Response Number 992

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

Real-time reporting should be introduced as soon as possible. The VAT gap is far higher than Revenue or the European Commission realise.

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

E-invoicing needs to be linked to the relevant payment transaction. Invoices are only a piece of 'paper'. The transfer of money is the key event.

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?

Self-accounting for supplies abroad is a simple means of conducting VAT evasion. Place of supply rules are not adhered to in practice.

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

Electronic invoicing should be mandatory for all taxable AND accountable persons. The registration thresholds should have no bearing. Whether businesses operate on a receipt or cash basis is irrelevant. To dilute the requirement from mandatory to some arbitrary threshold will be to leave the VAT gap wide open.

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?

E-Invoicing systems need to be compatible across jurisdictions to remove the risk of non-compliance.

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

The e-invoices need to be linked to the associated payment transaction. Without this, the widespread practice of raising a false Purchase Order by the recipient and a false Invoice by the supplier in order to claim a deduction will continue. Revenue need to be able to track the money from one account to another.

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?

All taxable and accountable persons should be in scope.