Response Number 432

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

I agree that real time reporting will be a more efficient way of dealing with VAT matters when it comes to medium and large sized businesses. However, as a very small (micro?) business, it would place a significant burden on me to deal with the frequency of updates required when I am dealing with a small number of invoices per year.

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

There should be scope for small and micro businesses to continue to deal with VAT in the well understood and relatively low overhead system currently in place.

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 separately registered for VAT in UK but for UK business only. I will de-register from UK VAT for the next UK financial year as my trade falls well below the threshold. UK electronic reporting is similar to the Irish system currently employed (in my experience) and requires about an hour per quarter for my business activities.

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

For a micro-business in the legal services sector I am sending very few invoices per year. They are 'electronic' in the sense that i send manually prepared PDF documents to my clients. To do so in any other way would be burdensome both for me and for my clients. There has to be a de minimis threshold below which this should not be a requirement I would suggest.

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 am not so engaged.

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

There must be a de minimis threshold so that small and micro business is not unduly burdened.

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?

I would find the requirement to employ specific software (especially where such software requires licence fees to be paid) to be burdensom in the extreme. I prepare my VAT data on a spreadsheet and enter the figures manually into the Revenue web site - it is easy and while I accept that while manually entered data is more likely to result in errors I would suggest that for small and micro-businesses the risks are outweight by the increased complexity of any alternative 'electronic' system.