

# TALC AUDIT Sub-Committee Meeting Minutes

**Wednesday 20<sup>th</sup> March 2024 – 10.00am**  
**Revenue Office Bishop's Square and MS Teams**

## Attendees:

Revenue:	Brian Boyle	Revenue
	Sarah Waters	Revenue
	Miriam Scahill	Revenue
	Patricia Lee	Revenue
	Aisling McDaid	Revenue
	Eoin Gibson	Revenue
	Emma Murphy (Secretary)	Revenue
	Aileen O'Leary (Presenter)	Revenue
	Joe Winters (Presenter)	Revenue
Practitioners:	Gerry Higgins (Chair)	CCAB-I
	Grainne McDermott	CCAB-I
	Jim Kelly	Irish Tax Institute
	Mary Healy	Irish Tax Institute
	Fergal Kenzie	Irish Tax Institute
	Julie Burke	Irish Tax Institute
	Liam Grimes	Irish Tax Institute
	Sandra Brennan	Irish Tax Institute
	Patricia McCarvill	Law Society
Apologies:	Gearoid O'Sullivan	CCAB-I
	Aidan Lucey	Irish Tax Institute
	Ruth Higgins	Law Society

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### Item 1 – Minutes of meeting held on 27<sup>th</sup> September 2023

The chair opened the meeting by welcoming everybody to the meeting and noting the apologies.

The chair welcomed Patricia McCarvill to the sub-committee as the newest member representing the law society.

The minutes of the previous meeting were agreed with no amendments.

### Item 2 – Matters arising from the previous minutes

The first item noted from the previous minutes action points was the review to be undertaken by Revenue into settlement offer letters. This review is still ongoing as part of a wider review of intervention letters generally. An update will be provided when available.

The second matter noted from the previous minutes was in relation to the 60-day period in which to make a qualifying disclosure, as provided for in the Code. The practitioners had suggested that the current wording made it difficult to request the 60 days in good faith given that at the time the request is made, it is not clear whether a disclosure will ultimately be required. Revenue suggested a solution whereby a 60 day period might be sought in order to review the taxpayer's affairs and that details of this review would be provided to Revenue at the commencement of the intervention. It is hoped that this approach can accelerate the time taken to complete interventions, especially in cases where there is full compliance. Revenue undertook to provide a draft amendment to the Code for discussion at the next meeting.

Practitioners expressed concern about clarity regarding the “commencement of the examination” and the end of the opportunity to make a qualifying disclosure during an intervention. Revenue confirmed that there has been no change to policy in this area and reaffirmed the importance of clarity on the commencement of the examination. Practitioners indicated that there can be a lack of clarity about this aspect during desk based interventions. Revenue will include this aspect in upcoming refresher training for staff engaged in interventions.

### Item 3 – Discussion with Large Cases - High Wealth Individuals Division

Aileen O’Leary (Principal Officer) and Joe Winters (Assistant Principal Officer) attended for this item on behalf of LC-HWID. Aileen commenced their presentation by providing an overview of the Division. It was formed in 2018 and there are 7 branches: divisional office, 3 HWI branches, 2 National Anti-Avoidance Branches and 1 Pensions Branch. There are 122 staff members in 5 separate locations.

The divisional office provides the customer service function for all of the branches apart from Pensions Branch. Any new cases brought into LC-HWID are also dealt with by the divisional office before they are assigned to a HWI branch. The case base is reviewed annually, and the first case base report is available on the Revenue website at <https://www.revenue.ie/en/corporate/documents/research/case-base-review.pdf>.

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The 3 HWI Branches deal with 4,097 cases. Of these 1,643 of them are primary HWI taxpayers with individual wealth in excess of €20m. The HWI branches also deal with 2,454 secondary taxpayers, i.e. spouses and children connected with the high wealth individual and trusts associated with them.

There are 2 National Anti-Avoidance Branches. One of these branches is currently dedicated to finalising legacy cases, for example Liberty Bell cases. The other branch deals with newly identified schemes of avoidance. This National Anti-Avoidance branch is currently running several compliance projects examining potential tax risks relating to the claiming of certain reliefs such as S604A relief and entrepreneur relief, also transactions involving disguised remuneration schemes and the transfer of assets abroad.

The Pensions Branch also carries out a national function. It is divided into 3 separate areas, one customer service team and 2 compliance teams.

All Cases are assessed periodically by the case managers; they mainly review the previous 2 years but can go further back if required. There are also a number of cross-Branch compliance projects, for example: domicile levy and capital losses. Some of the key risks identified are in the areas of share valuations and connected party transactions.

The pensions branch is moving focus from customer service into more compliance work. This change has been facilitated by a significant reduction in service work (principally, applications for scheme approvals) following transposition of the IORP II Directive. Some of the compliance projects that they are now focussing on include personal use by scheme beneficiaries of their pension properties, and connected party transactions in both SSAPs and ARFs. They will also be commencing compliance projects looking at the overseas transfers and Exempt Unit Trusts.

The chair queried whether it was possible to move a pension from Ireland to another EU country. It was confirmed that, generally, where the required conditions are met and the scheme is transferred to an IORPS compliant scheme in another EU Member State, the transfer is allowed: the transfer in such circumstances may be made without prior Revenue approval. Chapter 13 of the [pensions manual](#) contains more information on this issue.

It was noted that while LC-HWID doesn't operate a CCF they have a high level of co-operation with agents and are always open to active engagement.

The Chair thanked Aileen and Joe for the informative presentation.

### Item 4 – Compliance Intervention Framework Updates

In advance of the meeting the practitioners had raised the issue of level 1 letters issued through MyEnquiries and not being copied to the relevant agent. Revenue explained that the system is not automatic, but they undertook to remind caseworkers of the importance of also sending a level 1 letter to the agent where one is on record for the relevant taxhead.

Practitioners queries the treatment of a settlement that extends beyond the time limit for Self-correction without penalty. Revenue confirmed that where a default extends beyond the self-correction period, any correction beyond that period may be addressed by way of an unprompted disclosure. Penalties will apply to such periods where appropriate under the TCA and the Code.

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### Item 5 – PMOD Compliance

Practitioners queried progress on ERR. It was noted that this issue had been discussed recently at main TALC. There has been a high level of ERR submissions received thus far. Revenue are considering tailoring some follow up communication for sectors where they may have expected a higher response rate.

Practitioners expressed concerns with regard to the restriction of the small benefits exemption in s.112B TCA to two benefits per annum, noting that a fixed penalty could arise from a relatively minor infringement. Revenue noted that the rules are set in legislation and any change would be a matter for the Oireachtas.

### Item 5 – DAC 7 – joint audits

Revenue outlined that operational policy in relation to this is still under consideration. Once this is finalised there will be an update to the Code of Practice.

### Item 6 – AOB

The status of LPT compliance projects under the CIF was queried. It was indicated that an Intervention Level was not specified on some intervention letters. Revenue will follow up with the relevant area.

Action Points from this meeting	Responsible	Deadline
Revenue to review settlement offer letter	Revenue	Ongoing
Practitioners to continue to provide Revenue with examples of any issues arising with the operation of the CIF.	Practitioners	Ongoing
Revenue to review wording in relation to the 60-day extension in the Code	Revenue	Draft for next Meeting

The date of the next meeting is June 12<sup>th</sup> 2024.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee