

**Minutes**  
**Indirect TALC Meeting**  
**10:30, 4 September 2024**  
**Dame Annex Conference Room, Stamping Building, Dublin Castle**

**Item 1 – Minutes of the Previous Meeting**

Draft minutes of the meetings on 6 March and 15 May 2024 were discussed and agreed.

**Item 2 – Matters Arising**

**2.1 TALC Sub-groups**

VAT Groups: Revenue has finalised an internal report which is currently being considered by senior management. Once the relevant decisions have been made on the report, the next meeting of the sub-group will be scheduled.

Partnerships & Co-ownerships: The first meeting of this sub-group will be convened when the VAT Group sub-group's work is near completion. The ITI expressed the hope that the work of the group would begin before the end of the year, in accordance with the 2024 work plan.

VAT Modernisation: see point 4 below.

**2.2 VAT 56A Applications Update**

On 15 July, Revenue met with representatives of CCAB-I and ITI for further discussion. Revenue indicated revisions it was considering of the wording of the secondary legislation and the Section 56A application process. Following the meeting, Revenue provided the revised wording being considered for the Sec56A application. On considering this, CCAB-I send in proposed amendments, and subsequently provided changes to its proposed amendments. The matter is now with senior management for consideration.

At the TALC meeting, CCAB-I noted that the 31 October deadline for renewals is approaching and asked that sufficient notice would be given to practitioners before any changes are made. Revenue advised that notice will be given and the relevant guidance would be updated before any changes come into effect. In the meantime, the status quo from last year remains in effect on a temporary basis.

**2.3 Reverse charge VAT on property-related transactions**

It was noted that submissions had been made by the ITI and the Law Society to the TALC Direct and Capital Taxes Sub-committee ("Direct TALC") regarding the RCT treatment of certain property-related transactions between Approved Housing Bodies/Local Authorities and property developers. The group was advised that Revenue issued a reply to the Direct TALC members on 4 September. Revenue understand that this should address the queries both at

Direct TALC and Indirect TALC. Revenue noted that while the query raised by the Law Society and the ITI at Indirect TALC is in relation to VAT, the reverse charge issue is limited to property transactions which are considered to be Relevant Contracts, attracting RCT, and as such the issues must be considered by Direct TALC first; in this regard, Revenue pointed out that the VAT treatment (application of the reverse charge) for such transactions follows their RCT treatment. It was confirmed that the Direct TALC Sub-committee would be meeting the following week and the item was to be discussed at that forum. The representative bodies were encouraged to raise any further issues on the matter at Direct TALC. Revenue will continue to engage on any outstanding issues that may arise. Revenue agreed to reply to the examples submitted by the Law Society at this TALC Sub-committee to provide further clarity, if required.

#### **2.4 Second Sale Post Completion/Two Year Rule**

Revenue advised the representative bodies that it has explored this matter in detail since the last meeting, there is one final aspect currently under consideration and it is expected that a reply will issue by the end of the month.

### **Item 3 – EU Matters**

Revenue provided an update on VAT-relevant EU matters:

#### ViDA File

At the Economic and Financial Affairs Council (ECOFIN) meeting on 21st June the Finance Ministers were unable a second time to reach political agreement on the ViDA file. One Member State again used its veto, as it wants Member States to have an opt-in to the deemed supplier obligations for transport and short-term accommodation letting platforms under the Platform Economy strand. There is political agreement among Member States on the two other strands – Digital Reporting Requirements and the Single VAT Registration – but the ViDA file can only pass with all three strands securing unanimous agreement.

Hungary took over the Presidency on 1st July and will work on agreeing a suitable compromise. The ViDA file is not on the agenda for the Council working party meeting Revenue is attending in mid-September. The Commission have frequently referenced the Platform strand as an important part of the ViDA package and have been reluctant to carve the strand from the package.

#### Travel & Tourism Package

Developments on this remain stalled at EU level, and await the new Commission's mandate, which is expected later this year.

## Financial Services File

Progress on this is similarly awaiting the new Commission, which is not expected to be in place before November. As the last study was carried out in 2017, more up-to-date work is needed, taking into account the new economic context and wider review of the taxation framework for the financial sector. Preparatory work is continuing at EU level.

## **Item 4 – VAT Modernisation**

Revenue gave an update. The internal VAT Modernisation project team is established, and work is at planning stage. EU-level agreement on the ViDA file, when secured, will provide clarity on the Intra-EU DRR and eInvoicing requirements and timelines; these will play an important role for framing Ireland's domestic modernisation programme too.

Since the last Indirect TALC meeting, Revenue issued its Findings Report on the public consultation process it had conducted on VAT Modernisation. The Report, published at end June, summarised the responses to the consultation and the themes that emerged. These are informing development of the project. The TALC sub-group on VAT Modernisation will meet shortly to allow members the opportunity to consider and discuss the Report in more detail.

Revenue thanked the TALC representative bodies for their own participation in the Public Consultation and for the support for it by encouraging their members and client bases to respond.

## **Item 5 – Any Other Business**

### **5.1 Psychotherapy and Counselling Services**

This item was raised by the Law Society. They pointed out that in order to avail of the VAT exemption for the provision of medical services (under Section 2(3)(a) of Schedule 1 of the VAT Consolidation Act 2010), psychotherapists and counsellors must be included on a register which as of yet is not operational and is not expected to be for some time.

Revenue noted that several queries, including parliamentary questions, on this topic have been answered. Irish VAT legislation provides that medical care services which qualify for the medical care VAT exemption are those provided by persons recognised as medical professionals by the Department of Health. Under 2018 Health legislation – Statutory Instrument No. 170 of 2018 (Health and Social Care Professionals Act 2005 (Regulations 2018)) – the Minister for Health designated psychotherapists and counsellors as a regulated profession and established the Counsellors and Psychotherapists Registration Board. Under law, Revenue applies the VAT exemption to the supply of medical services by professionals from the date of their registration.

However, the register of Counsellors and Psychotherapists envisaged by the Health legislation has not yet opened. Where such services are supplied by a person who is not so registered (including where the services are provided by a person in advance of their being so registered) then the supply of the service is liable to the reduced rate of VAT, currently 13.5%.

## **5.2 OSS Helpdesk/OSS & IOSS offline uploads**

The ITI had a couple of queries about some practical matters relating to use of OSS/IOSS on ROS. The first query related to the resourcing of the OSS helpdesk phone line. Revenue advised that following analysis of the reducing level of incoming phone enquiries, it had been decided to use a voicemail & call-back approach for such queries where telephone callers are asked to leave their details and calls are returned on the same or next working day. The arrangements seem to be working well. More generally, customers are encouraged to contact the VAT OSS Customer Service team via ROS and most do.

The second query was to ask for the availability of an off-line approach, which could avoid the need to recommence the submission process when there is a ROS 'time out' issue during the uploading of an extensive list of OSS/IOSS updates/amendments. Revenue was not aware of problems in this regard but will investigate the matter. While it is unlikely that the requested approach could be delivered soon, given the extent of other priority enhancements for the relevant systems, there is already a 'partial save' functionality on ROS which can be used to save work in progress, and will probably address the issue. Revenue agreed to circulate some short guidance on how to use this function.

## **5.3 New Appointment**

Revenue advised the committee that Ms Anne Dullea had been assigned as the new Head of VAT Policy & Legislation Branch. She was unable to attend this meeting owing to a prior commitment but would be a regular member of the Revenue contingent at future meetings.

## **5.4 Upcoming Meetings**

It was noted that the next scheduled meeting of the Sub-Committee is on 20 November 2024. Shortly after publication of the Finance Bill, an additional ad hoc meeting will be held to discuss the indirect taxes provisions, both VAT and Excise. This will likely be in mid-October. It will be a hybrid meeting.

## **5.5 TDMs**

Revenue noted that a lot of work was done over the summer months updating published guidance. In particular, a lot of time went into updating the Flat-Rate Farmers Refund Order TDM and dealing with related queries.

<b>Action Points</b>	<b>Agenda Item</b>	<b>Responsible</b>	<b>Timescale</b>
Check whether Revenue's 4 September reply to Direct & Capital Taxes TALC re RCT can be shared with Indirect TALC, and circulate	2.3	Revenue	As soon as possible
Revenue to issue reply in relation to second sale post completion/two year rule issue	2.4	Revenue	By the end of the month
Schedule meeting of the VAT Modernisation sub-group	4	Revenue	As soon as possible
Revenue to confirm that the 'partial save' function is available for OSS returns on ROS and circulate details	5.2	Revenue	As soon as possible

### **Attendees**

#### **Consultative Committee of Accountancy Bodies - Ireland**

Mairéad Hennessy  
Gearóid O'Sullivan

#### **Irish Tax Institute**

Oonagh Carney - Chair  
Alma O'Brien  
Nick O'Brien  
Lorraine Sheegar

#### **Law Society**

Donal Kennedy  
David Lawless  
Patricia McCarvill

#### **Revenue**

Chad Egan  
Ita Foster  
Deirdre Hanlon\*  
Patricia Lahert  
Amy Prendiville - Secretary

\*Designated Public Official, Regulation of Lobbying Act 2015