Response Number 416

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

Coming from a position of having managed a €60m+ turnover business and now owning my own business in the SME space, this is a welcome process.
Overall this looks to be a positive move and one which should support SME's like mine in both reporting and potentially from a cashflow management perspective, if implemented with the latter in mind.

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

For SME's cashflow is a major focus and times can be quite challenging when building a business.
While VAT will always balance out at the end of each reporting period, reducing the administration and management of having a VAT registered business is a benefit.
As part of live reporting, it would be beneficial if there was also a mechanism for pay/reclaiming VAT at source for transactions between suitably registered and approved organisations.
This would enable businesses to have a reduced cashflow requirement when purchasing goods as well as lowering the cashflow management aspect of receiving funds inclusive of VAT. In my experience, some SME's find it challenging to manage their cashflow to ensure they are not met with shortfalls when it comes time to pay VAT to revenue.

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?

EInvoicing is a positive move and inline with the overall move to a more technologically focused world.
However give the challenges some business owners have embracing technology, it would be prudent to have a facility to opt-in to standard invoicing practices. This could be an addendum to a VAT registration similar to using cash receipts etc.
It should be mandatory to accept an e-invoice. However businesses should have the facility to tell revenue they will be issuing non electronic invoices.
This should be an "all or nothing" type approach. You cannot elect to issue some invoices in the standard/old manner. If you have the facility to issue one e-invoice, you can issue all of them.
In addition, there should be clauses in place that satisfy the need to e-invoice if the supplier has created the e-invoice but the purchaser cannot receive it electronically.

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?

N/A

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 is important to have an accountant or similar on hand when running an SME, however many SME owners wish to keep their fees to such advisors low.
VAT returns are not overly challenging to complete/file especially if you stay on top of your bookkeeping with a modern accounts package.
Greater clarity and interactivity in assisting businesses understand the VAT rates and VAT reclaim laws would be useful.
If an SME has a ad-hoc transaction, it would be useful to have an interactive "calculator" of sorts to assist in calculating the VAT liability or reclaim that may be due. This would serve as a guide and should be coupled with professional advice where necessary.
The interactive tool would be similar to the written example used in many revenue documents, but would allow people to tweak the example to their circumstances.