Response Number 778

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

I believe the suggested benefits for traders are overstated or actually non-existent and I believe it is likely they could become a significant burden to business both in software and time costs.
If reporting is being done within a couple of days of invoice creation or Purchase entry, either a lot of time will be spent checking lots of smaller submissions or the submission will be done automatically without checks being done which would actually be the opposite result to the suggested benefit that it would reduce errors.
In our business the transactions making up the VAT return are checked prior to submission of the VAT3 which gives any opportunity for spotting errors. If the transactions were uploaded at that point that would give minimal extra workload.
I do understand the proposals may help VAT authorities across the EU combat fraud but think it will likely have a disproportionate effect on smaller to medium businesses for which it may hinder competitiveness.

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

Cost to businesses of new software (maybe grants to help businesses?)
Cost to businesses of system implementation time
Cost benefit analysis - size of business and whether there would be any exemptions for small businesses
Does it create barriers to entry for new startup businesses or businesses trying to enter a new market segment
Options for basic manual upload which may negate the software cost element for some small businesses

**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?**

Depending on how the data is used and what detail level it is analysed at, it could result in pointless queries depending on differences of input between customer and supplier e.g.
Supplier despatches 3 items, 1 of which is lost in transit. They have no more in stock so agree with the customer that they will credit the missing item. Their system will hold an invoice and a partial credit note
Customer only receives 2 items so combine the invoice and credit note values so that their purchase order system ties up.

**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?**

N/A

**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?**

N/A