

**Minutes**  
**Indirect TALC Meeting**  
**04th December 2019 @10.30 am**  
**Basement Conference Room, Stamping Building, Dublin Castle**

**Item 1 – Minutes of the last meeting**

- The minutes of the meeting held on 02<sup>nd</sup> October 2019 were approved.

**Item 2 – Finance Bill 2019**

- Food Supplements - Members sought clarification on the expected timeline for publication of updated guidance on the changes following Finance Bill 2019. Revenue advised that guidance would issue when the Bill had passed all stages in the Oireachtas.
- Section 59(2A) & TOB – Members sought clarification on the entitlement to VAT recovery in TOB scenarios for both the exempt and vatable sales of fully let properties where the seller has a mix of vatable and exempt activities. Revenue stated that the deletion of section 59(2A) was to bring our legislation in line with CJEU jurisprudence. The removal of section 59(2A) simply affects the basis upon which the entitlement arises to deduct VAT on costs associated with the transfer. Entitlement to deduct VAT should be determined by reference to the taxable activity of the business concerned, as a whole, prior to the transfer in line with section 59(2) VATCA. The courts have also stated that where the costs were specific to a particular part of a person's economic activity, the entitlement to deductibility is determined by reference to that activity.

**Item 3 – TOB**

- Partnerships / Co-Ownerships – Revenue asked if they could get feedback on the models and structures of co-ownership that exist to assist in understanding the nature of the relationships between the parties. Revenue and Members discussed the distinction between Partnerships and Co-ownerships and VAT registration of such entities. Revenue will consider that matter further and the Committee agreed to revisit the issue at a future meeting.
- Mergers – Revenue noted that no feedback had been received on Mergers. Members stated that practitioners are happy that TOB applies, but there is some divergence of views on this. Revenue stated that they will keep the Transfer of Business guidance under review.

**Item 4 – EU Update**

- Revenue stated that the PSP and SME proposals were both adopted in November, with the PSP changes effective from January 2024 and the SME changes effective from January 2025. Revenue also updated Members on a number of other areas: the VAT and Excise exemption for EU defence efforts; the rates proposal (no detailed discussion yet); the definitive regime (discussions ongoing); and Financial Services. Revenue also referred to the review of the Travel Agents Margin Scheme and noted that a public consultation paper is to be issued. Revenue said it would welcome any technical comments from practitioner groups on legislative proposals and reminded the members that there are opportunities to engage with policy issues at EU level whether through EU representative bodies to which they are affiliated or otherwise.

## Item 5 – AOB

- Revenue’s Correspondence Policy – Revenue restated its position that issuing electronic copies of all correspondence to agents through ROS was not currently possible. Members asked about the possibility of issuing hard copies to both the agent and the taxpayer and Revenue advised that this is a Code of Practice issue relating to all taxes that could be pursued at main TALC.
- VAT 56A Application Procedure – The issue had been raised by CCABI regarding certification by accountants on the VAT 56A form and they asked if Revenue policy had changed in this regard. Members acknowledged that the issue was not widespread, and the Committee agreed to revisit the matter if it becomes a problem.
- Review of VAT Grouping – Revenue stated that the sub-group had been working on the guidance and it was largely completed; currently, Revenue is awaiting feedback from representative bodies on draft guidance. Members drew attention to some specific issues, but Revenue stated that the document was with the sub-group and that observations should be fed back through the sub-group as appropriate. Revenue also stated that the document would be published once the work of the sub-group is completed, and this would likely be in advance of the next meeting.
- Two-Tier VAT Registration – Revenue provided an update on implementation of the new system and provided statistics of take-up. Revenue also stated that a VAT number validation tool was still being considered. Revenue will provide further statistics at a future meeting.
- AOB
  - i. The Committee asked for the earliest possible publication of guidance on the ‘Quick Fixes’ Regulation. Revenue undertook to do this once the Regulations are made.
  - ii. The Chair thanked the committee for all their work and engagement throughout the year; the ITI will take over the chair in 2020.

Action Points	Responsible	Timescale
Updated Food Supplements Guidance to Issue	Revenue	December 2019
Revenue to circulate dates of meetings for Indirect TALC for 2020	Revenue	January 2020
Revenue to Update Members on available Two-Tier VAT Registration Statistics	Revenue	Next Meeting

## Attendees

### ITI

Gabrielle Dillon  
Nick O’Brien  
Deirdre Hogan

### CCAB-I

Kevin Elliott (Chair)  
Kimberley Rowan  
Philip Nolan

**Law Society**

Donal Kennedy  
Michael O'Connor

**Revenue**

Gerard Moran\*  
Colin O' Farrell (Secretary)  
Ita Foster  
Dermot Donegan  
Humphrey O'Sullivan  
Padraigh Donnelly  
Gerry Coone

**Apologies****Law Society**

David Lawless

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