Response Number 954

Q.1 What are your views on the proposal to introduce real-time reporting for B2B and B2G transactions?

Being mandatory, this may increase day-to-day administrative work for small businesses and sole traders where they previously could batch said administration once every two months when filing VAT returns with the current system.

Q.2 What matters should be considered in planning for a transition to a new VAT Reporting system?

The option of returning VAT on invoiced payments received, rather than returning VAT on eInvoices issued - as a small business may not have the cashflow to pay VAT which they have not yet received from their client.

Q.3 If your business is currently subject to a VAT reporting programme in another EU or non-EU country, can you please share best practice, recommendations or lessons learnt?

N/A

Q.4 Have you any observations, concerns or recommendations on a move to mandatory electronic invoicing for B2B & B2G domestic VAT transactions?

I think it is important to have the option of returning VAT on invoiced payments received, rather than returning VAT on eInvoices issued - as a small business may not have the cashflow to pay VAT which they have not yet received from their client.
It is also a concern that sole traders and businesses will be forced to adopt new invoicing software - will this software be at an increased cost to the sole trader/business? Some of us have already subscribed to accounting services/softwares which may not be compatible with the new system. This could increase cost and/or administrative workload for the sole trader/business.

Q.5 Revenue is particularly interested in hearing views from businesses that are already engaged in eInvoicing Public Bodies within Ireland or engaged in B2B eInvoicing throughout Europe and beyond. How did you prepare and what challenges prevailed in your preparations for eInvoicing?

N/A

Q.6 What suggestions would you offer in Ireland's arrangements for a mandatory B2B and B2G eInvoicing programme?

1) I think it is important to have the option of returning VAT on invoiced payments received, rather than returning VAT on eInvoices issued - as a small business may not have the cashflow to pay VAT which they have not yet received from their client. Sometimes people don't pay their invoices for months, I think the sole trader should not have to pay VAT on invoiced work for which they have not been paid.
2) It could be a good idea to have live collection of data (if this doesn't increase administrative workload for the business), BUT allowing it to be tallied/corrected at the end of each two month period as before. Consider the scenario where a sole trader has subscribed to an accounting software, paying monthly fees. This individual has put considerable time into learning about, setting up the software settings and information required for creating and issuing invoices specific to the operation of their business. If the new eInvoicing programme does not integrate well with this sole trader's system, the result may be that the sole trader has to spend twice as much time inputting data into two separate systems in order to be compliant. This is on top of 16 hour work days, etc. A review at the end of two months allows the sole trader to batch some of that administrative work into a focused few hours 6 times a year. Some combination of ongoing

collection of data with a two monthly review/adjustment/confirmation could work better than a straigth up live system.

Q.7 Revenue are cognisant that small businesses may have different perspectives and requirements to large businesses, so what information prompts would you find useful for businesses in completing the VAT return?

I am not sure what the question means regarding "information prompts".
However, I have found that I have filed my VAT 3 return in the past only to find that I did not click on the button to confirm the return enough times (there a number of boxes to click after you finish the return). Then I get a notification to say that my VAT has been estimated as I didn't file a return. Then when I logged in again, I found my return was saved but not submitted fully. I think that the finalising of the return should be made clearer, as I have often mistakenly thought that I had completed the steps (when in fact I needed to click through different forms of confirmation again and again.)