Response Number 608

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

In principle I always welcome technology, however as a freelance worker paying VAT I believe there should be some differences between my category and larger enterprises.

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

In terms of freelance work, we often get paid months after submitting our invoice. the current system allows us to pay VAT after we have received payment for an invoice issued. If we are forced into a real-time reporting /payment we would very often find ourselves out of pocket. Personally, I also approach VIES reporting with the same principle, ie I make sure payments from customers have been cleared. I believe this is something that needs to be taken into consideration if introducing real-time reporting.

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?

I am not subject to VAT reporting in other countries but I do submit invoices to countries other than Ireland and I often find their system (Italian specifically) cumbersome. We often have to supply a tax residency document and fill out forms as required. It is important to consider the time lapse between issuing invoice, receiving payment and VAT payments. For me that is key.

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

If introducing E.invoicing, another important aspect to consider is the possibility of downloading our own invoices before sending so we can follow up with clients in case of failed payments etc.

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?

I work with public bodies in Ireland and abroad and generally raise an invoice, add vat if applicable and pdf it. Some public bodies (in Italy) require forms to be filled that confirm tax residency, but in general a pdf is acceptable. I actually think specifically with public bodies e-invoicing may complicate things for us small freelance businesses. it is important for us to have a contact and be able to chase payments. i fear that will be lost with e-invoicing.

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

I would separate the mandatory aspect from the real-time aspect - becasue of all of the above.

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?

It's always good to be reminded of deadlines for submitting VAT / VIES.