Response Number 686

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

This will not be simple for companies. Despite having modern systems many companies continue to operate a best in class type IT structure which means not all activity is within one main system. It will require significant investment by IT and Finance teams to implement -therefore sufficient time for companies to work on this needs to be given. The requirements need to be shared at least a year in advance to allow this planning. It is a big burden for smaller companies who may not have sophisticated systems with eInvoicing. This additional cost to smaller Irish companies should be considered given the pressures they are currently under.

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

- Cost on businesses to implement
- Timelines given to implement from once clear established guidelines of how this will operate are shared.
- Definition of real-time? Other countries allowed a number of days post the transaction, this was high at the start and phased down over time but still allows circa 5 business days post.
- What level of aggregation will be allowed, aware that in other countries where a retail operation is reporting for example, they can aggregate the til by store for the day.
- What data will be required and what level of cross checks will be completed, aware of other countries having to do significant data cleanse to get uploads to work for example for shortened companies name where these needed to match exactly.
- Data Protection implications even for summary data submissions
- Not all companies provide an e-invoice so need to understand the implications for this type of customer and for us as a business as a whole.
- Need to understand compatibility of existing ERP’s to be leveraged for digital reporting requirements.

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?

- They used a phased implementation.
- The focus is purely on large companies - haven't burdened smaller companies.
-They allowed sufficient time for IT & Finance teams to implement systems.
- Flexibility at start in terms of data quality i.e. not enforcing match on VAT reg, name etc.
- Were clear on requirements so development could take place if info wasn't available, for example required to know if settled in cash or not - this needed to be developed, required delivery date aswell as invoice date - again requiring IT development work and cost.
- Need to allow days post invoice to report, systems can fail etc. so can't be truly "real time".

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

- Cost to smaller businesses.
- B2C is currently not considered. Should consider implications of this into the conversation as may form part of the future state of VAT reporting.
- Any pre-clearance required by Gov’t in the CTC process may delay invoices being received and ultimately payment of same.

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?

- Needs to be as standardised as possible across the board
- Any pre-clearance conditions should not impact on the distribution timing of invoice

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?

Comprehensive layman's terms document outlining the new process which needs to be followed
Sufficient time to implement - not just signing something in with limited notice of comprehensive requirements