Response Number 786

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

As an SME I am not in favour due to the considerable burden that would be involved for companies that do not use advanced ERP systems for the recording and reporting of financial information. The cost and time to implement such systems would be considerable with no real benefit to the SME business. In addition, the monthly accounts closing process allows SME businesses to review all transactions to ensure that they are correctly accounted for and any changes made before finalising the month end accounts. Real time reporting to revenue will require significant additional review time for small business at the time each transaction is processed as opposed to current batch processes for review i.e monthly review. This will add significant time and effort to the account processes and would be a huge burden on small businesses with no value add for the business.

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

Revenue need to consider what types of accounting systems businesses utilise. There is no requirement in law for businesses to use electronic ERP systems. Many smaller companies still use spreadsheets. The requirement is to keep proper books and records - however that is achieved. Real time reporting will effectively mandate that businesses need to implement electronic advanced ERP systems to meet Revenues requirements for real time reporting. Who will pay for the time, costs and disruption this will cause for currently compliant 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?

Your statement that "The development of domestic eInvoicing here supports the digital transformation across the economy". This is factually incorrect for non-technology based business who produce physical goods not amenable to ecommerce - such as large capital equipment. You have a blinkered view of Irelands economy - especially for SME's. To be clear I am not in favour of the move to mandatory electronic invoicing as the cost, burden and time involved for businesses that are not using advanced ERP systems will be significant with no benefit relative to the cost.

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?

Consider that impact on non-ecommerce based businesses that do not utilise advanced ERP systems. There is no benefit to your proposals for small businesses who are a cornerstone of Irelands economy.

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?

No comment - see all my previous comments from an SME perspective.