

## TALC AUDIT Sub-Committee Meeting Minutes

**Wednesday 21 June 2023 – 10.00**  
**Revenue Office Bishop's Square and MS Teams**

### Attendees:

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

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### Item 1 – Minutes of meeting held on 8 March 2022

The chair opened the meeting by welcoming everybody to the meeting and noting the apologies. The minutes of the previous meeting were agreed with no amendments.

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

Practitioners queried the planned updates of the Code of Practice. Revenue advised that there were no significant policy changes but that there were a number of “tidy-up” amendments to address matters discussed previously by the sub-committee such as the changes to the approach to self-correction for Employer’s PAYE cases and “No Loss of Revenue” .

### Item 3 – Update from Revenue’s Business Division

Elaine McCarthy attended on behalf of Business Division. She presented an overview of her division and its current areas of focus.

Elaine provided an overview of the structure of Business Division. She explained that the division included a divisional office, 2 service branches, 11 compliance branches and a Risk Management and Quality branch. This branch is responsible for providing the flow of cases to the 11 compliance branches. The 11 compliance branches are broken down on a geographical basis while some also have a national function, for example, CAT compliance. Overall, there are 1,300 staff in 26 locations. The case base comprises companies, sole traders, and partnerships with a turnover of less than €8.8m. They have a case base of nearly 1.1m taxpayers.

The Division has been heavily engaged with Covid support work, but is now focussing more on mainstream tax compliance issues. It is now in the final phase of EWSS compliance checks which have yielded some €2m and resulted in 30 referrals of suspected fraud cases An Garda Síochána. There are still 40 EWSS appeals on hand. 1 case has been heard by TAC and was determined in Revenues favour.

The Division currently has 13,000 open compliance with 440 open appeals currently making their way through the TAC process.

VAT is a current area of focus, in particular postponed accounting. There is a level 1 programme addressing potential incorrect filing and a smaller series of Level 2 interventions (mainly Risk Reviews) addressing identified areas of risk.

The Division is also running an RCT compliance programme and is currently appraising cases using a range of 3<sup>rd</sup> party data sources (including internationally exchanged data) for an intervention programme to begin in Q3 of this year.

The Division is also running a series of interventions in relation to employee share cases. These are a mix of requests to self-review and Risk Review letters where the case has been examined and risk identified. In general, this programme of interventions is focussed on returns for 2019.

Practitioners expressed concern regarding the level of understanding of postponed accounting by some taxpayers. Revenue noted that there is considerable information available on its website.

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### Item 4 – Compliance Intervention Framework Update

Revenue noted that it is currently focussed on evaluating the impact of the Compliance Intervention Framework as it is now over a year since the new framework was launched.

As noted under Item 1 above, Revenue advised it is intended to issue an update to the Code of Practice in July. Revenue will advise TALC Audit members before the update is issued.

The ITI advised that it recently conducted a survey of its members on their experience of Level 1 Interventions. To date, 190 responses have been received. Although the results have not been analysed in any great detail, the ITI had some preliminary feedback.

There was positive feedback on the clarity of Level 1 letters and on Revenue's response to requests for additional time to prepare responses to the interventions. There is negative feedback in relation to some Level 1 Self-Revenue requests being extremely broad in terms of scope. Revenue agreed that self-review requests should be bounded and reasonable. The meeting also noted that profile interview type information could be requested by correspondence.

Practitioners provided an example of a Level 1 Compliance Intervention Letter in relation to share options. They suggested that it would be preferable to address the full range of potential tax liabilities that might arise in a share option case in order to assist taxpayers to be fully compliant. Revenue agreed to discuss with the Division that had issued the letters.

### Item 5 – PMOD Compliance

Practitioners acknowledged that the recent removal of the notification requirement for PMOD self-corrections would make things much easier for employers on an administrative basis.

A discussion was held on the interaction between the period for self-correction without penalty and the year-end date for Corporation Tax periods. It was noted that situations can arise where part of a liability may need to be dealt with as an unprompted disclosure rather than by way of self-correction. Revenue advised that its objective is to drive up real time compliance and minimise the instance of historic settlements.

In response to query on Enhanced Employer Reporting(EER) , Revenue confirmed that an update will be provided to Main TALC on 27 June. It was noted that compliance issues in relation to EER, and any necessary change to the Code of Practice, will be discussed in this sub-committee at a later date.

### Item 5 – DAC 7

Revenue confirmed that there is ongoing discussion with the Dept of Finance on potential inclusion in this year's Finance Bill of provisions to provide for the implementation of the joint audit requirements of the Directive. Any legislative change will need to be reflected in an update to the Code of Practice. Joint audits with officials from other Member States are not expected to be frequent

### Item 6 – European Court of Human Rights decision on publication of tax defaulters

Revenue confirmed that this ruling does not impact our publication of defaulter cases which is legally mandated by Section 1086A TCA. remove the publication requirement, a legislative amendment would be required. Revenue pointed out that there

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### Item 7 – AOB

#### I. Regional Business Tax Telephone numbers

Revenue provided an update including details of certain older regional numbers that have been decommissioned. The current numbers are not affected.

#### II. Audits running in parallel

Practitioners queried instances of caseworkers opening an additional intervention in relation to a case while an existing intervention was open. Revenue advised that there was no policy precluding this but noted that its policy was to conclude every open intervention as quickly as possible. If a taxpayer/practitioner considers the opening of a further intervention unreasonable they should make contact with the relevant audit manager.

Action Points from this meeting	Responsible	Deadline
Revenue to invite a representative from an operational Division to attend the next meeting	Revenue	Throughout 2023
Practitioners to continue to provide Revenue with examples of any issues arising with the operation of the CIF.	Practitioners	Ongoing

The date for the next meeting is 27 September 2023.

Submitted for approval by Secretary

Approved by TALC Audit Sub-Committee