

Minutes
Indirect TALC Meeting
10.30 am, Wednesday 2nd June 2021
On-line Meeting (hosted by Revenue on Skype for Business platform)

Item 1 – Minutes of the last meeting

- The minutes of the meeting held on 03rd March 2021 were approved.

Item 2 – Use & Enjoyment – Brexit

- Members highlighted that, as a result of Brexit, some administrative and practical issues had arisen in relation to Use and Enjoyment rules particularly regarding the cross-border lease or rental of means of transport and the cross-border leasing of movable goods. They were concerned that businesses might be uncertain about VAT and accounting consequences as there might be an obligation to account for VAT in both jurisdictions. Members stated that they had also encountered issues in relation to Telecoms and agreed to revert with details of these issues.
- Revenue indicated that it had not received any notable increase in queries on such matters to date, and that long-standing guidance on this area is available on the Revenue website and is still applicable. Revenue undertook to review any feedback that it receives, and in light of this to consider whether the guidance requires to be updated.

Item 3 – Postponed Accounting

- Members outlined some shortcomings in the content and format of the Single Administrative Document (SAD) download service reports under the new VAT Postponed Accounting arrangements, especially the reports' lack of certain information which necessitated significant time in reconciling the reports and extracting the correct information, increasing the risk of human error. Members asked that Revenue update the system so that the VAT import figures could be based on a single report.
- Revenue confirmed that the report system was currently being updated to take account of the matter raised and expected the improvements to be introduced in the coming weeks. Members offered to assist with real-life testing of these changes and Revenue undertook to convey this offer to relevant officials dealing with the information technology updates.

Item 4 – VAT Import One Stop Shop

- Members enquired about the obligations of intermediaries who are acting on behalf of foreign non-established persons under the new VAT Import One-Stop Shop (IOSS) arrangements. They asked particularly about registration and return requirements for intermediaries, their potential exposure to joint and several liability, how this would work in practice, and when further guidance would issue.
- On the new VAT E-Commerce measures generally, Revenue confirmed that a press release had issued earlier in the week about the impact on consumers of the changes being introduced on 1 July, and that full guidance on the changes would be published soon when the enacting Statutory Instrument was completed. This guidance would include 5 new manuals on the various schemes. In addition, a detailed article on the changes had been prepared by Revenue officials and would be published in the Irish Tax Review the following week.

- In relation to IOSS intermediaries, Revenue explained that they must be established in the EU, they can register through the links provided on the VIMA section of the Revenue website, and their role is to submit the returns and make the corresponding payment on behalf of the third-country parties for whom they act as intermediary. Although Ireland has the legal provision in place to allow Revenue to apply joint and several liability in any particular case, this can only be put into effect after Revenue has given specific notice to the relevant parties. Thus, under the law, joint and several liability will not apply automatically or generally to intermediaries, and Revenue expects to use the provision in exceptional cases. Revenue emphasised that there is a strong expectation that intermediaries would carry out appropriate due diligence in relation to the work they are undertaking and parties for whom they are acting.
- Revenue undertook to provide more clarification if necessary, should there be any remaining queries following publication of the forthcoming detailed guidance.

Item 5 - VAT Registrations

- Following on from discussions at previous TALC meetings, Members indicated that some difficulties persist in getting certain VAT registrations progressed and asked how an impasse in such cases might be resolved especially where it involved an unusual or “grey” area – an example was given of a “Master / Services” agreement which was not being accepted by Revenue as a contract.
- Revenue reiterated that its general position on VAT registration is unchanged, that the rules in this area are clear, and that changes to guidance or internal administration are not envisaged. In the event of genuinely exceptional cases where difficulties persist, Revenue suggested that members provide the details of the case to the relevant Inspector and consider asking for the request for registration to be considered at a more senior level.

Item 6 - EU Update

Revenue provided the following updates

- VAT Rates Proposal – No agreement expected before 2023, as there are strongly diverging views among Member States.
- VAT Committee Proposal – Significant opposition from some Member States. However, the Commission have recently stated that they are proceeding with the reading of this file
- VAT in the Digital Age – Revenue will discuss elements of this with Commission consultants next week. The Commission are looking at various elements, including single EU registration, further extension of the One Stop Shop and potentially further extending E-invoicing which also ties into the work that’s being done on the Definitive VAT Regime. There may be as many as 8 related legislative proposals in the coming years on these issues.
- Financial Services – This file is unlikely to see substantive progress before 2023, although the consultation process and impact assessment are expected to take place before then.
- VAT Scheme for Travel Agents – Proposal is likely in 2022
- Greener Taxation of Passenger Transport sector – Proposal is likely in 2022
- Other Areas in Commission’s Action Plan – Discussions not yet underway, but likely to progress over the next couple of years.

- **AOB**

The Chair asked about the Law Society item on Co-ownerships to ascertain if members agreed to leave the item off the agenda given the current working environment with a view to raising it again at a later date. The Chair's suggestion was agreed to by the attendees.

Action Points	Responsible	Timescale
Members to provide information to clarify the concerns they had indicated about Use & Enjoyment rules in the Brexit context	Members	As soon as possible

Attendees

Irish Tax Institute

Oonagh Carney
Tom Corbett
Lorraine Sheegar

Consultative Committee of Accountancy Bodies - Ireland

Maud Clear
Kevin Elliott
Philip Nolan

Law Society

Donal Kennedy (Chairman)
David Lawless
Michael O' Connor

Revenue

Gerry Coone
Dermot Donegan
Ita Foster
Deirdre Hanlon*
Colin O' Farrell (Secretary)

*Designated Public Official, *Regulation of Lobbying Act 2015*