Response Number 85

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

I believe it will be onerous for businesses such as ours, which operate as subsidiaries of global firms and rely on centralised accounting and treasury functions. The vast majority of our billing and receipts are out of scope and having to comply with real-time reporting for our local vatable expenses, which are minor, would be disproportionate. It would of course also reduce the time between incurring the expense and reclaiming the VAT, which is of no help to the state.

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

Either value or transaction rate thresholds for inclusion. Compatibility with accounting systems, including multi-currency systems domiciled elsewhere. Consideration of how errors and delays will be treated, especially when purchasing from small suppliers.

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?

We are exposed to VAT/GCT reporting in a number of countries. Notably in the UK we are on a three- rather than two-monthly reporting cycle and can file the return directly from our accounting system. We would see no benefit to us from a move to real-time reporting.

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

Intercompatibility. All of our invoicing is already electronic in the sense of being produced from a computerised accounting system and emailed as PDFs. The effort involved in connecting disparate accounting systems to permit true electronic invoicing would not be insubstantial.

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?

Be careful what you wish for. In B2G you will be responsible for developing the capability to receive inbound invoices electronically across all government functions. If you require suppliers to use your invoicing system, there will be transcription errors. If you intend to develop interfaces to theirs, there will be a development challenge. If you seek to use a shared taxonomy, such as XML/XBRL, you will be excluding small suppliers whose systems likely lack that capability.

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?

Simplify the inputs, allowing removal of those that are structurally irrelevant to the business. Simplify the VAT code itself, reducing the number of VAT types and codes. Get rid of the duplicative RTD return.