Summary Note of the Annual Branch Network Meeting between the Irish Tax Institute and Revenue's High Wealth and Financial Services Division (HW&FSD)

25 June 2026

Irish Tax Institute offices, Longboat Quay, Dublin 2

1. Update on HW&FSD

HW&FSD has a complement of 241 staff in total. The number of staff has increased with c.50 new hires since last year as vacancies in the Division have been filled. Staff are based across several locations. For example, the FS Branches are based predominantly in Dublin (111 staff) and Galway (33 staff). Staff are based in several locations around the country including Waterford, Athlone, Limerick, Kilkenny, Sligo and Tallaght. Divisional Office's staff support divisional operations, HR, finance and also deal with Automatic Exchange of Information relating to FATCA and CRS reporting.

2. Update from the FS Branches

The three FS Branches provided an update on their activities.

FS Branch (Banking)

The case-base of this Branch comprises approximately 900 companies, which includes 88 groups. These include domestic and foreign banks, new/digital banks, credit unions, stockbrokers and standalone treasury entities. A high percentage of the entities meeting the CCF criteria participate in the Cooperative Compliance Framework (CCF), with interventions consequently conducted as Level 1 interventions under the Compliance Intervention Framework (CIF). Common errors discovered relate to human error, system error or ambiguity in the interpretation of

the legislation. The Branch deals with 24 taxheads due to the nature of its case-base. The change to the LCD turnover threshold for large cases has resulted in some departures from the CCF.

The biggest risk area of focus is corporation tax, for example, factors that impact on effective tax rates, such as largest claims, section 21B (dividends), bond washing and R&D Tax Credit claims. There is also an increased focus on capital allowances and losses.

PREM is a core area of focus as the Branch has some of the largest employers in the State in its case-base. Activities include examining the application of Benefit-in-Kind (BIK) and the tax treatment of assignees.

VAT reverse charge and the application of the correct VAT rates are also an area of focus. In addition, the Branch examines new types of entities and whether they constitute financial services. DIRT remains a focus, in particular the incorrect application of the exemption from DIRT and the related retention of records.

Considering the nature of the case-base, stamp duty on debit/credit cards is important. Revenue systems were updated in recent years to support compliance. Late filer programmes are now undertaken with surcharges arising.

While Revenue's Medium Enterprises Division (MED) is the business owner within Revenue of the Central Electronic System of Payment Information (CESOP), the Branch has a role in relation to non-filers. It is important to note that an entity only needs to have a small number of transactions within a quarter to have a filing obligation. If a return is not filed for a particular quarter as the threshold has not been met, this may flag on Revenue's system. The Branch considers that filing a Nil return may be useful in such circumstances, to ensure a taxpayer is not subjected to the non-filer programme.

Practitioners welcomed the update and noted positive experiences of client engagement with the Branch over the last year. For example, a reasonable approach to requests for additional time to reply where large volumes of information are requested and constructive engagement with the Branch team. Practitioners also noted feedback of increased instances of non-CCF cases receiving queries. This provides some assurance to CCF participants that inclusion in the framework does not result in more rather than less scrutiny from Revenue. The Branch agreed that the focus on non-CCF cases has increased.

Practitioners noted that under EU capital regulations, non-banks providing core banking services to EU clients will have to be upgraded to banking status within the next year. Practitioners welcomed the useful engagement with the Revenue team on the complexities including DIRT for new entrants into the Irish banking retail market.

FS Branch (Financing &Investment Funds)

The case-base of this Branch includes aircraft leasing, securitisation vehicles, investment funds and Irish Real Estate Investment Funds (IREFs), investment fund managers and administrators. The Branch has 38 staff and is primarily based in Galway, with some Sligo-based staff.

Similar to the Financial Service Banking Branch, the Branch focuses on PREM, corporation tax, VAT and stamp duty but also taxes specific to the investment funds sector, including Investment Undertaking Tax (IUT) and IREF withholding tax. The Branch also examines DAC reporting (except for DAC2 and FATCA which are dealt with by the Divisional Office).

Revenue noted the upcoming Pillar Two deadline on 30 June and that more staff had been allocated to deal with queries. Contact can be made with Revenue through MyEnquiries with queries directed to the Pillar Two Team in Large Corporates Division (LCD).

Areas of focus for the Branch include group loss relief and aircraft disposal. In relation to investment funds, the focus is on exit tax and IU(3e) forms. VAT is also an area of focus, including reverse charge accounting for VAT. The IREF withholding tax compliance programme is continuing.

Practitioners cited feedback on delays with VAT refunds in certain aircraft leasing cases. Revenue encouraged agents to provide additional information on the VAT return in the field for explaining unusual/large claims. This would help to expedite refunds. Individual cases of delays can be raised directly with the Branch.

Practitioners also queried foreign withholding tax claims in respect of section 110 entities noting that guidance was under discussion at the TALC Direct/Capital Taxes Sub-committee. Practitioners had expected that Revenue activity would be paused pending issue of the guidance. However, assessments have been raised which starts a process e.g. considering whether to proceed to appeal.

Revenue clarified that there is no pause on activity until the guidance issues. Practitioners commented that the issue of deductibility of withholding tax as an expense under section 81 TCA 1997 has been a long-running issue, for example, in the recent 'Accenture' High Court judgment which found in Revenue's favour. However, the issue can cause significant cost concerns for affected businesses. The guidance is expected to include examples.

FS Branch (Insurance)

The Branch has 20 staff in total, all based in Dublin. Its case-base consists of entities within the insurance industry in Ireland including life assurance, general insurance, health insurance, captives and reinsurance businesses.

10 groups participate in the CCF, with meetings held with each group approximately every 18 to 24 months. There is an increased focus by the Branch on non-CCF cases when initiating compliance interventions.

Areas of continued focus include PREM e.g. BIK and the VAT recovery rate methodology used. A section 21B project and a project for stamp duty non-filers is underway. Revenue notes that some insurance entities are registered outside of the State for stamp duty insurance levies. If the entities are not selling into Ireland, a stamp duty charge should not arise. Letters will issue as part of the non-filer project requesting companies to consider whether it is appropriate to deregister for stamp duty if they are not in-scope of the charge rather than continuing to file Nil returns. A section 891B (returns of payments) non-filer programme is also underway.

Another area of focus relates to the Tax and Duty Manual (TDM) on the change in the territorial scope of VAT groups, with a transitional period for existing groups until 31 December 2026. Some groups have been in contact with Revenue where engagement is required. Early engagement in advance of 31 December 2026 is encouraged where required.

Budget 2026 announced changes regarding the payment of a levy by policy holders on non-life assurance policies, to ensure that individuals do not pay the levy twice within a 12-month period, for example, when moving their policy. Revenue is currently working at updating RÓS to allow Insurers claim a repayment where required.

3. Pensions Branch

This Branch has a national focus and has increased its staffing since last year. Due to IORP II and the reduction in single-member schemes, the focus for the Branch has shifted from service-related activity to compliance. For example, three of the four teams in the Branch are focused on compliance activities. Revenue reminded of the importance of using the Form RTS1A when submitting technical queries to the Branch and that the Branch will not respond to hypothetical queries. In some cases, the quality of queries received needs to be improved.

Two significant projects are underway in the Branch:

1. A project to collect chargeable excess tax (CET) and excess lump sum tax (ELST) was launched last year. The initial phases of the project are focusing on Defined Benefit Schemes, in particular, examining the calculation of the capitalised value of retirement benefits accrued in defined benefit schemes. The project is being conducted in phases – the next phase of the project will focus on those in receipt of Personal Fund Threshold (PFT) certificates, with particular focus on those who received PFT certificates at €2.3 million as these may have already exceeded the SFT when the certificate issued.

   Compliance activity in relation to CET and ELST is supported by PAYE Modernisation (PMOD) data, for example, examining levels of final remuneration prior to retirement and lump sum taxable payments.

   Revenue is looking back to 2020 regarding the first project list above. However, where significant issues are identified in this period, Revenue may extend the scope of the relevant intervention.

2. Regarding the project initiated last year in respect of employer contributions to PRSAs, interventions were opened in respect of under 10 PRSA payments and, save for cases in which a disclosure has been received, these interventions are ongoing.

   Revenue continues to review the 2023 and 2024 PMOD data with a view to opening further interventions. From review of the PMOD data, there were 125 employer PRSA contributions in excess of €100,000 in 2023 and 286 in 2024 (there is some overlap in taxpayers in these cases). Revenue is also examining company accounts to ensure that employer PRSA contributions were returned in PMOD data. In considering the cases for intervention, Revenue applies the

occupational pension scheme funding rules and the current salary rules for employer PRSA contributions.

Revenue expects more cases will be opened and Risk Review letters issued before the end of 2026 on completion of its examination of the relevant data. In its examination of these, Revenue is considering each case for a number of risks including the deductibility of the payment, the legitimacy of the employment, the close company rules, salary sacrifice and the general anti-avoidance rules.

The Branch is also commencing projects examining pension products invested in loan notes; connected party transactions involving pension property and use of pension scheme assets, including schemes with no income and use of business assets.

Practitioners reiterated the issue they raised at the prior meeting regarding the need for guidance on the tax treatment of generic foreign pension products, such as drawdowns from 401(K) pension products and queried whether the Branch had discussed the matter with Revenue Legislation Services (RLS). Practitioners noted the growing trend in global mobility and number of expats retiring to Ireland has increased the demand from clients for certainty on the tax treatment of 401(k) products or UK IRAs.

Pensions Branch has engaged with RLS and noted the importance of the 'sole purpose' test in qualifying overseas pension plans to avail of relief under section 200A. It is not a 'main purpose' test. Some of the flexibility available in relation to 401(K) products, for example, such as early access in hardship cases would not satisfy the sole purpose test.

4. Updates from HWI Branches

The activities of the three HWI Branches consist of 'business as usual'. Staffing has increased since last year, including Executive Officers and Higher Executive Officer

appointments. Areas of focus include aggressive tax planning, tax avoidance and the Domicile Levy. Primarily, it is the most recently filed tax return that is the subject of review, but Revenue also screens the returns for the three preceding years. In exceptional circumstances the Branches examine returns outside of this period.

The Branches are increasing their focus on making requests for a Statement of Affairs (Form SA1). Typically, Forms SA1 are requested during a compliance intervention to ensure that the Revenue has a more accurate and better understanding of the case. The Form SA1 can be submitted via excel spreadsheet or on paper. The first page of the Form SA1 must be submitted but all information sought should be presented at the same time.

Revenue acknowledges that preparing a Form SA1 can be costly for HWIs, but Revenue may seek one where discrepancies are identified. For example, where the information declared on the Form 11 tax return is contradicted by information Revenue has received under DAC. If a Form SA1 has already been prepared up to a recent date, Revenue may accept this rather than request the preparation of a new Form SA1. Revenue also reiterated the importance of fully completing the Form SA1.

Practitioners sought further clarity on the circumstances in which a Form SA1 would be requested considering the costs involved, given the diverse assets and interests of HWIs. Typically, a HWI may not have such information gathered centrally. In addition, sending sensitive information by post or via email can be a concern for these individuals.

Revenue clarified that typically a request for a Form SA1 will be made in the context of a compliance intervention. It is not requested in every case. If necessary, a hard copy of a Form SA1 can be presented at a meeting with the Revenue staff conducting the intervention if there is a concern about transmitting the information through another medium. {*Practitioners requested a sample* ***template letter*** *from the Division requesting a Form SA1, which was provided subsequent to the meeting}*.

Revenue indicated that contact will be made with the agent outlining the area of concern in advance of issuing the request. Practitioners noted the third-party information provided via FATCA or CRS can sometimes have data quality issues.

Risk areas of focus for the HWI Branches include:

- Large events/transactions
- Avoidance (application of the general or specific legislative measures)
- Section 604A TCA 1997 (but with a diminishing number of cases)
- CGT losses forward and current year losses
- Non-filing of tax returns
- LPT – valuation
- Section 586 TCA 1997 – there are a number of open appeals.
- Connected party transactions – agents should be in a position to outline how they arrived at their valuations
- Change in residency status
- Domicile Levy
- Share options gains pre 2025
- Cash extraction
- Section 997A
- Section 817 TCA 1997
- Untaxed drawings
- Pension scheme self-investment and transfer of pensions abroad
- CGT Principal Private Residence Relief
- CGT artificial loss creation
- Transborder Workers Relief
- EU and offshore funds.

Practitioners sought statistics on HWI Branch compliance activity. Revenue advised activity is in line with last year, with interventions split approximately 50:50 between Level 1 and Level 2.

Unprompted qualifying disclosures are reviewed. Where material risks are identified a Level 2 intervention will be initiated. Revenue is open to discussion in advance of receipt of disclosures.

Practitioners queried the circumstances in which a Level 1 intervention could be escalated to a Level 2 intervention. If Revenue has identified a risk that has not been addressed by the taxpayer/agent, Revenue's Compliance Intervention Framework provides for escalation of the matter.

Like previous years, practitioners requested that Revenue staff remain cognisant of the demands on practitioners during the busy compliance period each autumn and to minimise the initiation of interventions during this period. Revenue noted the Division's letters will include the same language as last year i.e. they will provide scope to contact Revenue to seek more time to respond or to provide a disclosure. The Principal Officer names have been provided, who can be contacted if necessary.

5. National Anti-Avoidance Branch activities

National Anti-Avoidance Branch 2

National Anti-avoidance Branch 2 deals with legacy tax avoidance cases including appeals initiated since 2019/2020. The Branch has a national focus and delivers in-house training on anti-avoidance legislation, interacts with the Tax Appeals Commission (TAC), the Courts and holds related meetings with tax agents/taxpayers.

Revenue referenced the near completion with the 'Liberty Bell' cases, following Revenue's success at the Court of Appeal. TAC proceeded to deal with the

remaining appeal cases under section 949AN TCA 1997. As a result, numerous appeals have been settled and closed with only a handful of open cases.

Revenue continues to settle appeal cases from the section 811 artificial capital losses scheme (where Hanrahan was the lead appeal). Three taxpayers have indicated their intention to proceed with their appeals, while the remaining have withdrawn their appeal and signalled their intention to settle.

Share Rights (Cash extraction scheme). Revenue was successful at the TAC in the lead appeal case with a case stated to the High Court. One taxpayer has requested the TAC to hear its case separately.

In relation to a Film Relief (Tax Avoidance) Scheme, Revenue was successful in relation to a challenge to the time limits to collect the liability following the Notice of Opinion becoming final and conclusive in the lead case at the High Court and the Court of Appeal. The taxpayer filed a case stated to the Supreme Court. There is a body of 'follower' cases.

National Anti-Avoidance Branch 1

The Branch does not have a case-base but examines ongoing risks in relation to tax avoidance. Its current areas of focus are a continuation of the activity outlined at last year's meeting. Revenue explained that the reference to a particular relief in the naming of a project does not necessarily mean that Revenue is solely challenging claims for that relief. The examination of the relief was the genesis of the project in which a case may reside. The Branch's focus relates to the use/misuse of reliefs, for example, CGT reliefs, in particular reliefs claimed between connected party transactions, cash extraction and transactions which may fall foul of specific, or general, anti-avoidance provisions

Current areas of focus include:

- **Section 604A:** The relief is winding down which is reflected in the reducing value in the cases examined. A TAC determination is awaited involving the abandonment of an option with connected individuals, while another valuation case hearing is resuming in the Autumn. The Branch are also progressing a case where the 'badges of trade' are the primary risk. It was noted that there have been cases of taxpayers who acquired the property from a relative but did not meet the condition that the consideration must be at least 75% of the full market value test.
- **Section 817:** Profiling cases for section 817 is always part of the Branch's work and the Branch have numerous open cases within this project.
- **Unquoted shares:** Revenue noted that a case involving section 586 TCA 1997 relief which Revenue won at the TAC originated as part of the unquoted shares project. Separately other cases within this project involved share redemption/buybacks where Revenue considered the value was excessive and the payment did not meet the 'trade benefit test'. In addition, Revenue have encountered cases where there is a base cost on the gift of shares, but no CAT paid on the acquisition of these shares when by way of gift or inheritance. It was added that non-compliance, generally in relation to shares i.e. failing to remit tax on the sale of shares in error, has been identified in numerous instances and pursued by the Branch.
- **Transfer of assets abroad (not solely section 806 TCA 1997 cases):** Qualifying Avoidance Disclosure (QAD) have been made in respect of some cases.
- **Retirement Relief and Entrepreneur Relief:** Projects on these reliefs continue. Revenue examines the transaction itself and in some cases the conditions to avail of the relief have not been met.
- **Section 586:** Revenue expanded its section 586 activity. Further assessments are due to issue this year on share for share relief and new cases are expected to commence later this year.

The Branch is open to engage at all stages in a case, but pre-litigation is preferred before further time and cost have been incurred in preparing for a hearing.

The Branch noted that it has had very positive communications with agents and in many cases prompted qualifying disclosures have been made. Obviously, the earlier a disclosure is made (i.e. prior to the instigation of a Level 2 intervention) the lower the penalty arising and the risk of penalty is mitigated.

80% of interventions launched by the Branch are instigated as Level 2 interventions with 20% at Level 1. Typically, a Level 1 intervention is initiated if Revenue is seeking verification or clarification of factual information. A Qualifying Avoidance Disclosure remains a possibility, irrespective of the nature of the intervention, provided the issue is one which where a 'tax avoidance surcharge' under Schedule 33 TCA 1997 or S.811/S.811C applies. It was added that compliance activity has increased on last year due to staff increases.

Other compliance issues include share redemption under the 'trade benefit test' e.g. the individual had not left the business and still controlled the company or where an individual paid to redeem the shares but was never involved in the company. The Branch also referenced successfully agreeing cases where income tax has been applied in instances where assets were sold to connected companies in excess of market value. Reference was made to a case which the Branch took to appeal, being TAC determination 95TACD2024.

Practitioners outlined the concerns amongst members following publication of 58TACD2025 and the Branch's focus on section 586 relief resulting in a perception that share for share relief can no longer be utilised, as it will be challenged by Revenue and the taxpayer will incur costs in appealing Revenue's assessment. Section 586 relief is commonly used as a normal business relief. Practitioners outlined that it would be common practice for an entrepreneur to set up a holding company to sell their shares in the future. Should a more immediate sales opportunity arise there is now a concern that share for share relief would not be

available. In addition, from a taxpayer perspective, section 586 only provides for a deferral of the CGT which is crystallised when the replacement shares are ultimately sold.

Revenue noted that returns involving share for share relief exchanges that are of high value are systematically examined by the Branch, however, only 30 to 40 cases are currently opened by the Branch under this project. This in itself is instructive. Revenue suggested practitioners review the three cases which Revenue won at appeal which have common themes. Revenue referred to the equivalent UK regime to section 586 which includes similar anti-avoidance provisions, with an instructive example ('the Graves family') reflected in HMRC Manual CG52610 and referenced in the *Irish Capital Gains Tax 2025* publication, by Tom Maguire.

As outlined, Revenue is willing to meet agents and taxpayers to discuss matters. The engagement is often candid and direct. Should agents have feedback they wish to raise about the engagement this can be raised with the Principal Officer. Revenue confirmed that a Letter of Findings will be issued in all cases.

Practitioners raised their perception that at times there was less focus on tax technical aspects of the reliefs in their engagement with the Branch and queried whether Revenue will engage with technical analysis provided by the agent, for example, including its consideration in the Letter of Findings. Revenue noted the Branch will engage on technical arguments proposed and consider these in the letters issuing. However, it may be the case that an argument for technical adjustment is proposed, and it is not accepted.

Practitioners raised feedback of Revenue querying tax practitioners' fees at meetings with a taxpayer, querying other options the taxpayer had considered and seeking tax practitioners' fee notes, letters of engagement and tax advise letters. Practitioners considered this a new and unwelcome development and a sensitive issue for agents. It also presents a concern regarding Professional Indemnity insurance.

Revenue replied that they have on occasion sought a copy of fee notes/description of work done to obtain an explanation of the nature and *bona fide* of the transaction. They have also sought advice letters. This has occurred in a small number of cases. The content can inform the intent of the taxpayer in relevant cases. Practitioners raised whether Revenue had the power to request such information, considering section 900 (4)(c) TCA1997 which provides that a person is not required to disclose professional advice of a confidential nature given to a client (other than advice given as part of a dishonest, fraudulent or criminal purpose). Revenue considers the advice may be relevant in determining the *bona fide* of the transaction.

6. Capital Taxes Unit

This unit examines CAT and CGT to identify risk and ensure consistent treatment across Revenue. Issues examined include high sales proceed/no or low CGT, a project on the offset CGT against CAT (section 104 cases), losses forward, anti-avoidance issued identified. Practitioners noted that it would be worthwhile to update the IT39 guidance which has not been updated since 2003.

7. Enhanced Compliance Engagement (ECE) Framework

Revenue and practitioners discussed the feedback the Institute provided on the draft Tax & Duty Manual (TDM) on the operation of the ECE (included in the appendix) and shared other feedback and observations to help inform the final draft of the TDM.

Revenue noted that communications on the ECE will begin in July with the publication of the TDM initially. Agents will not be copied on the actual letter issuing to HWI individuals by post in July and August, as some HWIs have more than one agent, or none. However, a ROS Notification will issue to relevant agents in July highlighting the ECE. Revenue will provide a copy of the letter to the Institute. Revenue thanked practitioners for their comments and observations and agreed to reflect on the feedback raised in finalising the TDM.

Appendix

Discussion Draft

High Wealth & Financial Services Division: Enhanced Compliance Engagement (ECE) Framework (ECE Draft TDM)

17 June 2026

We outline below some initial comments on the ECE Draft TDM from the Branch Representatives. We would be happy to discuss these observations and other comments attendees may have on the day at the upcoming meeting on 25 June.

Section 1 - Introduction

Paragraph 1.1: What is Enhanced Compliance Engagement?

We would suggest that the last line on page 3 is unnecessary and should be deleted i.e. *"The extent to which tax agents acting on behalf of a taxpayer are involved is a matter for the taxpayer and their agent to decide."*

Paragraph 1.2: Mutual Benefits of ECE

This section outlines the mutual benefits of the ECE for participating taxpayers and for Revenue. We have some reservations regarding the penultimate bullet point on the benefits for taxpayers which states that timely engagement, where a tax liability arises, will result in reduced exposure to statutory interest. This wording could imply that a liability will inevitably arise, which could discourage taxpayers from participating in the framework.

The third bullet point on the benefits for Revenue notes that this process reduces the likelihood of a Level 2 or Level 3 compliance intervention. We believe it would be beneficial to strengthen the text here to offer taxpayers greater assurance that a future Level 2 or Level 3 compliance intervention is 'unlikely', rather than simply less likely.

We also believe that there should be some level of assurance in the text that if a return is reviewed (or an advance opinion is granted) that the return will not subsequently be audited unless new information comes to Revenue's attention that would call into question the validity of the return.

Section 2 – ECE Process – Overview

Paragraph 2.1: Mutual Commitments

The final bullet point in relation to Revenue's commitment to the framework notes on page 5 that Revenue commits to 'constructive engagement' with the taxpayer if matters are identified that could warrant further review. It would be helpful to frame this as "**constructive technical engagement"** to distinguish this new process from existing engagement on technical issues which is sometimes required for more complex matters. Considering that cases which warrant submissions of this nature are likely to be complex, constructive technical engagement is essential. Feedback from members suggests that at times engagement on technical interpretation may not be prioritised by Revenue, for example, when dealing with "anti-avoidance" cases. Taxpayer confidence in Revenue's willingness to engage constructively on tax technical issues is essential.

The current assumption underlying the process for submitting the tax compliance pack is that the submission will be made after the tax return has been filed e.g. after the Pay & File deadline. We suggest including text to clarify that there is no restriction to prevent a taxpayer from making a submission early in the tax year. For example, a taxpayer should be able to make a submission through this framework in February or March 2027 relating to a 2026 tax return.

Section 3 – ECE – Tax Pack Compliance Review

Paragraph 3.1: Overview

It would also be helpful to state that taxpayers may opt in or out of the compliance tax pack review each year.

It would also be helpful to state that availing of this process will not delay a tax refund due to the taxpayer.

It would be helpful to clarify in our discussions Revenue's long-term intentions for the ECE pilot. Taxpayers may be concerned that submission of the tax pack could become mandatory over time.

Paragraph 3.2: Engagement

We note that this paragraph references that '*the appropriate scope (i.e. the years and relevant tax heads under review) will be determined by the information available to Revenue'*. We would query the references to years and taxheads under review if only one tax return is the focus of the review. The references to more than one year may be intended to reflect that a transaction may cover multiple periods and so more than one year would be relevant for the review. However, the proposed text suggests to readers that a review could result in the opening of other years or tax heads outside of the period for which the return has been submitted. This could discourage the use of the review process.

Paragraph 3.4: Review and Completion

The text notes Revenue's intention is that the tax pack compliance review will be completed within 8 months following the date by which the taxpayer/agent delivers the tax computations and supporting documentation. It would be important that the review is **fully** completed within 8 months i.e. that no further queries on the return would issue

after this period.

In addition, it would be essential that agents are copied on any correspondence with the taxpayer in respect of the tax pack compliance review.

Section 4 - ECE – Opinions/Confirmations Regarding Significant Transactions

Paragraph 4.2: Engagement and Requirements

The text on page 9 notes that the request can be made to the relevant branch manager or dedicated case manager for an opinion '*except for certain cases covered in TDM Part 37-00-40a*'. Clarity on what those cases are and who decides whether a case falls within TDM Part 37-00-40a or the ECE will be important. We understand that this text is referencing existing procedures for requesting an opinion/confirmation from Revenue regarding the consequences of a proposed course of action. The TDM outlines when HW&FSD will provide an opinion or confirmation in advance of a transaction and the procedures to follow. The ECE TDM should clearly differentiate between these processes, rather than leaving it to the taxpayer to interpret its meaning and determine the most appropriate process. It may also be beneficial to include a paragraph differentiating this process from the RLS/RTS process, so it is clear which avenue for contact with Revenue is most appropriate.

The draft ECE TDM does not specify a timeframe for providing an opinion or confirmation once information has been submitted to HW&FSD. While response times may vary depending on complexity, the TDM should acknowledge the importance of a timely reply to ensure the opinion is useful for commercial transactions.

Additionally, while the document discusses opinions given in advance of a proposed transaction, it is possible that a transaction could be submitted post-completion. As we have previously highlighted, commercial reality often dictates that deals happen quickly, and there should be a facility for seeking an opinion or confirmation after the transaction, if necessary. Taxpayers should have the option to make a submission post-

transaction, especially if it is not feasible to seek an opinion in advance and Revenue is not committing to a specific timeframe for the process. While the TDM mentions that submissions can be made before the due date for filing the relevant tax return, it would be helpful to clarify that submissions may also be made once the transaction has been completed.

Paragraph 4.5: Tax Avoidance

The paragraph notes that HW&FSD will not provide an opinion where it considers a proposed transaction involves tax avoidance. However, whether a matter constitutes tax avoidance is not always clear-cut and can be itself a technical issue. Revenue may view a matter as tax avoidance, while the taxpayer or adviser may take a different view. These cases can be complex and subjective. It would be useful to discuss the operation of this restriction in practice.

Paragraph 4.6: Duration of opinion/confirmation

The text references that Revenue can review the opinion/confirmation at any time with a view to its amendment or withdrawal, in light of the relevant, facts, circumstances or other information changing or '*where Revenue decides to reconsider its position'*. We think this approach is unfair to taxpayers who have submitted a request for an opinion with all relevant information in good faith and it would undermine the purpose of the ECE, which is to provide certainty at an early stage.