications are intended to facilitate speedy and appropriate case-working decisions and to minimise the number of contacts with the taxpayer in order to provide a timely level of certainty in relation to addressing their tax difficulties.
- 5.2 Phased Payment Arrangement applications arise where factors, largely outside of the control of business, e.g. economic slowdown, have negatively impacted on its capacity to meet tax obligations in a timely fashion.
- 5.3 There are certain criteria that must be met before a Phased Payment Arrangement can be granted. For all applications concerning amounts in excess of €500, the decision to grant a Phased Payment Arrangement is contingent on a number of factors including:
- **Liabilities Quantified:** All outstanding tax returns must be submitted. ROS will not allow a customer to proceed with an application while returns are outstanding. This includes informational returns such as VAT - Return of Trading details.

- **Application Submission:** The application must be completed and submitted by the customer on the prescribed ePPA1 Form, accompanied by the mandatory supporting documentation as outlined on ROS. Exempt e-filers can make a paper application on [PPA1 Form](#) available on Revenue.ie.
- **Business Viability:** The customer must demonstrate that the business is viable and has the capacity and commitment to meet all future tax payment obligations when they fall due. In addition to the documentation specified by Revenue, the taxpayer may also submit other information that they consider relevant to their application.
- **Timeliness:** It will be significantly influenced by the level and timeliness of meaningful engagement with Revenue.
- **Terms & Conditions:** The customer is made aware of the terms and conditions of the Phased Payment Arrangement at the outset of the application process. Continuing with the application is deemed as acceptance of those terms and conditions.

5.4 **Realistic Payments:** The Phased Payment Arrangement made with the customer must be reasonable to Revenue, by addressing the arrears and also to the customer, by allowing the business to trade through its difficulties in a manner which allows the phased payments plus all current and future liabilities to be paid when due. An unrealistic arrangement will inevitably fail.

5.5 **Debt Quantified:** One of the pre-conditions for a Phased Payment Arrangement is that all tax returns are filed to date. ROS will not allow a customer to proceed with a Phased Payment Application where returns remain outstanding. When an application is progressed by the customer, the customer will be made aware of the full amount of tax, interest and penalties owing and due over the lifetime of an arrangement.

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5.6 **Failed PPA:** The onus for fulfilling the terms of the Phased Payment Arrangement is entirely on the customer. Therefore, if current taxes are not paid and returns are not filed by the due dates, the caseworker has the option to cancel the Phased Payment Arrangement.

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- 5.7 **Interest & Penalties:** Revenue will have established that collection of the full liability in one sum is not practical and therefore a Phased Payment Arrangement offers the best prospect of collection. Full '**accrued**' and '**projected**' interest and any appropriate penalties owing and outstanding must be included in every Phased Payment Arrangement. Where part payments have already been made against periods included in the PPA, any Interest on late payments due in relation to those payments will be calculated and included in the accrued interest figure.

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- 5.8 **Negotiation Timeframe:** The application process for a PPA has clear timeframes in-built to ensure the application is dealt with in a timely manner. The application process cannot be completed unless the customer submits all the required documentation for decision.

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Where a Revenue caseworker enters into a negotiation phase with the customer, the customer must respond to the caseworker's notification within five working days or the arrangement will be disapproved automatically.

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- 5.9 **Down-Payments:** Negotiations should strive to maximise the down-payment amount, and the minimum amounts required are 25% or 40% (where tax clearance required) of the combined total of the Tax, Interest and Penalties outstanding. Customers should be made aware that a higher down-payment will reduce projected interest payable over the life-time of the Phased Payment Arrangement.

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- 5.10 **Tax Clearance:** If the taxpayer is seeking a Phased Payment Arrangement in order to obtain Tax Clearance, the minimum down-payment is 40%. However, a larger down-payment can be requested depending on the circumstances of the case.

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- 5.11 **Methods of Down-Payment:** Down-payments must be made by Direct Debit from the customer's bank account. The facility to pay the down-payment by bank draft or credit card is no longer available. The down-payment is deducted from a customer's bank account 3 working days after the application has been approved by the caseworker. Once deducted, the Phased Payment Arrangement is considered to be 'in progress'. Where the down-payment fails, the Phased Payment Arrangement will be automatically cancelled and the customer will be notified through their ROS inbox.

- 5.12 **Payment Timeframe:** Phased Payment Arrangements should be completed within the shortest possible timeframe.

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- 5.13 **Direct Debit:** The granting of an arrangement is conditional on the liabilities being paid by Direct Debit. Post-dated cheques, ROS payments, offsets and payment transfers are not acceptable as a means of paying liabilities under an arrangement. The Direct Debit payments will cover both the initial down-payment and the monthly payment amounts. Bank details are entered by the customer as part of the application process. Post-dated cheques are not acceptable and should be returned to the taxpayer immediately.

6 Factoring and Invoice Discounting

- 6.1 The difference between factoring and invoice discounting, in brief, is that factoring is a disclosed facility where debtors are informed that the client has assigned its debt to a Factor and debts are paid directly to the Factor. The Factor keeps the ledger of account debtors and collects the receivables. Invoice discounting is a confidential form of debt purchasing, where the invoice discounter acquires the

debts from the client, but the client collects the debts as the undisclosed agent of the discounter.

- 6.2 The legal basis of both factoring and invoice discounting is the purchase of receivables. As debt purchasing results in the transfer of ownership of the debts rather than a charge on the assets, the assigned assets fall outside the ambit of any security. Ownership of the debts through factoring and invoice discounting provides lenders with an alternative to the burden of trying to obtain a fixed charge on debts.
- 6.3 Regarding obtaining details of the factoring or invoice discounting arrangement, it should be noted that as factoring is a purchase arrangement and not a security interest, no registration is required. The nature of the arrangement will however be detailed in the Contract of Sale or Master Agreement or Assignment between the Factor and Company. It is only through sight of this Agreement that it would be possible to clarify that all funds in the account are subject to the arrangement.
- 6.4 Although customers must indicate on the PPA1 whether they avail of an Invoice discounting/factoring arrangement, customers are not requested to supply details of factoring or invoice discounting arrangements as part of the supporting documentation supplied with a Phased Payment Application. However, caseworkers can request the documents to be uploaded during the 'negotiation' phase.
- 6.5 Factoring and Invoice Discounting Arrangements will not preclude a company from availing of a Phased Payment Arrangement provided Revenue is notified of the exact terms of the arrangements.

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7 Preliminary Income Tax

- 7.1 Apart from cases in which Direct Debit is used to pay Preliminary tax, only payments made on or before 31 October qualify as Preliminary tax payments for the current tax year. Therefore, it is not possible to pay Preliminary tax by instalment, as any payment made after 31 October does not qualify.
- 7.2 If a taxpayer is unable to pay a sufficient amount by 31 October, the caseworker should outline the possibility of payment through the Direct Debit scheme. Direct Debit for Income Tax is not mandatory because it involves the payment of portion of the tax in advance, but it should be offered to customers as it will be attractive to many. To minimise the interest charge, the taxpayer should pay the maximum amount possible by 31 October and submit the balance of tax liability for the year as quickly as possible thereafter. If appropriate, interest charges will be raised and pursued by Revenue in due course.

8 Variation of Direct Debit

8.1 Customers have the ability to make amendments to their Phased Payment Agreement through ROS. There are two types of amendments; Standard and Non-Standard amendments.

Standard amendments:

- Customers can change the preferred deduction date (day of month) for future instalment payments.
- Customers can change the bank account from which future instalment payments are debited.
- Customers can pay the arrangement in full.
- Customers can request a payment deferral.

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Non- Standard amendments:

- Customers can apply for a payment break of up to 6 months.

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9 Unpaid Direct Debits

9.1 Where a Direct Debit goes unpaid or cancels, the system will re-present the request for payment 21 days later. The customer will receive notification in their ROS inbox that the payment has cancelled and the date of the next deduction.

8.2 Where the second debit goes unpaid, the system will automatically cancel the Phased Payment Arrangement due to consecutive missed payments. Customers will be notified through their ROS inbox.

8.3 Where the second debit is successful, the initial missed payment is logged by the system as a missed payment. A customer can only have three missed payments over the lifetime of a Phased Payment Arrangement. Where three missed payments are logged, the system will automatically cancel the arrangement and the customer will be notified through the ROS inbox.

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10 Offsets/Additional Payments

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[...]

11 Interest payments at End of Instalments

The following material is either exempt from or not required to be published under the Freedom of Information Act 2014.

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12 Replacement Arrangements

- 12.1 Where an arrangement is cancelled, either automatically or by caseworker intervention, due to unpaid current taxes, there is no facility to re-instate the Phased Payment Arrangement. The customer must commence the application process again. Customers will be unable to re-apply until 24 hours have elapsed since the original arrangement has cancelled.

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13 Interim Arrangements

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14 Personal Insolvency Arrangements

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- 14.5 All instalment payments under a Personal Insolvency arrangement must be made by Electronic Fund Transfer. All Personal Insolvency practitioners (PIPs) must be notified of same by caseworkers ([see letter at Appendix 5](#))

15 Audit Settlements

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Appendix 1 - The Collector-General outlines Revenue's approach

Introduction

Revenue, as the Irish tax and customs administration, plays a critical role in securing and delivering most of the financial resources required by Government to provide services and facilities that improve the quality of life of all our citizens. Tax laws are administered to ensure, inter alia, that tax revenue is collected on time, bearing in mind that a shortfall in revenue or delays in its collection, impact on the level and timeliness of financial resources available to Government. A delay in collection also facilitates those who by withholding tax payments and using those monies to improve cash flow, attempt to secure unfair competitive advantage. At a more macro level, delays in collection of tax revenues properly due adds to the level of Government borrowing and public debt interest.

Revenue expects that taxpayers and businesses organise their financial affairs to ensure that they pay their tax debts by the due date. If a taxpayer or business does not pay what is due on time to Revenue or, when particular difficulties arise with the payment of tax, does not engage with Revenue in a timely fashion, then Revenue will proceed with appropriate collection and enforcement action to recover the debt.

Revenue is, however, conscious that difficulties or delays experienced by a business in getting paid for goods or services from its customers in turn puts additional pressure on businesses in meeting their obligations to their customers, including Revenue. However, the legal obligations for payment of tax on a timely basis are the same for all businesses. Revenue is sympathetic to occasional cash flow difficulties caused by exceptional events but cannot accept an ongoing failure to meet tax commitments and allow a business to continue to trade and accumulate further debts. Crucial to Revenue's ability to work with a business towards restoring timely payment of tax debts is the quality and timeliness of engagement by the business. Where that engagement is tardy or less than frank and realistic then Revenue will have little option but to initiate the necessary collection and enforcement measures needed to address that problem. Any other prudent creditor would take a similar approach to dealing with such a situation. Revenue cannot simply allow a business experiencing difficulties in paying its tax debts, to stop paying and continue trading. Businesses or taxpayers who do not pay their taxes as they fall due, or pay them late, are in effect using Revenue as an unauthorised source of credit. Apart from the

unacceptability of such an attitude, in the interest of fairness and equity for businesses that pay on time, Revenue must respond in an effective way.

What should a business do when problems arise paying its taxes?

Simply sitting tight until things get better is not an approach that Revenue will accept. So what are some key actions for a business or taxpayer in a credit squeeze? Firstly, it is really important that a business understands what precisely is giving rise to the particular difficulties in meeting its tax payment obligations. It is quite surprising and not least very worrying on occasions to find that a business will have only a general awareness that it is having difficulty but be unable to pinpoint the precise source of those difficulties. Statements like, "We are finding it difficult to get payments from our customers," without clear facts and details to support such a contention are not particularly helpful in a discussion with Revenue about how to manage an expected or actual delay in paying a tax debt - Which customers precisely are overdue in making their payments? What is the extent of the debts owed by those customers? When is payment expected? What measures have been taken to collect the debts from overdue customers? Are those problems of a short or long term duration? All of these questions raise key issues that a business will be expected to have addressed in the engagement and dialogue with Revenue. The answers to those and similar or related questions [depending on the particular case circumstances] will determine the scope for positive action and measures by the business itself to overcome those difficulties and will ultimately dictate the scale of the challenge it faces.

In summary, recognising or accurately identifying the specific pressure points will give Revenue a clearer understanding of key issues relevant to deciding on an agreed approach into the future. The extent of the debts owed by customers, whether a payment pressure relates to a particular customer or a category of customers, what attempts have been made to secure payment from those customers, whether payment has been promised and by when, and what steps have been taken to prevent the debt owed by a customer rising further are key pieces of information to have when approaching Revenue. Apart from the importance of these questions in determining the options for managing the challenge at hand the ready availability of such information in discussions with Revenue will show in a very tangible way the serious commitment of the business to managing the challenge overall and to dealing with the problem in a transparent and meaningful way. In the majority of cases the difficulties that businesses encounter that result in significant tax debts or significant delay in capacity to meet on-going tax obligations do not happen overnight. They are often a product of a deteriorating situation over a considerable period. Early, honest and realistic engagement with those difficulties maximises the possibilities for successfully applying remedial measures that are acceptable to Revenue and will enable the problem of non-payment of tax to be addressed.

Revenue Response

Revenue's overall approach to working with businesses and taxpayers experiencing cashflow difficulties, including in appropriate cases agreeing to Phased Payment Arrangements, has worked well in developing and maintaining a strong voluntary compliance culture and in guiding the response to late or non-compliance. The case working principles informing that approach continue to have relevance in a challenging economic climate and remain valid for the vast majority of cases.

Arising from the economic downturn some financially viable businesses and taxpayers did experience particular difficulties in meeting their tax payment obligations. This had been due, for example,

- o to particular cash flow problems arising from extended and ongoing late payment by their debtors, or
- o from bad debt(s) that had been exceptionally incurred, or
- o from a tightening of credit and overdraft facilities by financial institutions.

Such types of difficulties can continue to severely restrict the capacity of the business or taxpayer concerned to meet immediate financial obligations, including timely payment of tax debts as they fall due.

Phased Payment

Permission from Revenue to pay a tax debt by way of a Phased Payment Arrangement is a concession and must be fully justified by reference to the circumstances of each individual taxpayer or business. Every Phased Payment Arrangement will include interest. This can, therefore, entail substantial additional financial costs for businesses. Accordingly, it is in the interest of a business or a taxpayer to minimise its exposure to interest by paying as much of the debt up front and any balance over the shortest possible timescale.

Where a Phased Payment Arrangement is requested, then the business or taxpayer will be required in every instance to provide sufficient information, to justify such an arrangement. All arrangements will include interest. The information required is determined by the size of the debt – as set out below:

Debt – less than or equal to €5000

1. Part completion of on-line application ePPA1.
 - Section 1 – Business and Tax details
 - Part A - Business Details
 - Section 2 - Repayment Capacity
 - Part A - Bank and Other Financial Institution Details and Lending Commitments
 - Part C - Specify how proposal will be serviced having regard to requirement to pay future taxes
 - Declaration
1. No further supporting documentation is required at application stage but may be sought by case-worker on review.

Debt – between €5,000 and €100,000

1. On-line completion and submission of the Phased Payment Application (ePPA1) through the Revenue On line system (ROS). Full details of Interest charges and repayment schedule will be outlined to you.

2. Up to date bank statements that will allow Revenue to take a view as to whether there are increasing excesses on the account and to take a view on the extent of the account swing.
3. List of all/any assets and encumbrances thereon
4. Outline of what cost cutting measures have been implemented in the business including drawings by the owner/directors.

In some cases, the following additional information at least may be required:

5. Cash flow projections for the following 6 months
6. Up to date management accounts

Debt - Greater than €100,000

1. On-line completion and submission of the Phased Payment Application (ePPA1) through the Revenue On line system (ROS). Full details of Interest charges and repayment schedule will be outlined to you.
2. Up to date bank statements that will allow Revenue to take a view as to whether there are increasing excesses on the account and to take a view on the extent of the account swing.
3. List of all/any assets and encumbrances thereon
4. Outline of what cost cutting measures have been implemented in the business including drawings by the owner/directors.
5. Cash flow projections for the following 6 months
6. Up to date management accounts

Contact with the Taxpayer, Business and/or Agent

Customers must complete and submit an Agent Consent Form where they require their Agent to apply for and manage the Phased Payment Arrangement on their behalf. Once the application for a Phased Payment Arrangement is received it will be considered as quickly as possible and any issues requiring clarification will be raised in a timely fashion with the taxpayer, business or agent through the Revenue on-line system. Any additional information requirements will be clearly explained and a timeframe for their submission made explicit.

Approval of a Phased Payment Arrangement

Once approved by Revenue, the Phased Payment Arrangement will commence as per the terms and conditions agreed by the customer in the application process.

Refusal of a Phased Payment Arrangement

Where a Phased Payment Arrangement is being sought, it is the responsibility of the taxpayer, business or agent concerned to provide all of the necessary information with the initial application or where there are follow up requirements to provide the information in a timely fashion. Incremental filing of new or irrelevant information to delay or frustrate the collection/recovery process will not be facilitated and in such instances appropriate collection/recovery/enforcement action will proceed. A decision to refuse an application for a Phased Payment Arrangement will be advised by way of notification to the customer's ROS inbox, together with a brief explanation of the basis for Revenue's refusal decision and a notification that outstanding debt may be enforced by Revenue.

Breakdown of or Anticipated Difficulties with Phased Payment Arrangements

Revenue's normal expectation and experience is that the taxpayer or business concerned complies with the terms and conditions of the Phased Payment Arrangement and timely compliance is secured into the future.

Non-compliance or anticipated non-compliance with the terms of an agreed Phased Payment Arrangement means that a case is considered as an immediate increased risk from a Revenue standpoint. Where problems of compliance with the terms of an agreed arrangement are encountered, the expectation is that the taxpayer, business or agent concerned will be proactive in approaching Revenue when those problems start to emerge.

The taxpayer, business or agent concerned will be expected to set out clearly the basis for non-compliance with the terms of the original arrangement, the steps that will be taken to restore compliance on the original basis agreed and the timeframe for such restoration.

Where the basic viability of the business into the future is not re-established to Revenue's satisfaction or where current taxes are not being paid as they fall due, then the case will be actively considered for cancellation of the original Phased Payment Arrangement followed by appropriate collection/enforcement action.

Minor rescheduling of the Phased Payment plan may be appropriate given the overall duration of the arrangement and the extent of the short-term difficulties. The Online Application facility on ROS will allow the customer or agent to defer payments, move payment dates or take payment breaks over the term of the arrangement. Minor amendments will be facilitated. Where a payment break is requested, the customers concerned must clearly set out their difficulties and reasons for the payment break to Revenue. Revenue will consider the matter having regard to all the circumstances and the risk of default.

Enforcement Action

Enforcement action to recover a tax debt, including interest, is taken by Revenue where a taxpayer or business fails to engage in a satisfactory manner with Revenue in relation to that tax debt. Revenue has available to it a range of enforcement powers to effect recovery of a debt. The most frequently used enforcement options are Sheriff, Solicitor, Attachment and Liquidation.

Recovery action by the sheriff is the most frequently used enforcement option by Revenue. My Office and indeed Revenue uses the services of sixteen sheriffs to deal with the bulk of cases where enforcement action is required to secure the collection of unpaid taxes.

As an alternative to sheriff action we may refer tax debts to one of six external solicitor firms contracted by Revenue for the purposes of pursuing collection through the court process. Subsequent to a judgment in Revenue's favour by the Courts and where the debt remains unpaid, Revenue will seek to recover the debt by way of enforcement of that judgment whether by way of forced sale of an asset that is the subject of a judgement mortgage, by way of Instalment Order granted by the Court followed in appropriate cases by committal to prison in the event of non-payment or by way of Bankruptcy petition. Recovery by way of Attachment allows Revenue collect the debt of a business or a taxpayer from a third party in debt to the taxpayer or business.

A decision on whether to refer a debt to the sheriff or one of the external firms of solicitors will be influenced by a range of factors including the individual case circumstances, the success of previous enforcement actions that might have been taken in respect of the same customer or business, the quantum of the debt and whether the defaulter might have seizable assets. Attachment is used less frequently than sheriff and solicitor referral and would not normally be an enforcement option of first recourse.

Where a company has significant debts to Revenue or has significant debts and continues to trade and during the course of trade, add to those debts, Revenue may have little alternative but to petition the High Court to wind up the company on the grounds that it is unable to pay its debts. This is particularly effective in submitting the actions of directors to the scrutiny of the Courts where concerns about possible fraudulent or reckless trading arise.

Conclusion

Revenue is charged with the responsibility of collecting and securing the majority of the revenues required by Government to fund state services. It is recognised that the majority of taxpayers readily fulfil their obligations to pay what is due and on time.

Revenue requires that taxpayers and businesses meet their tax obligations on time. While taxpayers and businesses can and do encounter cash flow problems, these problems must be addressed so that timely tax compliance is assured. Addressing those problems in consultation with Revenue at the earliest opportunity is essential so as to avoid a situation where debt problems become insurmountable or where avoidable interest or enforcement costs are incurred. Bottom line is that early positive and realistic engagement with Revenue is necessary when tax compliance problems begin to emerge. With such an approach you maximise the opportunity of arriving at a successful and early resolution of those compliance difficulties in a way that will meet with Revenue's approval. Tardiness in recognising or addressing tax compliance problems merely serves to exacerbate the compliance challenge for business and taxpayers.

Collector General

17 Appendix 2 - ePPA1

[ePPA1](#)

18 Appendix 3 - Agent Link

[Authorisation for Agent Link](#)

19 Appendix 4 - Paper PPA1

[Phased Payment Application Form PPA1](#)

20 Appendix 5 - Letter to Personal Insolvency Practitioner

[Letter to Personal Insolvency Practitioners \(PIPS\)](#)

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