

**Minutes**  
**Indirect TALC Meeting**  
**10:30 Wednesday 14 June 2023**  
**Basement Conference Room, Stamping Building, Dublin Castle**

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

The minutes of the meeting of 29 March were agreed.

**Item 2 – Matters Arising**

**Action Point:** “CCAB-I to clarify whether the VAT 56A query raised at the November 2022 meeting relates to use of the previously-agreed wording, or is about requesting a change to the wording.”

CCAB-I will check with their member and come back. They will explain what prompted a proposed change to the wording and the reason for it.

**Item 3 – Update on subgroups**

As discussed at the March meeting, the work of the subgroup on VAT Groups is being prioritised. Material has been received from the participants and the next meeting is scheduled for 19 June. As a result of this prioritisation, the work of the Co-ownerships and Partnerships subgroup will commence later in the year, likely in Q4.

**Item 4 – VAT Modernisation**

Revenue gave a presentation on the proposed VAT Reporting Modernisation programme.

This is part of Revenue’s continuous Tax Modernisation journey, having successfully modernised PAYE and RCT reporting.

The EU Commission’s “VAT in the Digital Age” proposals were published in December 2022.

The proposals have three strands:

1. to further decrease the need for multiple VAT registrations in the EU for businesses carrying out transactions in Member States in which they are not established;
2. to introduce changes to the VAT rules for platform economy supplies of passenger transport and accommodation services; and
3. to harmonise e-invoicing and VAT digital reporting across the EU.

The VAT Modernisation Branch within Indirect Taxes Policy & Legislation Division is responsible for the design and implementation of a modernised domestic VAT reporting system that will be aligned with the EU Commission’s “VAT in the Digital Age” third strand: harmonising digital VAT reporting supported by e-invoicing.

These proposals have been discussed extensively at EU Council since January 2023 and will continue to be progressed under the incoming Spanish Council Presidency.

Revenue plan to engage in extensive consultations with a range of stakeholders to ensure collaborative implementation of a modernised VAT Reporting structure which works for both businesses and Revenue. When work on this accelerates, it is expected that VAT Modernisation will become a standing item on the agenda for Indirect TALC and a new subgroup on the topic may also be useful.

## Item 5 – EU Matters

Following on from the VAT Modernisation Presentation, Revenue gave an update on the progress of the ViDA discussions at EU Council level.

There have been 10 meetings since January 2023 on the VAT in the Digital Age (ViDA) proposals and an ECOFIN meeting is scheduled for 16th June. There has been minimal progress to date. These proposals when enacted will have considerable potential impacts for both Businesses operating cross border and Tax EU Administrations.

There have been some discussions on the additional entries to be included on an intra EU VAT invoice but the basic principles have not been agreed yet. Both the supplier and customer of an intra EU transaction will be required to report certain details of the transaction to their National Tax Authority and the National Tax Authority will then forward the information onto the redeveloped EU VIES central database. Unanimous agreement by all EU countries is required prior to these new proposals being adopted and transposed into national domestic legislation.

Member States will have the option to introduce a domestic digital reporting requirement but it must be aligned with the new intra EU reporting system. Member States which already have such requirements must bring their domestic reporting system into line with the new intra EU reporting system by 2028. It was mentioned that EU countries which have already implemented domestic digital reporting have seen a 3-5% increase in VAT revenues.

## Item 6 – Any Other Business

- **Property - Second Sale Post Completion/Two Year Rule Issue**

The Law Society raised a possible anomaly about the interaction of the two-year VAT on property rule and transfer of business provisions in the legislation.

There is no specific case concerning this but it was suggested that the current property market may make it more likely to arise now. Revenue are keeping the issue under review and need to study how these provisions interact in the VAT Directive.

- **Clarification of the provisions of Section 94(8)(b) VATCA 2010**

The ITI raised a document issued by Revenue to Indirect TALC in 2016 regarding who is considered to be a person who developed the immovable goods in section 94(8)(b) of VATCA 2010.

The ITI will provide further information on the context of the document.

- **Emergency Accommodation**

The ITI raised the requirement for Capital Goods Scheme adjustments where property is used for exempt services, and indicated businesses providing emergency accommodation may not be aware of the possible VAT consequences of providing these exempt services.

Revenue explained that temporary measures were allowed by the European Commission during Covid but those have now ceased. The Department of Finance wrote to the Commission about this issue but no changes were allowed.

- **Central Electronic System of Payment Information**

The ITI requested an update from Revenue on when draft legislation and guidance is likely to be made available on the Central Electronic System of Payment Information and whether it is expected to have any significant deviations from the Directive and an update on the portal for registration and test environment for filing.

Revenue advised that the legislation will transpose EU directive changes and will not need a Finance Bill. Revenue will contact the Data Protection Commissioner in relation to the legislation and will not be varying from the regulations.

- **Retirement**

The Group congratulated Dermot Donegan on his forthcoming retirement from Revenue and members noted his strong contribution to the Group over the years.

<b>Action Points</b>	<b>Agenda Item</b>	<b>Responsible</b>	<b>Timescale</b>
Circulate Revenue's presentation on VAT Modernisation and the correspondence/material provided by practitioner members who raised the AOB items	4 and 6	Secretary	End June
Provide further information on the relating to the VAT 56A Accountant's Certificate query.	6	CCAB-I	By next meeting
Provide further information on the query relating to s94(8)(b)	6	ITI	By next meeting

## **Attendees**

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

Mairéad Hennessy (Chairperson)

Gearóid O'Sullivan

### **Irish Tax Institute**

Oonagh Carney

Gabrielle Dillon

David Duffy

Lorraine Sheegar

### **Law Society**

Donal Kennedy

David Lawless

Patricia McCarvill

### **Revenue**

Dermot Donegan

Ita Foster

Deirdre Hanlon\*

Patricia Lahert

Declan O'Hora (attended virtually)

Ciaran Ruane (Secretary)

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