

Electronic Storage

Retention of Tax Records in Electronic Format

Part 38-03-14

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Background

On 27 January 2012 Revenue published a notice in the [Iris Oifigiúil](#) setting out the information technology and procedural requirements to which any electronic, photographic or other process used by a person for the storage, maintenance, transmission, reproduction and communication of any record must conform.

The requirements are:

“The Revenue Commissioners give notice that in exercise of the powers conferred on them by **section 887 TCA 1997** (substituted by **section 232 Finance Act 2001**) they have drawn up and published information technology and procedural requirements to which any electronic, photographic or other process used by a person for the storage, maintenance, transmission, reproduction and communication of any record must conform.

For the purpose of these requirements -

The “Acts” are the Tax Acts (that is the Income Tax Acts and the Corporation Tax Acts); the Capital Gains Tax Acts; the Value-Added Tax Consolidation Act, 2010, and the enactments amending or extending that Act; the Capital Acquisitions Tax Consolidation Act, 2003, and the enactments amending or extending that Act; and Part VI of the Finance Act 1983 and any instrument made under any of these enactments;

“record” is any document which a person is obliged by the Acts to keep, to issue or to produce for inspection, and any other written or printed material which is stored, maintained, transmitted, reproduced or communicated for the purposes of the Acts.

In the case of invoices and other documents to which Chapter 2 Part 9 of the Value-Added Tax Consolidation Act, 2010 applies, the information technology and procedural requirements published for the purposes of section 887 of the Taxes Consolidation Act, 1997, are subject to whatever additional requirements may apply to the electronic transmission of such documents by virtue of Chapter 2 Part 9 of the Value-Added Tax Consolidation Act, 2010.

Persons should be aware that section 887(2) of the Taxes Consolidation Act, 1997 contains other requirements which must be observed in order to fully comply with the provisions governing the storage, maintenance, transmission, reproduction and communication of records by any electronic, photographic or other process. Persons who fail to comply with any of the provisions of the section are liable to penalties.

Information Technology and Procedural Requirements, to which any electronic, photographic or other process used for the storage, maintenance, transmission, reproduction and communication of any record shall conform, drawn up and published by the Revenue Commissioners in accordance with section 887(3) of the Taxes Consolidation Act, 1997.

1. All electronically stored records must be held complete, unaltered and uncorrupted and must be retained for the appropriate period(s) of time specified in the Acts in relation to keeping of records.
2. Where business records are generated, recorded or stored in any electronic format, those records must be retained for the minimum period required by the Acts. The retention alone of paper copies of documents or reports, which were generated, recorded or stored electronically, at any time, will not satisfy the requirements of the Acts to maintain records.
3. The requirement to retain the paper original of any third-party record (for example invoices, statements, etc) is not necessary where an electronic copy of the original record is generated, recorded and stored in accordance with these requirements.
4. If any third party record is received, transmitted or communicated electronically in the first instance, details are to be maintained by the sender/receiver of the form of encryption, digital signature or any other method used to verify the integrity of the record and the identity of the sender/receiver and how and where this is stored on the system (e.g. location on system, file name, passwords, etc.) for subsequent verification by Revenue, if necessary.
5. If a record is not an original, this should be recorded. If the original of a record is of too poor a quality to be scanned, or the colour or ink is such that legible scanned images might not be produced, and a photocopy is used instead, this should be recorded and the original record (and its photocopy) retained. If the original contains physical changes that would not be visible on the scanned image or a reproduction, it should also be retained.
6. There should be a clear audit trail within the system to cover scanning, batch details, indexing, problems arising during processing of records, the time and date of such processing, the name of the processor and other relevant information.
7. Subject to the time limits governing the keeping of records, records must be accessible to inspection by a Revenue official at all reasonable times.

8. The capability must be available to produce exact copies of any electronically stored record for the full period that such record is required to be maintained.
9. All electronically stored records must be accessible to a Revenue official in paper or electronic form. The method of delivery and the format of the electronic record required by the Revenue official shall be specified by the Revenue official at the time the records are being requested.
10. Where new computer systems or applications are introduced the person to whom the records relate must ensure that the old systems and/or applications are maintained for such period as ensures that the records are retained for the minimum period required by the Acts unless specific approval has been obtained from Revenue to discontinue support for the old systems and/or applications.
11. The generation and storage of additional paper copies of records which have been generated electronically by the business itself or which were originally received in electronic format is not required.
12. The person to whom the records relate must be able to sign any reproductions as "true copies" (that is, that they are authentic, accurate and complete). He/she must also be able to certify that:
 - The stored records were not damaged or interfered with in any way
 - Proper security procedures were in place to prevent tampering
 - Programs are in place which will reproduce accurately the documents which are stored, and
 - A proper systems audit takes place annually to ensure that the instructions on the use of the system have been followed correctly and are in accordance with operational requirements.

These requirements are expressed to apply to electronic records, but they are to be taken as equally applicable, where relevant, to records stored by means of any photographic or other similar process.

These requirements must be satisfied in all cases to which section 887 TCA 1997 applies, including a case where the records are held by a third-party service provider. The use of a third-party service provider does not remove the onus on a person to satisfy these requirements."