

Summary Note of the Annual Branch Network Meeting between Irish Tax Institute and Revenue's Medium Enterprises Division (MED)

13 April 2026

Irish Tax Institute Offices, Longboat Quay, Dublin 2

1. Overview of MED – Staffing and Structure

Revenue provided an organisation chart of the Senior Managers in the Division (available at Appendix 1). MED has 515 staff based in 9 locations across Ireland. Blended working arrangements are in operation throughout the Division. There has been significant churn in staff with recruitment at Higher Executive Officer (HEO), Assistant Principal (AP) and Administrative Officer (AO) level (with AO recruitment part of Revenue's graduate recruitment programme). 54% of MED staff are new to MED. 155 staff are new to Revenue. Given the significant churn in staff, there is a considerable focus on capability building.

MED has 140,000 cases in its case-base. This includes 4,200 groups and 8,100 individuals (1,100 of whom are High Wealth Individuals (HWIs)). The entry threshold for MED has increased from turnover of €8.8 million to €15 million (based on single or accumulated revenues of a group). The upper threshold has increased from €190 million to €350 million. Consequently, cases have moved from MED to Business Division and from Large Corporates Division (LCD) to MED and vice versa.

105 groups have moved from LCD to MED as they no longer meet the criteria for inclusion in LCD. 14 groups have migrated from MED to LCD because their turnover had exceeded €350 million. The movement of cases was largely concluded by the end of 2025. 10 of the groups migrating from LCD participated in the Cooperative Compliance Framework (CCF). Revenue is conducting an orderly exit of these groups from CCF, with two groups having exited from CCF so far. LCD is dealing with open queries for groups participating in CCF before these groups migrate to

MED. Groups that no longer have access to CCF have been informed and Revenue has not received any objections to this change.

MED caseworkers have access to information provided by groups under CCF. The Division always undertakes risk-profiling of its case-base which includes a review of the taxpayer's compliance history. MED will examine the coverage provided by the compliance interventions undertaken by LCD in respect of the cases now managed by MED, noting that compliance interventions for cases within CCF were mainly conducted at Level 1 under the Compliance Intervention Framework (CIF).

There are 3,000 Pillar Two Constituent Entities (CEs) in MED and MED cases represent the largest bulk of Pillar Two registrations.

2. Overall Approach to Compliance

MED will make increasing use of outdoor interventions during 2026 i.e. field audits. The use of Risk Reviews will continue but these will be for targeted single issue/single tax head interventions. Businesses should expect to see more multi-year audits where material risks are identified in more than one year. Following the *Karshan* Supreme Court judgment and disclosure initiative, there will be a significant focus on misclassification of employment. Revenue intends to focus on companies and sectors of interest that did not avail of the disclosure opportunity.

Corporation tax is a particular area of focus, for example, BEPS measures such as the Interest Limitation Rule (ILR) and anti-hybrids. Checks on claims for the R&D Tax Credit and the Knowledge Development Box (KDB) are routine at this stage. PREM audits will be conducted informed by Enhanced Reporting Requirements (ERR) data. Share-based remuneration is also an area of focus, together with VAT and excise fraud. Trade-based money laundering risks, including falsification of invoices, is a keen area of focus with a dedicated Revenue team focused on this topic, although the number of instances of this behaviour is limited.

Excise risk in sectors where there is a significant exposure for the Exchequer will also be a keen focus. MED will be examining compliance with the e-Liquid Products Tax in Q3 and Q4 of 2026. Irish registered One Stop Shop (OSS) and Import One Stop Shop (IOSS) compliance will be examined in line with the increased EU focus on these issues.

MED is the business owner within Revenue of Residential Zoned Land Tax (RZLT). There will be a focus on valuations, exemptions, deferrals and the Division will work with the Collector General's Division in relation to non-filers and unregistered cases. MED expects to conduct a proactive compliance campaign to identify unregistered parties.

In the construction sector, VAT on property and large-scale infrastructure projects will be a focus. Revenue has reviewed the National Development Plan (NDP) and is focusing on projects with a value in excess of €1 billion. MED will also support the implementation of VAT modernisation and VAT in the Digital Age (ViDA).

3. MED Sectoral Branches – Priority Areas of Focus

Motor Transport & Utilities Branch

This Branch has four AP led audit and compliance units covering 446 groups. Compliance interventions are conducted at all levels, with multi-tax year audits undertaken. The Branch has a diverse case-base including waste management, freight /haulage, telecommunications.

Level 2 interventions are primarily field audits. However, the Branch also conducts desk-based Risk Reviews on a single tax head risk, for example, in the capital taxes area. Employment misclassification and the use of ERR data, including the payment of tax-free travel and subsistence expenses will be key areas of focus for the Branch.

The Branch also has two AP led Customs units with 45 staff. 18 of these staff work in Customs Control Unit and 27 in Post Clearance Controls, including customs audits. There are some open appeals on post-clearance checks which include instances of incorrectly claiming preferential origin, undervaluation and misclassification. A significant project was conducted in the last number of years relating to importation of motor vehicles and appeals are in progress.

Retail Branch

This Branch consists of businesses providing business to consumer (B2C) supplies. There are approximately 3,777 cases in the Branch (278 groups) which are dealt with by five Branch teams. Areas of focus include IOSS and OSS. There are a number of UK based retailers that have ongoing issues with supply chains post-Brexit.

New areas of focus for the Branch in 2026 include capital allowances (e.g. Industrial Buildings Allowance (IBA) claimed in error which are not part of the apparatus of the trade or failure to calculate balancing adjustments). Payroll audits and iXBRL non-filers will also be a focus for the year.

Revenue reminded of the importance of audit preparedness. The Branch has experienced several instances where the taxpayer has not been sufficiently prepared, which has resulted in delays in progressing the Audit. Revenue noted that the Audit letter outlines what information is required and the prescribed format. Revenue urged taxpayers and agents to carefully review the Audit letter. Revenue requested that the greatest amount of the information requested be provided in the smallest number of files possible.

Revenue suggested taxpayers contact their software providers if they experience any difficulty in providing the information for the Audit requested in the prescribed format. If taxpayers cannot provide the requested information in the prescribed format, they should engage with Revenue as early as possible and before the commencement of the Audit. Revenue noted that higher penalties can be imposed

for non-cooperation if taxpayers do not engage or ignore Revenue's information requests.

Agri, Heath & Tourism Branch

This Branch covers a broad spectrum of businesses. For example, farming, fishing, hospitality, healthcare, such as, nursing homes, the tourism sector including cinemas, real estate agencies. The Branch also has responsibility for section 481 Film Tax Credit claims and the new Digital Games Tax Credit, with €177 million and €1.6 million in refunds issued respectively. The Branch also handles claims for the new Unscripted Production Corporation Tax Credit.

Core areas of focus for the Branch include PREM compliance, for example, misclassification of employees. There will be a particular focus on those employers who did not avail of the *Karshan* disclosure opportunity. Close company risks are also a focus including BIK on company cars, staff accommodation, personal expenditure and unpaid close company surcharges. Instances have been identified where the company and the proprietary director have different tax agents and close company issues are not dealt with correctly on the tax returns.

The Branch is also undertaking a project on iXBRL non-filers with 50 to 100 companies selected. The project focuses on companies that have declared on the Form CT1 that they meet the requirements for exemption from the iXBRL filing requirement. However, based on the data available to Revenue, these companies do not meet the exemption criteria¹. For example, the company does not meet the gross assets test or the test where the number of employees must be considered, based on data provided in the Return of Trading Details or payroll data submitted. Failing to comply with the iXBRL filing requirement can result in the imposition of surcharges and/or restrictions to loss reliefs.

¹ The criteria for exemption from the iXBRL filing requirement are outlined in 'Who must submit financial statements in iXBRL?' on the Revenue website <https://www.revenue.ie/en/companies-and-charities/corporation-tax-for-companies/submitting-financial-statements/who-submit.aspx>

The Branch is also focused on the VAT exempt sectors e.g. healthcare and instances where the reverse charge has not been operated or a Capital Goods Scheme adjustment has not been made for a change in use.

The Branch wants to obtain a deeper knowledge of the sectors in its case-base and consequently is increasing the number of Profile Interviews it conducts.

Manufacturing Branch

This Branch consists of over 5,000 entities (700 groups) across very diverse sectors i.e. involving over 250 NACE codes. The Branch has six AP led teams in five locations across the country. The Branch mainly undertakes Level 2 interventions (primarily Revenue Audits) and Level 3 interventions.

Revenue noted that issues continue to arise with R&D Tax Credit claims. For example, claims being entered on the Form CT1 under the sections relevant to pre-1 January 2023 expenditure; not indicating whether the R&D Tax Credit claim should be offset against the company's corporation tax liability or claimed as a cash refund; not providing a breakdown of qualifying expenditure; omitting details of grants; claiming business rates as R&D expenditure in error; issues with the methodology for calculating the percentage of qualifying R&D employee costs. Revenue does not want to deny R&D Tax Credit claims but the legislative requirements for a valid claim must be met.

The Branch is also undertaking non-filer campaigns relating to ERR, iXBRL and Form CT1 for its case-base. CAT non-filers are also a focus. A number of compliance interventions involving CGT reliefs are underway relating to claims for Revised Entrepreneur Relief, Retirement Relief, and share for share relief. Revenue has engaged valuation experts in examining cases.

PREM continues to be an area of focus for the Branch particularly travel and subsistence expenses, client entertainment, BIK and director's loans, Tax Relief at Source (TRS) on medical insurance. Errors in relation to claims for capital allowances are also commonly identified.

The Branch noted that they are dealing with interventions in a timely manner with less than 10% of interventions open pre 1 January 2025.

Divisional Office

The Divisional Office oversees data analytics and case-base management for MED, including Freedom of Information Requests (FOIs) and parliamentary questions (PQs). The Divisional Office handles the IC and phonline general enquires, workforce planning and HR related matters for MED. It also handled the migration of cases to and from MED.

Practitioners queried progress in the roll out of the Estimated Response Time (ERT) in MyEnquiries in MED. Revenue noted the ERT is still in a pilot stage in MED and across Revenue. Current data on MyEnquiries response time for MED shows the following:

- 85% of MyEnquiries are responded to within 6 days
- 6.5% within 10 days
- 2% within 15 days
- 1% within 20 days
- 0.89% within 25 days
- 0.62% within 30 days
- 3% of MyEnquiries are responded to in greater than 30 days

63% of phone calls are answered in 15 seconds (with 70% answered within 30 seconds and 90% within 5 minutes). MED has a considerably lower volume of phone

contacts when compared to other divisions, such as, the Personal and Business Divisions. Revenue observed that the general public are more likely to use the “hold my place in the queue” facility than agents, based on experiences to date.

Revenue noted it uses three different artificial intelligence (AI) models but only on curated Revenue data which is an important safeguard in the system. Uses of AI include query categorisation to ensure correct allocation to staff and assisting staff searches of Tax & Duty Manuals (TDMs).

ICT, Science & Publishing Branch

This Branch consists of approximately 2,800 companies (432 groups). The Branch is closely aligned with LCD ICT branches. Compliance interventions are conducted at all three levels in the CIF. Where risks are identified a Level 2 or Level 3 intervention will be initiated. In relation to corporation tax, areas of focus for the Branch include section 291A claims, foreign withholding tax claims, R&D Tax Credit claims, taxation of interest income, failures to remit TRS on medical insurance and non-filers.

Payroll taxes are also an area of focus in particular directors’ loans, incorrect employee classification, incorrect tax treatment of assignees, share-based remuneration. Incorrect application of PRSI is also examined. For example, where the status of directors changed following a buyout, but the PRSI class was not amended from Class S to Class A. Instances are also identified where Class M is applied in error.

The Branch is also focusing on ERR non-filers and Country by Country Reporting non-filers involving Irish Ultimate Parent Entities (UPEs).

Regarding VAT, non-filing of VAT RTD and incorrectly claiming VAT on food/entertainment costs are also a focus for the Branch, together with errors when translating foreign currencies on invoices i.e. the VAT legislation specifies the rate of exchange to be used.

The Branch has noted instances of post being returned to Revenue by An Post, as the address of a business is not up to date on Revenue's records. Similarly, Revenue has noticed a significant amount of Revenue-initiated correspondence to taxpayers remaining unread when sent by MyEnquiries or ROS. Revenue noted the importance of ensuring a taxpayer's contact information is up to date and that communication channels are regularly reviewed, so that intervention letters are not overlooked.

The Branch encouraged early engagement by taxpayers and their agents with interventions and that any qualifying disclosures made are full and complete disclosures, in accordance with the legislation.

Wholesale Branch

This Branch consists of six AP led audit and compliance teams covering diverse sectors with approximately 570 groups in the case-base. The Branch conducts compliance interventions at all levels in the CIF. Comprehensive risk assessment appraisals are undertaken leading to primarily Level 2 interventions i.e. Audits and Risk Reviews. Audits are mainly field audits. Where material risks are identified during an intervention, the intervention will be extended to more than one year.

The Branch noted instances of disclosures failing to meet the criteria for a qualifying disclosure, because the disclosure was not full, final and complete. The Branch also noted the prevalence of eAudits and requested timely submission of electronic data requested as part of Audits, to avoid delays. Revenue will work with taxpayers on options for submitting data where, for example, the business has customised software.

Regarding payroll audits, areas of focus include preferential loans, BIK on company cars, personal expenditure on company credit cards, and employer provided accommodation.

The correct application of the VAT rates and VAT postponed accounting are also a focus for the Branch.

In relation to corporation tax, the Branch is focused on Form CT1 and iXBRL non-filers, directors' loans, capital allowances, R&D Tax Credit claims, and corporation tax deductions.

There are two AP led Excise teams in the Branch (i.e. covering the East and West of the country). These teams are focused on warehouse checks and unlicensed trading.

High Wealth, Financial & Professional Services Branch

This Branch consists of approximately 3,800 companies (250 groups), 2,000 individuals (including 1,100 HWIs). The Branch expects the number of groups to double following the transfer of cases from LCD and Business Division.

The Branch is focused on R&D Tax Credit claims, share options, PREM and RCT. Regarding HWIs, areas of focus include CAT, domicile levy, Retirement Relief, CGT utilisation of losses e.g. not taking account of debt releases. Misclassification of employment is an emerging area of focus.

The Branch is also responsible for compliance checks in relation to the outbound reporting under the Directive of Administrative Cooperation (i.e. DAC2 and DAC6). The 2026 compliance project relating to both DACs is now complete. Revenue has observed a significant improvement in the quality of the data being reported under DAC6.

The Branch noted its widespread use of data analytics to identify risk, with a Level 2 field audit as its default compliance intervention. Level 1 is mainly used for DAC2 and DAC6 compliance programmes and verification of unprompted disclosures and self-corrections. There is now greater use of Level 3 interventions. Revenue

increasingly uses section 909 TCA 1997 requests for Statement of Affairs to identify a taxpayer's full position regarding assets and liabilities.

The Branch will endeavour to respond in a timely manner in interventions. Where more time is needed for taxpayers to respond, the agent should engage to agree additional time to reply.

In 2025, MED issued 20 letters to potentially affected VAT groups in relation to the change in interpretation of Territorial Scope for VAT Groups. Affected VAT groups have until 31 December 2026 to review their structure and adapt. Revenue requested that affected taxpayers engage early if uncertainty arises and contact with Revenue is necessary i.e. do not wait until December.

EU VAT eCommerce Branch

Ireland is the one of the leading EU jurisdictions for OSS/IOSS and Central Electronic System of Payment Information (CESOP) registrations and so, Revenue has established a dedicated resource to manage OSS, IOSS and CESOP. The Branch operates a compliance and customer service function and represents Revenue on operational policy issues at EU eCommerce VAT networks.

A current area of focus is on the application of the VAT Deemed-supplier rules by Digital platforms (e.g. online marketplaces). Under Article 9A and Article 14 of the VAT Directive, in certain circumstances online platforms and marketplaces may become liable for the payment of VAT on sales made via their platform. The compliance of marketplaces with these deemed supplier rules is an increasing area of focus.

Revenue is also actively reviewing the compliance of OSS and IOSS-registered businesses with the rules of the Schemes and excluded 700 cases from the Schemes in 2025. This project is ongoing. It is important that taxpayers should only register for the scheme they require as where a business is excluded from one

Scheme, they are also excluded from any of the other special schemes (non-Union scheme and IOSS) which they are registered for in any Member State for two years.

The Branch has a considerable number of interactions with tax authorities in other Member States. The number of OSS and IOSS Mutual Assistance Requests it receives is increasing rapidly each year, with tight timelines of 30 days to respond and the information requested can be extensive in some cases. Taxpayers should advise Revenue as soon as possible if the taxpayer is not able to provide all of the requested information in the timeframe outlined. If evidence that a deadline cannot be met is provided, Revenue will seek to inform the requesting Member State as a business can be excluded from the OSS/IOSS scheme if the deadline is not met. Revenue also highlighted that multiple amendments or corrections to OSS and IOSS returns can result in questions.

Regarding IOSS intermediaries, Revenue is reviewing intermediaries' controls and procedures for onboarding. The requirements may be further strengthened in Ireland and other Member States in due course.

Public Administration Branch

This Branch's case-base consists of bodies in the education, arts, health sectors and local authorities, approved housing bodies and government departments. Areas of focus include payroll taxes and misclassification of employment, travel and subsistence expenses, incorrect PRSI class, ERR and VAT deductibility. The Branch is also undertaking a programme of Profile Interviews, for example with larger government bodies. A key issue that can arise among its case-base is the significant number of requests for extensions to the timeframe to prepare a disclosure.

Construction Branch

There are over 7,000 active taxpayers in the case-base of this Branch. The Branch has 96 staff (an increase of 40% on 2025) and this includes 13 APs. Staff are based

across six locations. The Branch focuses on real-time risk relating to PREM, VAT and RCT. Throughout 2026, there will be a focus on payroll taxes, misclassification of employees, ERR non-filers, RCT and VAT. The Branch will also examine compliance relating to large publicly funded infrastructure projects (in conjunction with LCD).

The Branch has national responsibility for RZLT. As at 31 March 2026, 2,791 sites have been registered for RZLT with 2,320 returns filed. RZLT has yielded €52.5m in tax so far. Verification checks are being conducted on 2025 returns. Revenue will be undertaking exercises to identify non-compliance with the RZLT.

Revenue Technical Service (RTS)

RTS Branch has 13 staff, and deals with RTS queries relating to MED, Business Division and Personal Division. LCD and High Wealth & Financial Services Division (HW&FSD) operate their own RTS for technical queries relating to their case-bases.

In 2025, RTS MED Branch completed 349 queries. 64% of these queries were external while 36% were internal queries raised by Revenue staff. 44% of RTS queries were dealt with within 20 working days, 33% of RTS queries were dealt with within a period of 21 to 70 working days and 23% were in excess of 70 working days. Approximately 50% of queries are referred to Revenue Legislation Service (RLS). Revenue noted a decrease in the number of queries submitted to RTS over the last year compared with previous years which Revenue considered could be indicative of the availability of better Revenue guidance.

The 20-working day Customer Service Standard does not apply to RTS queries. As outlined in the RTS Tax & Duty Manual (TDM), RTS endeavours to reply to complex technical service queries in a timely fashion, considering the complexity of the issues. Revenue has processes and procedures in place to ensure governance and oversight of response times. Revenue also impresses on caseworkers the importance of regular communication where delays are experienced. The need to

refer certain queries to RLS is the main reason for delays in response time. Revenue reminded practitioners that the RTS TDM contains contact details for the Branch.

Practitioners sought an update on the developments to RTS outlined at Main TALC. The RTS MED Branch has introduced a new IT management system which provides a single clear record of the handling of each accepted RTS query. Revenue confirmed that RLS is providing concrete feedback on timelines for responses which is being re-laid to the relevant taxpayer/agent, who submitted the query. The priority for Revenue is to provide a high quality and accurate response to the RTS query.

Practitioners noted a decreased volume in RTS queries and considered that agents may be less likely to submit queries to the RTS because the expected timeframe for a reply is too long to be useful for commercial transactions, which can be time sensitive. Revenue recommended that agents state upfront in the RTS application the deadline for a response so that the time sensitivity can be conveyed to the RTS technical officer and that such queries are submitted well in advance of the transaction.

Practitioners queried the average response time for a reply. RTS Branch noted that it cannot provide average times for RTS queries because the timeline depends on the particulars of the query. Where a query involves multiple tax heads, several technical officers may need to review the query and provide input in order to respond. Revenue has observed a noticeable improvement in response times even though 50% of all queries are referred to RLS.

Practitioners cited their experiences with the RTS and queried whether RTS could deal with queries where there is a concession in Revenue guidance, but it is not reflected in legislation. Revenue noted that it would reject an RTS query where there is no doubt regarding the application of the legislation. The RTS is not the forum to address discrepancies between the legislation and the published Revenue guidance, and practitioners queried the appropriate forum for such issues.

Based on the feedback on RTS, Revenue considered a separate standalone meeting to discuss practitioners' feedback on the operation of RTS would be useful to fully consider the issues raised.

4. Engaging with the Division

Karshan Disclosure Opportunity

Approximately, 280 disclosures were made to Revenue in relation to 6,600 employees covering €26.7 million in tax in response to the Karshan-related disclosure initiative. MED cases represent over half in the volume and the number of employees included in the disclosures submitted. Revenue will publish aggregated data on the disclosures received in the coming months, while protecting taxpayer confidentiality.

Verification of submissions received is ongoing and tax assessments will be raised for 2024 and 2025. Revenue reminded of the importance of updating PRSI records for 2024 and 2025. The only information required to implement such an update is the relevant PPSNs and the number of insurable weeks. Revenue will be contacting those employers/agents that made disclosure to advise them on how to make the relevant update.

Revenue will be examining relevant sectors or businesses in sectors where the data indicates misclassification of employment may arise. Defaults arising from a complete failure to operate PREM will result in interest and penalties in line with the *Code of Practice for Revenue Compliance Interventions*.

Revenue has established a cross-agency group with the Department of Social Protection (DSP) to limit divergence in the approach to cases of misclassification. Two meetings of the group have been held to date, and engagement is an ongoing process. The most significant divergence, which will continue, is that Revenue does

not 'pierce the corporate veil' in contrast to DSP which can look through a company, for example, in personal service companies.

Practitioners highlighted that the correct classification of workers is not absolutely clear in every case and queried Revenue's approach to employers who had not made a disclosure, but an issue is identified in a compliance intervention.

Application of the 'gross-up' approach in calculating tax due under section 986A TCA 1997 will be considered by Revenue on a case-by-case basis. Revenue will seek to determine if there has been a deliberate failure to apply PAYE or if the error was genuine.

Regarding disclosures made to date, MED noted that agents will need to re-engage with Revenue on cases where a calculation of the credit claimed for tax paid by the employee on a self-assessed basis is not included. The employer may be entitled to some credit for the tax paid, but the calculation must be outlined by the employer/agent. Revenue will not be calculating and verifying the amount of the credit as this is a matter for the employer. Revenue requested that agents act quickly to provide the backup required.

Revenue File Transfer System (RFTS)

Practitioners advised that the RFTS data disappears after a set period.

Consequently, a record of what was submitted and the submitter is not retained on the system. Revenue noted that the data becomes unavailable after 30 days for data protection reasons. However, Revenue will check if it is possible to retain the information on the submission and the sender, even if the underlying data cannot be retained.

KDB Claims

KDB claims remain a focus for MED. Detailed back up of claims is required and taxpayers should expect claims to be examined in detail. Almost all claims have errors based on Revenue's review. Common errors include:

- Using the incorrect rate. The effective corporation tax rate for the KDB is now 10%. However, profits need to be apportioned where the income straddles different periods/rates (i.e. 6.25% and 10% rates).
- Where the KDB is loss-making the loss must be offset on a value basis.
- Only income from qualifying assets qualifies for the KDB rate. In some claims, 100% of income is treated as qualifying for the KDB.
- Incorrect allocation of expenses.

R&D Tax Credit Claims

Revenue has observed a reduction in the error-rate in R&D Tax Credit claims on Forms CT1, following Revenue's communications about common errors through notices to taxpayers and Revenue videos. However, several errors persist:

- Failure to include the three elements of expenditure required under section 766C TCA 1997.
- Failure to state in the relevant field whether the instalment refund is to be offset or repaid.
- Failure to complete the subcontracting field or claiming in excess of the 15% permitted limit.
- Failure to notify the subcontractor that the company is claiming R&D i.e. potential duplicate claims.
- Failure to deduct grants from the allowable expenditure. The grant does not need to have been paid to the company to be deductible i.e. it is not a

receipts test. You are required to deduct grants where expenditure has been or is to be met by grant assistance.

- Where section 291A TCA 1997 and the R&D Tax Credit are claimed on the same expenditure.
- Claiming an R&D Tax Credit in respect of subcontracting to a connected party which is not permissible.

MED noted that it will engage with agents if they are having difficulty completing the R&D Tax Credit panels, where difficulties arise that are not addressed by the information provided in Revenue guidance and videos. It is important that a correct claim is made within the 12 month limit.

Preliminary Tax

Practitioners noted the complexity in relation to the R&D Tax Credits instalments and preliminary tax i.e. only the first instalment can be offset against preliminary tax and an error may be made in this regard when completing the returns in a pressurised period.

Practitioners also highlighted an issue raised at Main TALC regarding preliminary tax where in instances where a refund of corporation tax is carried forward but preliminary tax for the current year is underpaid, the Collector General's Division sought the payment of interest. Revenue had argued that the refund could not be offset against preliminary tax until the iXBRL financial statements for the prior period had been filed. Main TALC will be updated on the position in June. In the interim, case examples relevant to MED, if they arise, could be submitted for review.

5. MED Compliance Interventions

MED conducted 6,200 compliance interventions in 2023, 739 of which were at Level 2 and 18 were at Level 3. In 2024, there were 6,600 compliance interventions, 873 of

which were at Level 2 and 16 were at Level 3. In 2025, there were 6,900 compliance intervention, 832 of which were at Level 2 and 38 at Level 3.

Many Level 1 compliance interventions relate to Customs & Excise (C&E). Of the 17,000 compliance contacts conducted, 10,000 related to C&E. 34 compliance interventions in construction branch were investigations.

Revenue monitors how long compliance interventions remain open, which can depend on whether the intervention relates to a single year or multiple years. MED will accommodate requests for additional time to respond to requests for information as part of a compliance intervention, if needed. Practitioners highlighted an instance where an extremely short timeframe was provided to respond to Revenue's requests. Revenue will review the case in question.

ERR

The data submitted through ERR submissions will inform payroll audits. The majority of MED case are making ERR submissions. MED wrote to some employers who did not make any ERR submissions in 2024 and 2025 as part of a Level 1 compliance campaign, querying as to why no submissions were made. A significant number of non-filers had obligations to submit ERR returns. In some cases, it appears the employers believed that the required information was submitted with their payroll returns. Employers are asked to rectify the position retrospectively. The activity will continue in 2026 across the Branches.

Transfer Pricing (TP)

There is strong collaboration between MED and LCD in relation to TP, and the TP information forms part of the risk profiling of groups. If a risk is identified that could indicate an Audit may be appropriate the case will be reviewed by LCD, which continues to lead in respect of TP compliance. However, MED wants to increase its

capability in respect of TP considering the increasing relevance of TP in its case-base.

6. Share-based Remuneration

MED is identifying several issues with the share-based remuneration data submitted to Revenue. These include differences between the data supplied in the share returns as compared to the payroll; non-completion of share-based remuneration field in payroll returns or non-completion of the required share-based returns by employers. Revenue expects the payroll data to match the data provided in the share-based returns. In addition, Revenue has identified instances where employer PRSI has been paid in error resulting in significant overpayments. Revenue requested that employers exercise greater oversight of the return of information and taxes in respect of share-based remuneration. This may be particularly relevant if payroll is outsourced.

7. Pillar Two

MED and High Wealth & Financial Services Division have the greatest numbers of Pillar Two registrations. There have been 8,700 registrations 3,095 related to companies within the MED case-base. Implementation of Pillar Two is managed by LCD and MED is working closely with that division. The Pillar Two Hub on the Revenue website and Pillar Two TDMs provide useful information for entities in scope, and this information will be added to. An email address for queries has also been provided. LCD will review Pillar Two returns submitted after the first deadline for returns in June this year.

Appendix 1

MED Management Structure	
Name	Division/Branch Manager
Orla Fitzpatrick	Assistant Secretary, Medium Enterprises Division (MED)
Brian O'Rourke	Agri, Health & Tourism Branch
Fintan Murphy	Construction Branch
Breda McCarthy	IT, Science & Publishing Branch
Martina Mulligan	High Wealth, Financial & Professional Services Branch
Eve Arrowsmith	Wholesale Branch
Enda Malone	EU VAT eCommerce Branch
Seán O'Rourke	Divisional Office
Carol Durac	Revenue Technical Service (RTS)
Grace Fields	Motor Transport & Utilities Branch
John Bourke	Public Admin Branch
Olivia Phelan	Manufacturing Branch
Carol O'Sullivan	Retail Branch