

Annual Report 2008

Eighty-sixth Annual Report of the Revenue Commissioners for the year ended 31 December 2008, including progress on the implementation of Revenue's Statement of Strategy, in accordance with the Public Service Management Act 1997, presented to the Minister for Finance.

April 2009



Chairman
Josephine Feehily



Commissioner
Michael O'Grady



Commissioner
Liam Irwin

Board's Review of 2008

2008 saw a remarkable change in the Irish economy, a change that had a dramatic effect on the yield from taxes and duties. After a decade of unprecedented growth, during which the gross yield from taxes and duties almost trebled, from €23bn (£18bn) in 1997 to €66bn in 2007, the Irish economy experienced a sharp contraction in 2008. This domestic contraction was exacerbated during 2008 by the exceptionally unfavourable global economic conditions and by extreme instability in the financial markets. What began as a problem in the construction industry spread to virtually all other business sectors by the second half of last year. According to the Central Statistics Office, Irish Gross Domestic Product declined by 2.3% in 2008.

The combined effect of these factors on tax and duty receipts was rapid and substantial. Gross receipts in 2008 fell by 9.2% compared to 2007 and net receipts fell by 13.5%. While shortfalls occurred in all taxheads, the asset related taxes were hardest hit, with receipts from both Capital Gains Tax and Stamp Duty down by half.

Rising unemployment and curtailed consumer spending also exerted downward pressure on receipts. VAT, the single largest taxhead, was down by just over €1 billion year on year. While a large proportion of this shortfall can be attributed to the collapse in the construction sector, VAT payments from the wholesale and retail trades and from the motor industry also slowed significantly as the year progressed.

2008 also saw a slight decrease in payment and returns compliance, another consequence of the difficult economic environment. Maximising compliance is one of our core organisational goals, but we recognise the difficulties being encountered by business. At every opportunity we have issued a clear message to the business community: if you are experiencing difficulties meeting your tax and duty obligations, come and talk to us. We do not want to make a difficult situation worse than it already is – but where there is no realistic engagement with us and we need to make hard decisions, we will do so. This remains our clearly stated position as we move through 2009. Our responsibility to be fair to compliant taxpayers and businesses requires no less.

Notwithstanding the economic environment, our volumes of business increased under many headings and we successfully responded to many business challenges, including those presented by two Budgets and Finance Acts.

Progress on our Strategic Goals

Our Statement of Strategy 2008 – 2010 sets out our high level goals for the medium term. Everything we do as an organisation is encompassed by these Goals. We have listed under each Goal the outputs and performance indicators by which Revenue's performance should be measured. This Annual Report sets out our progress and brings into sharp focus the direct link between what we say we are going to do and what we actually achieve.

Goal 1 – Ensure everyone complies with their Tax and Customs responsibilities

Collection & Compliance

Total net receipts for 2008 amounted to €41.1 billion, down €8 billion (16.3%) against the Budget estimate and down €6.43 billion (13.5%) compared to 2007.

The most significant shortfalls were in Capital Gains Tax and Stamp Duties, down 54% and 45% respectively on the previous year's receipts, arising from the decline in property and share values. Corporation Tax fell by 20.7% year on year, mainly due to difficulties in the financial services sector. Receipts from Income Tax (non-PAYE), VAT, Customs and Excise also declined by 8.8%, 7.5%, 10.2%, and 6.75% respectively. PAYE represented the lowest rate of decline over 2007 yields, at 0.8%.

Debt Management

Debt available for collection in 2008 was €1,233m, up from €895m in 2007. Debt available for collection as a percentage of total gross receipts was 2.1%, up from 1.4% in 2007.

Given the difficult economic circumstances, our Debt Management Units performed exceptionally well in ensuring that compliance rates for filing returns and paying tax were only marginally down against the targets set for 2008. Demanding trading conditions, falling cash flow and tightening credit availability made it more difficult for businesses to meet their tax and duty obligations in a timely manner, and this trend is set to continue throughout 2009. This is also reflected in a worrying upward trend in the level of collectible debt. Notwithstanding this increase, our collectible debt as a percentage of tax receipts is still one of the lowest such ratios of any tax administration worldwide. It is a priority goal of Revenue to ensure that compliance rates remain at the highest possible level, and collectible debt remains at the lowest possible level. We are working closely with businesses to ensure that they continue to meet their tax and duty obligations during the year ahead.

Compliance

Revenue employs a range of interventions, including assurance checks, random audits and risk-based audits, to monitor the operation of the tax system. Many cases for audit are selected by our electronic Risk Evaluation and Analysis Programme (REAP). This approach to intervention allows us to focus our resources on those businesses that pose the greatest risk, while ensuring that we are not intruding on or imposing unnecessary costs on compliant businesses.

During 2008, our auditors completed 13,414 audits with an overall yield of €569.2 million, down 17.2% on the 2007 yield. The decrease in the number of audits and yield reflects a reduction in the number of special investigations (offshore assets, bogus non-resident accounts, single premium insurance products etc.). In addition, the yield in 2007 included a number of cases with unusually large yields not repeated in 2008. Over 345,000 assurance checks, a less resource intensive form of intervention, were carried out in 2008, an increase of over 100,000 on the 2007 figure. The yield from assurance checks was €63 million.

Our sectoral approach to compliance continued in 2008 and included projects on the construction industry, security, barristers, publicans and cash businesses.

Automatic Returns of Interest

In May 2008, with the consent of the Minister for Finance, we made Regulations requiring certain financial institutions to make automatic returns to us of interest and other similar payments. The Regulations apply to banks, buildings societies, credit unions and the Post Office Savings Bank where accounts or investments pay more than €635 in a year. In conjunction with these Regulations coming into effect for banks and building societies, we launched a voluntary disclosure initiative for persons holding untaxed funds amounting to €100,000 or more in accounts. At the end of 2008, 342 disclosures had been made and €21 million paid. By the 15 January 2009 deadline, some 1,200 disclosures had been made and to date €73.8 million has been paid.

Protecting Society

Revenue, in association with the other Joint Task Force partners (the Garda Síochána and the Naval Service) plays a key role in seeking to prevent the smuggling of drugs into the State. Some of the more significant successes in drug interdiction during 2008 were as a result of this interagency co-operation.

In November, Customs Officers, working alongside colleagues from the Naval Service and the Garda Síochána, were involved in operation Sea Bight, which resulted in one of the largest cocaine seizure in the history of the State, with an estimated street value of €105 million. Other large seizures during 2008 included two consignments of cannabis, valued at €18 million, in Rosslare; 10 Kgs of heroin valued at €2 million in Meath; and two large hauls of drug money, totalling over €1 million.

International cooperation is vital in protecting our frontiers and keeping our citizens safe from the threat of illegal drugs. In 2008, we assigned Customs officials as Liaison Officers to the Maritime Analysis and Operations Centre - Narcotics in Lisbon and to Europol in The Hague.

Smuggled cigarettes and tobacco present a serious threat to the Exchequer and, where they are counterfeit, a particular risk to health. The volume and value of seizures during 2008 increased dramatically over the previous year through a combination of intelligence, profiling and scanning. There were 14 significant seizures in maritime freight amounting to 90 million cigarettes, of which 57 million were counterfeit brands. Four large seizures of cigarettes, totalling 52.02 million cigarettes valued at €19.25 million, were made in Dublin Port. We also carried out a targeted programme on distribution outlets resulting in 128 seizures, totalling 6.38 million cigarettes, from markets, shops and other premises.

The 6-part fly-on-the-wall documentary 'Customs' shown on RTE 1 last year will have opened a lot of eyes to the difficult, demanding and sometimes dangerous work carried out by Customs officials in ports, airports and on the high seas. While drug seizures and sniffer dogs make good television, of equal value, if a little less eye-catching, is the backroom work we do to ensure the free movement of legitimate goods into and out of the country.

Prosecutions

The public is entitled to expect that non-compliance with tax and customs legislation will result, in the first place, in a high probability of detection by Revenue and, where it is detected, in the application of appropriate sanctions. A failure to detect and punish serious non-compliance and evasion and to challenge aggressive tax avoidance has the potential to seriously undermine confidence in the tax system and in Customs controls. Part of any effective response to these issues requires us to harness the deterrent effect of taking more criminal prosecutions where there is sufficient evidence to support prosecution, and updating the civil penalty regime.

In 2008, Revenue obtained 20 Court convictions for serious tax and duty evasion. 15 cases related to serious tax evasion, a 50% increase on the previous year. In one case, a 3-year custodial sentence suspended to 6 months imprisonment was imposed. This is the seventh prison term imposed by the Courts for serious tax offences since 2000. An eighth prison term was imposed in early 2009. There were 5 Court convictions in 2008 for serious Customs & Excise offences, the same as in 2007.

At the end of 2008, there were 118 cases at various stages of the prosecution process, an increase of 13% on the previous year.

During the year, Revenue expanded the range of prosecutions initiated to include single-issue prosecutions. A total of 26 such cases were selected for investigation/prosecution under this category. The alleged offences included failure to produce books and records; failure to submit a Statement of Affairs form; providing incorrect information to a Revenue official; and fraudulently using an incorrect VAT number. This approach has the potential to enable us to increase the volume of prosecutions without increased resources.

Goal 2 – Provide quality and innovative service that supports all our customers

In difficult economic times, it is even more important that we provide first-class service to our customers and as we previously indicated, this service is increasingly being delivered electronically. The services we offer our customers, whether in public offices, on the phone or online, received considerable public recognition this year. In April, our PAYE service was awarded a Public Service Excellence Award in recognition of the improvements to the delivery of PAYE services over the last ten years. This was followed in October with an Innovating Government Award, again for our PAYE service, while the Revenue Online Service (ROS) scooped an Inspired IT Award for innovative use of IT in Government.

Online Services

Our online service for PAYE customers, 'PAYE anytime', came into its own in 2008 and by the end of the year, 14% of PAYE customers had registered. Total PAYE self-service transactions increased by 63% year on year, to over half a million. The number of returns filed through our flagship Revenue Online Service (ROS) increased by 9% on 2007 levels, with Corporation Tax returns up by 23%. Payment transactions increased by 16%.

Following a public consultation process, we made Regulations in August 2008 to give effect to mandatory electronic filing and paying. The Regulations provide for mandatory electronic filing and paying of certain tax returns and tax liabilities by Government Departments and Offices, State Bodies and larger companies in 2 phases, from 1 January 2009 and 1 January 2010.

Telephone and Information Services

During the year, the average call handling rate for the 1890 PAYE telephone service was 88%, notwithstanding the additional phone contact generated by the impact of two Budgets. The average number of daily calls to the service during 2008 was approximately 7,000, increasing to approximately 12,000 a day during the peak post-Budget months, January, February and December.

We are continually reviewing and updating our information resources to ensure that our customers are fully aware of their entitlements as well as their obligations. For example, we advised taxpayers of their personal tax credits and entitlements using a combination of direct mailing, advertising and other publicity opportunities; we published a new Guide to VAT which explains in easily understandable terms the principal features of the VAT system.

Our website was successfully redesigned following wide-ranging consultation, both within Revenue and with external stakeholders. Aimed at delivering improvements in quality and timeliness of information, the new site has received very positive feedback. Coinciding with the launch of the new website, Revenue published an extensively updated edition of the manuals required under Section 16 of the Freedom of Information Act, 1997. They cover the whole range of Revenue activities and contain the rules, guidelines, procedures, practices and precedents used by Revenue staff when making decisions.

Simplification

We expanded our programme of making refunds of tax automatically wherever possible. An automatic refund of tax in respect of tuition fees paid in respect of approved 3rd level college courses was introduced in 2008. A total of 1,084 refunds valued at €500,000 were made. We also issued almost 64,000 refunds to the value of €10.8 million in respect of the costs of prescription drugs. Automatic age credits were also implemented in 2008. Over 2,500 information posters highlighting exemption from DIRT for over 65's were displayed in Banks, Post Offices and Citizens Information Offices around the country.

As part of our simplification agenda and strategy to make it as easy as possible to do business with Revenue, new rules were introduced in the Finance Act 2008 to simplify the way VAT is applied to commercial property transactions. There is also a strong anti-avoidance dimension to the new rules to deal with aggressive avoidance schemes in relation to VAT on property. The new rules were developed with the support and input of key stakeholders. A new VAT on Property Guide was developed and published within 4 weeks of the passing of the Finance Act.

Decentralisation and New Facilities

In February 2008, the then Tánaiste and Minister for Finance, Mr. Brian Cowen, T.D., officially opened Revenue's decentralised office in Athy, Co. Kildare. The office, which carries out a range of functions, is the location for 73 staff. Four weeks later, in March 2008, the Minister for Transport, Mr. Noel Dempsey, T.D., officially opened another decentralised office in Navan, Co. Meath. This new office is home to the Meath Revenue District, which is responsible for the administration of all taxes for taxpayers residing in the county. 100 staff are employed in the Navan office. A further 51 staff from the Collector General's Division moved into new offices in Newcastlewest, Co. Limerick in December 2008. The offices were officially opened in April 2009. The opening of these new offices successfully completes Revenue's contribution to the Government Decentralisation Programme for the present.

Revenue offices in Cork, including the Headquarters of the South West Region, moved to a new premises in Blackpool, Cork in May 2008. The new building was designed and constructed with universal accessibility as a priority. This was acknowledged in December 2008, when Revenue House was awarded an "Excellence through Accessibility" Award at the 'Excellence' level from the National Disability Authority – the first Revenue building to achieve the highest level of award.

During 2008, our public offices dealt with over a million personal callers and, in February, our Central Revenue Information Office in Dublin welcomed its 3 millionth customer.

Goal 3 – Contribute to economic and social development by participating effectively both nationally and internationally

Revenue's role in supporting competitiveness and facilitating trade is even more important in the current climate.

At the start of 2008, as part of a series of measures introduced by the EU to protect the international supply chain from terrorist exploitation, a trade facilitation programme known as the Authorised Economic Operator (AEO) Programme was introduced. The aim of the AEO programme is to enhance security through granting recognition to reliable operators and encouraging best practice at all levels in the international supply chain. The Programme is available in Ireland to all compliant traders who are involved in Customs activities. So far, 14 AEO certificates have been issued to Irish traders.

Revenue contributes at many levels internationally. We are represented at EU, OECD WCO and UN forums and make a considerable contribution to policy development and implementation. The 48 Double Taxation Treaties now in force with countries around the world are concrete evidence of our work at international level. Four more treaties have been signed and negotiations are underway for a further 15 treaties or revisions of treaties.

We are also involved in negotiations for Tax Information Exchange Agreements. An Agreement with the Isle of Man came into force in 2008. Further negotiations for Tax Information Exchange Agreements with Jersey and Guernsey took place during the year and Agreements with both jurisdictions were signed in March 2009.

The EU Taxation of Savings Directive is beginning to be a very useful source of information for Revenue. The European Commission adopted a proposal in November 2008 with a view to closing existing loopholes and eliminating tax evasion. Revenue officials are actively engaged on this particular work.

Closer to home, Revenue provided advice and support to the Department of Finance on a broad range of measures which were contained in the Finance Act 2008 and the Finance (No. 2) Act 2008. We also contributed to the drafting of legislation for a new way of charging Vehicle Registration Tax which came into effect on 1 July 2008. The charge to VRT is now based on the CO₂ (Carbon Dioxide) emissions of the car rather than on its engine size. A seven-band system, ranging from 14% to 36% now applies.

We work closely with many Departments and agencies to ensure the effective delivery of Government programmes and our priorities. Our work with the social partners on commitments in relation to the Hidden Economy has been very productive.

Goal 4 – Develop our people, processes and technology to make sure we are a capable, responsive, results-oriented organisation

A highly skilled workforce is critical to the achievement of Revenue's goals. We are reviewing all of our training programmes to ensure that they continue to be the best way of meeting the business needs of our organisation. We congratulate the 99 Revenue students who graduated from the University of Limerick in January 2009 - 30 with a B.A. (Hons.) in Applied Taxation and 69 with Diplomas in Applied Taxation. To date, our partnership with the University of Limerick has resulted in a total of 297 Revenue students being awarded with Diplomas in Applied Taxation, with 66 being awarded Degrees in the first two years of the Degree programme.

We have, as always, significant IT projects underway, with strong governance arrangements in place to ensure they are successfully delivered. Our Information and Communication technology investments are critically important for our day-to-day business, as well as being key enablers of change and efficiency. To ensure that there is a strong top management focus on organisational capability, we have tasked a Working Group of Assistant Secretaries with making recommendations for future directions.

The success of any organisation is entirely dependent on the dedication, expertise and loyalty of the people who work in it. During 2008, Revenue staff demonstrated these qualities in abundance. They co-operated with change and modernisation and when we needed to respond to the changed economic environment, they rose to the challenge, rolled up their sleeves and got on with the job. We take this opportunity to say a public thank you to everyone working in Revenue for their hard work and commitment in 2008.

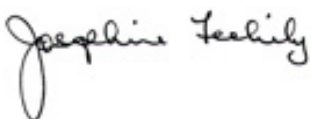
Looking Ahead

At the end of the first quarter of 2009, Tax and Duty receipts are again under pressure. All taxheads are showing reductions, with VAT, the biggest source of receipts, down by over 18%. We are now preparing for our third Finance Bill in a little over 12 months, and putting systems in place to implement the Supplementary Budget changes.

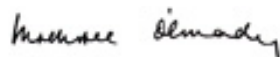
We face very significant challenges in 2009 and beyond and it is clear that in the context of Government policy on public expenditure, Revenue will have less staff and other resources. Customer contacts are likely to increase as taxpayers focus more sharply on entitlements and businesses under financial pressures need support. A reorientation of our compliance strategy to focus more closely on real-time intervention and risks in the cash economy is necessary.

The implementation of the tax reform agenda already outlined by the Minister for Finance, and likely further reform arising from the forthcoming report of the Commission on Taxation will also challenge us, particularly where they involve fundamental changes to the structure of the tax system. Careful planning will be needed to ensure that we deliver these changes effectively and efficiently.

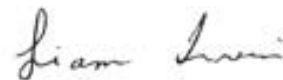
We must also reduce our operating costs while still delivering our key business programmes. This will challenge us to look afresh at all aspects of our business and our organisation. Revenue, in partnership with staff and Unions, has been developing and modernising itself. We have invested sensibly in technology and in skills. We believe that these, with the support of our staff, have equipped Revenue to carry on being a high performing organisation and to deliver on our Mission of Service to the Community.



Josephine Feehily
Chairman



Michael O'Grady
Commissioner



Liam Irwin
Commissioner

Main Results for 2008

Collection

- Net receipts amounted to €41.1 billion, down €6.43 billion against the corresponding figure for 2007, and €8 billion below the Budget estimate.
- Over €9.9 billion was collected on behalf of other agencies. (PRSI and Health Contributions €9,708 million; Environmental Levy €26 million; Tobacco Levy €168 million).
- Debt available for collection in 2008 was €1,233m, up from €895m in 2007. Debt available for collection as a percentage of total gross receipts was 2.1%, up from 1.4% in 2007, still one of the lowest such ratios of any tax administration worldwide.

Compliance

- Total audit and assurance check activity yielded €632.3m from 360,859 interventions.
- The cumulative total from the major 'legacy' investigation projects reached €2.48 billion in 2008, with an extra €75.64 million collected during the year.
- A Voluntary Disclosure scheme for persons holding untaxed funds, amounting to €100,000 or more, in banks, building societies, credit unions and Post Office Savings Bank accounts, yielded €73.8 million to date.
- 20 Court convictions for serious tax and duty evasion were obtained. 15 cases related to serious tax evasion, a 50% increase on 2007. In one case, a 3-year custodial sentence suspended to 6 months imprisonment was imposed. 5 convictions were imposed for serious Customs & Excise offences.
- At year-end, 49 Avoidance schemes were under challenge.
- Drugs with a street value of over €152 million were seized and almost €3.5 million of suspected criminal cash was detained at ports and airports - a marked increase over 2007.
- 135.2 million cigarettes valued at €54.4 million and 3,083 kgs of tobacco with a value of €1.1million were seized. 6.38 million cigarettes were seized from markets, shops and other premises.
- 83,037 litres of alcohol and 100,470 litres of illegally laundered fuel were seized during the year.
- Counterfeit goods, including medicines, sportswear, watches and DVDs, with an estimated value of €5.8 million were seized.
- 48 criminal prosecutions for failure to submit VAT returns were heard before the Courts. Fines totalling €374,719 were imposed and one person was sentenced to imprisonment for failing to pay a fine.
- There were 1,131 convictions for non-filing of Income Tax and Corporation Tax returns with fines totalling €2.23 million imposed by the Courts.
- 455 Customs and Excise prosecutions were obtained for a range of summary offences such as cigarette smuggling, marked mineral oil and oil laundering infringements and VRT offences.

Customer Service

- 2008 saw an increase in the number of customers opting to manage their Revenue business online. Electronic returns and declarations increased by 9%. The rate of electronic submission for Customs declarations reached 99%.
- A new registration process for the online service for PAYE taxpayers called 'PAYE anytime' was launched in September 2008. By the end of the year some 320,000 customers had successfully registered. There were 475,671 transactions in 2008, an increase of 77% on 2007.
- Mandatory e-filing and e-paying were introduced for our largest companies and Government departments with effect from 1 January 2009.
- Revenue Online Service (ROS) won two awards in 2008 - a *Central eGovernment Award* and an *Inspired IT Award*. Improvements in service delivery in the PAYE area won a Taoiseach's *Public Service Excellence Award* and an *Innovating Government Award* for Services to Business.
- The 1890 telephone service was used by 2.8 million customers, with a call answering rate of almost 90%.
- 63,917 automatic refunds of tax with a value of €10.8 million were made in respect of non-reimbursed amounts paid for prescribed drugs.
- At the end of the year there were 66,896 DIRT-free accounts in financial institutions for those permanently incapacitated and those aged 65 or over.
- Automatic refund of tax in respect of tuition fees paid for approved third level college courses was introduced and a total of 1,084 refunds valued at €0.5 million were made during the year.
- The transition to a CO2 emissions system of charging Vehicle Registration Tax was successfully implemented from 1 July 2008.
- A 'VAT reverse charge' for the construction industry was introduced from 1 September 2008.
- Our website was successfully redesigned during the year. The new site delivers improvements in quality and timeliness of information and has received very positive feedback.

Efficiency and Effectiveness

- The cost of administration as a percentage of Gross Receipts was 0.96%. This figure compares very favourably with Tax and Customs administrations worldwide.
- Total expenditure on training and development was €11.2 million, or 3.3% of Revenue's payroll costs.
- In 2008, 30 Revenue staff were conferred with BA (Honours) in Applied Taxation and 69 were conferred with Diplomas in Applied Taxation by the University of Limerick. This brings our graduate numbers for these qualifications to over 360 since 2005.
- New Revenue decentralised offices were opened in Athy, Co. Kildare, accommodating 73 staff; Navan, Co. Meath, accommodating 100 staff; and Newcastlewest, Co. Limerick, accommodating 51 staff.
- Revenue staff in Cork moved to a new headquarters building for the South West Region, Revenue House, in Blackpool during the year. The building received the Excellence level of the 'Excellence through Accessibility' award from the National Disability Authority.

Outputs & Results

Goal 1 - Ensure everyone complies with their Tax and Customs responsibilities

Revenue's primary goal is to ensure, as far as possible, that everyone complies with their tax and Customs responsibilities – that they pay the right tax and duty at the right time and meet the obligations set out in tax and Customs law.

Our objective is to ensure that the Government's tax collection targets are achieved by having efficient payment, filing and debt collection systems, and by continuous improvement of compliance levels. Better risk-based targeting of audit and other interventions and the application of appropriate sanctions where non-compliance is discovered will assist with this.

Strategy 1.1 Ensure efficient collection and timely compliance

Internationally Ireland is among those countries that make it easiest for taxpayers to pay their taxes and comply with the tax system. In the 2009 World Bank survey on “Paying Taxes” Ireland ranked highest among EU countries in terms of making it easy to pay taxes and in having the least burdensome compliance requirements.

This type of survey is a reminder of the importance for the economy generally, and for inward investment in particular, of a tax system that is easy to comply with, that is responsive to the needs of taxpayers and other stakeholders, and that encourages and actively promotes voluntary compliance.

Also by international standards our level of tax debt as a percentage of gross annual collection is exceptionally low.

Output	Result
<p>1. Annual targets for tax and duty collection delivered.</p>	<ul style="list-style-type: none"> • Table 1 and Table 2 show Gross and Net Receipts respectively. Collection performance in 2008 was below target by €8,004 million (-16.3%) and actual yield in 2007 by €6,429 million (-13.5%): <ul style="list-style-type: none"> ○ Value Added Tax - The shortfall reflects lower than expected levels of consumer spending as a result of the downturn in the economy, particularly in relation to construction and the motor industry. ○ Income Tax - The shortfall in PAYE tax largely reflects a weaker economy in 2008 than had been projected at Budget time, resulting in labour market conditions not being as favourable as expected. The shortfall in non-PAYE is attributable to lower than anticipated underlying profits levels, offset to some extent by a surplus in yield from Deposit Interest Retention Tax. ○ Excise - The overall shortfall in Excise duties arose in respect of VRT (representing 49% of the total shortfall), oils (18%), tobacco (16%), alcohols (13%) and other excise (4%). Yield from excise in December was particularly depressed because of the early pre-budget clearances of tobacco & alcohols in September (ahead of the October Budget) which temporarily boosted excise duties in October instead of December. (In previous years the pre-budget clearances had been timed to pre-date a December Budget and thereby increase the December yield.) Total new car registrations in 2008 numbered just under 152,000, which was almost 35,000 (19%) less than in 2007.

	<ul style="list-style-type: none"> ○ Corporation Tax -The shortfall in CT is most likely due to the impact on corporate profitability arising from the downturn in the global economy. The effect was particularly strong in the financial sector. ○ Stamp duties - Some 87% of the shortfall from Stamp duties in 2008 was attributable to lower than expected returns from property transactions (of all types) in terms of both diminished property values and reduced numbers of transactions. The balance of the shortfall was in large part due to reduced values in share transactions. ○ Capital Gains Tax - The shortfall is attributable to the downturn in the property and shares markets. ○ CAT - The shortfall is attributable to the same factors as affected Stamp Duties and CGT. ○ Customs - At least part of the shortfall can be accounted for by the continued strength of the Euro against other currencies which had the effect of lowering the value of imports from third Countries.
<p>2. More efficient collection of tax and duty debt.</p>	<ul style="list-style-type: none"> ● Debt available for collection in 2008 was €1,233m, up from €895m in 2007. Debt available for collection as a percentage of total gross receipts was 2.1%, up from 1.4% in 2007. Debt over 3 years old available for collection in 2008 was €290m, up from €263m in 2007. ● In 2008, a total of €128 million was deemed to be uncollectible and was written off. This represented a €10 million (8.5%) increase on the 2007 figure. The increase was primarily due to an increase in liquidation related write-off which rose from €41.4 million in 2007 to €77.4 million in 2008.

<p>3. More taxes and duties paid, and returns and declarations filed, on time.</p>	<ul style="list-style-type: none"> • The number of payments for 2008 was 4,397,822 compared to 4,484,156 in 2007. Table 3 shows the average percentage of tax collected by the due date. Table 4 shows returns compliance for large, medium and all other cases. • The charging of interest on late payment of tax is the primary method used to improve timely payment compliance. The amount of interest collected in 2008 was €79 million, an increase of €2 million over the previous year. This is separate from interest charged and collected as a result of Revenue's Audit and Investigation Programmes. • The number of Sheriff Enforcements and Attachments increased with a parallel increase in their revenue yields. The volume of Solicitor Enforcements increased by 7% during the year, although the total yield decreased by 13.4% over the previous year. See Table 5 Collection Enforcement Programmes 2008. • In the small number of cases where non-compliant customers fail to respond to standard collection enforcement measures, Revenue employs exemplary enforcement action. During 2008, such action included two committal orders, resulting in one individual being committed to prison, one forced sale of property and bankruptcy proceedings against three individuals. • During 2008, Revenue, as part of its overall approach to debt collection and enforcement, continued to be actively involved in company liquidations, receiverships and examinerships. <p>In 2008, the number of Creditor Voluntary Liquidations was 556, a very substantial increase from the 304 recorded in 2007. Revenue petitioned the High Court for the appointment of liquidators to wind up 28 creditor companies following the issue of 73 notices under Section 214 of the Companies Act 1963. Revenue also continues to be financially supportive of insolvency practitioners in investigating insolvent companies with large deficits and in pursuing rogue directors. Staff attended 228 creditor meetings, and continued in active roles as members of Committees of Inspection.</p>
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	<p>The number of Members Voluntary Liquidations also grew year-on-year (increasing by 4.5% to 978 in 2008), as did the number of Receiverships (48 in 2008 compared to 18 in 2007). There was a significant increase in the number of Examinerships (72 interim examiners appointed in 2008 as against 27 in 2007).</p> <p>Close liaison was maintained with the Office of the Director of Corporate Enforcement and the Official Assignee's office.</p>
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TABLE 1: TOTAL AMOUNT COLLECTED/GROSS RECEIPTS

	2008 €m	2007 €m
Value-Added Tax	17,992	19,248
Income Tax	16,593	16,788
Corporation tax	6,046	7,329
Excise	5,703	6,127
Stamp Duties	1,813	3,309
Capital Gains Tax	1,494	3,161
Capital Acquisitions Tax	351	397
Customs	260	280
Collection on behalf of other Departments/Agencies	9,810	9,509
Total	60,061	66,148

Note: Any apparent discrepancies in totals are due to rounding.

TABLE 2: TOTAL REVENUE /NET RECEIPTS

Duties, Taxes & Levies	2008 Net Receipts	2008 Budget Estimates	2008 Net Receipts + / - Budget Estimates	2007 Net Receipts
	€m	€m	€m	€m
Value Added Tax ¹	13,432	15,550	- 2,118	14,519
Income Tax:				
PAYE	10,069	10,229	- 160	10,155
Income Tax from Self-Employed and certain other non-PAYE sources				
Direct Payments	1,657	2,311	- 654	2,206
Less other non-PAYE Repayments	-138	- 124	- 14	-112
Net Yield (see footnotes) ²	1,519	2,187	- 668	2,094
Deposit Interest Retention Tax ³	654	525	129	472
Withholding Tax (fees) ⁴	604	614	- 10	537
Dividend Withholding Tax ⁵	350	345	5	325
Income Tax total	13,195	13,900	- 705	13,582
Corporation Tax	5,071	6,700	- 1,629	6,393
Excise ⁶	5,600	6,157	- 557	6,003
Stamp Duties	1,763	2,855	- 1,092	3,244
Capital Gains Tax	1,424	3,210	- 1,786	3,097
Capital Acquisitions Tax	343	405	- 62	391
Customs ⁷	245	300	- 55	273
Total	41,073	49,077	- 8,004	47,502

Note: Any apparent discrepancies in totals are due to rounding of constituent figures

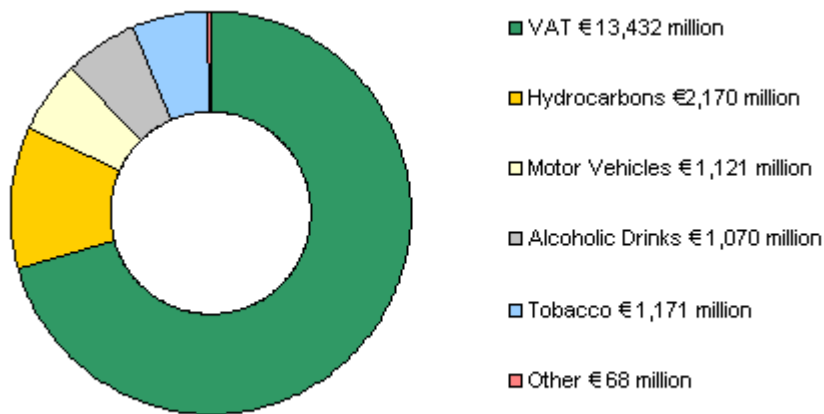
1. Value Added Tax: The VAT receipts in 2008 are composed of €16,599 million of internal VAT and €1,393 million collected on imports, less refunds of €4,560 million.
2. Income Tax from Self-Employed: The figures shown under this heading are net of repayments made directly to the self-employed but are gross before netting off repayments to other non-liable individuals, charities, pension funds and foreign residents for tax deducted at source under various arrangements. Such repayments are normally made out of the non-PAYE collection and, if not adjusted for, would have the effect of understating the yield attributable to the self-employed. The repayments in question are accounted for under the sub-heading "Other non-PAYE repayments".
3. Deposit Interest Retention Tax: Tax deducted from interest arising on deposits with financial institutions.
4. Withholding Tax (fees): Tax deducted at source from fees for professional services provided to state agencies and certain other designated bodies.
5. Dividend Withholding Tax: Withholding tax on certain dividend and other profit distributions made by companies resident in the State.

6. Excise: A tobacco levy of €168 million, which is directly paid over by Revenue to the Department of Health & Children, is included in the Excise figures for forecasts and receipts in Tables 1 and 2, even though it is not included in the end-year Exchequer Returns as tax revenue.
7. Customs: 75% of the amount collected is paid to the EU as part of the Irish contribution to the EU Budget known as "Own Resources". The remaining 25% is retained by the State as collection expenses.

The figures for 2008 Net Receipts are some €129 million higher than the comparable figure for Tax Revenue receipts published in the end - 2008 Exchequer Returns because of timing and accounting procedures.

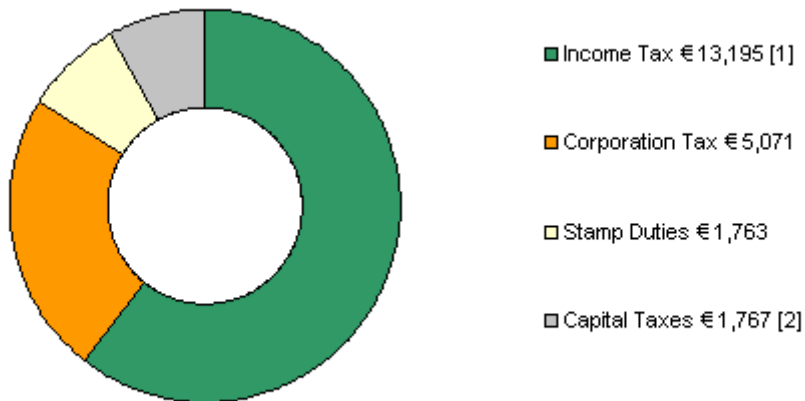
The payments made by Revenue into the SSIA and the Tax Relief at Source (TRS) schemes for mortgage interest and medical insurance are netted off proportionately in arriving at the yield of income tax from PAYE and the self-employed.

CHART 1: : INDIRECT TAX NET RECEIPTS



A total of €19,032 million was collected in net VAT and Excise receipts in 2008

CHART 2: : DIRECT & CAPITAL TAXES RECEIPTS



A total of €21,796 million was collected in Direct and Capital Taxes receipts in 2008

[1] *Income Tax comprises receipts from PAYE, Income Tax from the self-employed and certain other non-PAYE sources, Deposit Interest Retention Tax, Withholding Tax and Dividend Withholding Tax*

[2] *Capital Taxes include receipts from Capital Acquisitions Tax and Capital Gains Tax.*

TABLE 3: AVERAGE PERCENTAGE OF TAX COLLECTED BY THE DUE DATE

	2008	2007
PAYE/PRSI	94%	94%
VAT	90%	88%
Preliminary Income Tax (Non PAYE)	96%	97%
Capital Gains Tax	89%	89%*
Corporation Tax	93%	91%
Relevant Contracts Tax	78%	77%

**CGT measurement was altered in 2008 to take account of two payment dates in 2008. 2007 has been re-calculated using this method and, hence the published 2007 figure of 97% has been amended to 89%.*

TABLE 4: RETURN/PAYMENT COMPLIANCE

Case Size *	Due Month Compliance 2008 Target	Due Month Compliance 2008 Actual	Due Month Compliance + 1 2008 Target	Due Month Compliance + 1 2008 Actual
Large Cases	95 %	92 %	99 %	97 %
Medium Cases	90 %	86 %	95 %	94 %
All Other cases	75 %	72 %	85 %	81 %

Note: Due to a change in the Large and Medium case size ranges, compliance rates for 2008 are not directly comparable with those for 2007. Revenue's Statement of Strategy 2008-2010 set very challenging objectives relating to timely compliance rates of tax returns and payments for the main business taxes. In the period since these targets were set, the economic outlook has changed considerably and this has impacted on our ability to achieve the results that we had envisaged. Revenue continues to keep a strong focus on timely compliance, notwithstanding the more difficult economic circumstances.

* Definition of Terms:

- Timely compliance is defined using risk criteria and is calculated on a weighted basis for the main taxes (employers PAYE/PRSI, VAT, corporation tax, income tax and relevant contracts tax)
- A Large Case is a customer paying over €500,000 in a year, a Medium Case is a customer paying between €75,001 and €500,000 and an Other Case is a customer paying €75,000 or less
- Due month compliance represents tax paid in the calendar month in which it is due
- Due month +1 represents compliance within one month of the payment date.

TABLE 5: COLLECTION ENFORCEMENT PROGRAMMES 2008

	2008			2007		
	Number	Value of referrals (€m)	Yield (€m)	Number	Value of referrals (€m)	Yield (€m)
Solicitor Enforcement	6,578	237.2	65.1	6,143	165.1	75.2
Sheriff Enforcement	44,090	675.4	257.8	43,157	553.9	249.2
Attachment Enforcement	2,362	131.4	28.5	2,307	104.6	28.0
Total	53,030	1,044.0	351.5	51,607	823.6	352.4

Strategy 1.2 Improve compliance through better-targeted interventions

Revenue's objective is to reduce tax evasion and smuggling, along with improving compliance with our tax and customs systems through better-targeted audits and other intervention programmes. These programmes and targets are driven mainly by structured risk assessment and intelligence.

Our response to the threat posed by drug smuggling includes promoting co-operation, exchange of intelligence and proactively profiling drug-trafficking networks with the relevant national and international law enforcement agencies, along with effective operational interventions.

Output	Result
<p>1. Improved compliance levels as a result of better targeted audit and other intervention programmes</p>	<ul style="list-style-type: none"> • 2008 was the first full year of using our electronic risk analysis system (REAP) as the main source for audit selection. 53% of audit cases settled had a risk ranking in the top 20% of REAP identified risk. The percentage of cases selected from top risk tiers is expected to grow in 2009. • REAP risk analysis has also been tailored to assist in prioritising cases for debt management interventions. • Table 6 illustrates the overall audit results for 2008 and the audit yield. The number of audits decreased marginally and revenue yield fell by 17.3% over the previous year. The decline in yield from the audit programme in 2008 is largely attributed to the winding down of the special investigations. In addition, the yield in 2007 included a number of cases with unusually large yields not repeated in 2008. Over 347,000 assurance checks, a less resource intensive form of intervention, were carried out in 2008. • In addition to risk-based interventions, Revenue conducted a random audit programme in 2008 to ensure coverage of the taxpayer base and to validate our risk-based approach. The programme, based on accounting periods ending in the calendar year 2006, ensures that every self-assessed taxpayer runs the risk of being selected for an audit. Similar programmes were conducted in 2005, 2006 and 2007. In 2008, we selected 403 cases for this programme (commenced March 2008) and, of these, 226 were finalised as at 31 December 2008, resulting in a yield of €313,299. An additional €254,577 was recovered for accounting periods other than those ending in the calendar year 2006 and from associated cases. Table 7 shows the results of our Random Audit programme. • The Computer Audit Support Unit provided assistance in 53 e-audits, along with carrying out a review of accounting software packages and briefing e-auditors countrywide. Overall, a total of 168 e-audits were finalised during the year.

	<ul style="list-style-type: none"> • A Review Group, set up in 2007, continued its brief of examining all aspects of Capital Gains Tax (CGT), with particular focus on the risks of tax avoidance by conversion of income to gains. At year end, 87% of the cases examined were closed with a yield of €4.19m. • In addition to the continuing focus on the construction industry, other sectors targeted for compliance activities during 2008 included security, barristers, publicans and cash businesses. A pilot Risk Analysis was run on the PAYE sector. Feedback from Districts on this run will be used to enhance future PAYE risk analysis. Another PAYE run is planned for the first half of 2009. • A review of the Code of Practice for Revenue Auditors commenced in 2008, in consultation with practitioners. The revised Code will be published in 2009. • Revenue is obliged under EU legislation to implement controls at the time of export of CAP goods and to conduct an audit programme. In the audit period July 2007 to June 2008, the commercial records of 17 selected CAP exporters were examined. Those traders selected for audit had received CAP export refunds amounting to €99.97 million in the period audited, representing approximately 90% of the total export refunds paid by the Department of Agriculture, Fisheries and Food. These audits provided assurance that the entitlement to export refunds from E.U. Funds was properly established and substantiated. • During the year, 14,656 Suspicious Transaction Reports were provided to Revenue by financial institutions and other designated bodies, a 22% increase on 2007 figures. Almost 70% of the Reports received were in electronic format, allowing for greater exploitation of information to assist in risk profiling. 44 Reports are relevant to ongoing criminal investigations in tax and duty cases. • There were 101 seizures of firearms, including firearm components and crossbows in 2008; 85 seizures of offensive weapons, including noxious gas, and machetes; Also, 9kg of explosive material, over 5,000 rounds of ammunition and 85 fireworks were seized. • Under the CITES regulations there were 79 seizures of Hoodia Gordonii, a plant extract marketed as an appetite suppressant, and one seizure of coral jewellery which originated in the United Arab Emirates.
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	<ul style="list-style-type: none"> • There were thirty-seven seizures of cash amounting to €3,478,340 at Airports and Ports during the year. This money was suspected of representing the proceeds of crime or intended for use in criminal conduct. This is a marked increase on the 2007 figure of 17 seizures amounting to €494,000. The increase was as a result of improved detection capability (including the use of a currency detector dog) and improved intelligence. • Two well-established programmes that focus on abuse of limited liability continued in 2008. A total of 1,800 companies were monitored under our Phoenix and Commonality programmes during the year.
2. Effective response to increase in drug smuggling	<ul style="list-style-type: none"> • The Customs Service has continued to work with the other Joint Task Force partners, the Garda Síochána and the Naval Service to prevent the smuggling of drugs into the State. Some significant successes in drug interdiction during the year provided evidence of this inter-agency co-operation in action. Also during 2008, Revenue assigned Customs officials as Liaison Officers to the Maritime Analysis and Operations Centre – Narcotics (MAOC-N) in Lisbon and to Europol in The Hague. • Table 8 illustrates Revenue seizures/detections of drugs during the year. The volume and street value of such seizures increased considerably over the previous year. The first significant seizure of Methamphetamine (also known as "Crystal Meth" or "Ice") took place in a joint operation with An Garda Síochána.
3. Effective response to increase in cigarette smuggling	<ul style="list-style-type: none"> • The volume and value of cigarettes and tobacco seized during the year increased substantially over the previous year, as illustrated in Table 9. There were 14 significant seizures in maritime freight amounting to 90 million cigarettes, of which 57 million were counterfeit. Detections were made through a combination of intelligence, profiling and scanning. In a targeted programme on distribution outlets, which took place during the year, 128 seizures, totalling 6.38 million cigarettes, were made from markets, shops and other premises.

<p>4. Reduction in evasion of oil and alcohol excises, vehicle registration tax, and trade in counterfeit goods</p>	<ul style="list-style-type: none"> • As illustrated in Table 9, there was a marked increase in the total volume of seizures of excisable goods in 2008. • Revenue continues to monitor compliance with VRT regulations. During 2008, 1,621 cars were seized, €1,290,220 was paid in penalties and €4.5 million was collected in VRT. • 793 seizures of counterfeit goods, with an estimated value of €5.8 million, were made. In terms of value, this represents an increase of 250% over 2007 seizures. Seizures included a wide variety of goods including DVDs, medicines, sportswear and watches. • There was an increase of 28% in the number of applications from Right Holders who apply to Revenue for Customs action to detect and seize goods suspected of infringing their Intellectual Property Rights. • During the year, Revenue continued to work closely with HM Customs and Revenue authorities on curbing cross-border abuses.
<p>5. Better use of Revenue's intelligence sources</p>	<ul style="list-style-type: none"> • In 2008, a study was completed on the management of intelligence sources with a view to providing a more effective service. Based on the outcome of this study, a rolling Action Plan was formulated, centred around the electronic co-ordination of the capture of data and intelligence, and making it available through Revenue's computerized risk analysis system, REAP, for risk based intervention programmes, including audit. Existing data sources within Revenue are now being used more effectively, and we are working to improve the quality of data that comes in from external sources, as well as establishing contacts with new sources to secure relevant data, with the objective of increasing the number of detections.
<p>6. More challenges to tax avoidance schemes</p>	<ul style="list-style-type: none"> • Table 10 shows the Anti Avoidance activity during the year when the number of protective notifications issued increased to 71 from 8 the previous year, while tax avoidance cases under challenge increased by 4%. Seven Section 811 notices were issued in 2008. VAT Avoidance continues to be challenged by reference to the European principle of "Abusive Practice".

TABLE 6: AUDIT AND ASSURANCE ACTIVITY 2008

Audit Type	2008		2007	
	Audits Completed	Yield €m	Audits Completed	Yield €m
Comprehensive (All taxheads)	3,904	261.6	3,875	344.5
Multi Tax/Duty Audits	2,065	64.6	2,206	71.2
Single Tax/Duty Audits	6,082	184.2	6,603	151.6
Single Issue/Transaction Audits	1,363	58.8	1,624	120.3
Total Audits	13,414	569.2	14,308	687.6
	Assurance Checks	Yield €m	Assurance Checks	Yield €m
Assurance Checks	347,445	63.1	237,626	46.22
Total Interventions	360,859	632.3	251,934	733.82

TABLE 7: RANDOM AUDITS IN 2008

Yield Band	Number of Cases	% of Finalised Cases
Nil	171	75
< €2,000	25	11
€2,001 to €5,000	18	8
€5,001 to €10,000	5	2
€10,001 to €20,000	6	3
€20,001 to €50,000	0	0
> €50,000	1	1
Total	226	100

TABLE 8: DRUGS SEIZURES IN 2008

Type of Drug	Number of seizures	Quantity (kg)	Value (€)
Herbal Cannabis	1,786	458.95	5,507,663
Cannabis Resin	670	3196.72	22,377,100
Heroin	6	70.23	14,046,700
Cocaine	72	1545.04	108,150,000
Other*	4,133	126.98	2,204,021
Total	6,667	5397.92	152,285,484

NOTE: IN ADDITION THERE WERE 515,971 TABLETS AND 2.9 LITRES OF MEDICINES SEIZED.

***'OTHER' COVERS AMPHETAMINES (INCLUDING 6.5 KG OF CRYSTAL METH), AMPHETAMINES, PRECURSOR CHEMICALS, MAGIC MUSHROOMS, STEROIDS, HALLUCINOGENIC SUBSTANCES & ASSORTED PRESCRIPTION MEDICINES. THE ABOVE FIGURES INCLUDE SEIZURES MADE DURING JOINT OPERATIONS WITH AN GARDA SÍOCHÁNA.**

TABLE 9: EXCISABLE PRODUCTS SEIZED IN 2008

Product	Number of Seizures	Quantity	Value (€m)
Cigarettes	10,191	135.2 million ⁽¹⁾	54.4
Tobacco	1,100	3,083 kg	1.1
Alcohol (Beer, Spirits, Wine)	282	83,037 litres	0.7
Oil	22	100,470 litres ⁽²⁾	See below ⁽³⁾
Other ⁽⁴⁾	1,408	1,481	-
Vehicles ⁽⁵⁾	199		

1. Includes 62m counterfeit brand cigarettes

2. Includes Laundered, Smuggled and Marked Mineral Oil

3. Illegal laundered fuel with no legitimate value

4. Other seizures refer to non-Excisable commodities such as conveyances, counterfeit goods and pornography

5. Vehicles seized for Marked Mineral Oil Offences

TABLE 10: ANTI AVOIDANCE

Avoidance schemes challenged	2008	2007
Number of schemes under challenge at start year	47	42
+ New schemes challenged during year	5	8
- Decisions on challenge taken during year	3	2
- Scheme withdrawn following challenge from VAT Anti Avoidance Unit	0	1
Number of schemes under challenge at year end	49	47

Strategy 1.3 Improve compliance through the application of appropriate sanctions

The public is entitled to expect that non-compliance with tax and customs legislation will result, in the first place, in detection by Revenue and, in the second, the application of appropriate sanctions. A failure to detect and punish serious non-compliance and evasion and to challenge aggressive tax avoidance has the potential to seriously undermine confidence in the tax system and in customs controls. Part of any effective response to these issues requires us to harness the deterrent effect of taking more criminal prosecutions where there is sufficient evidence to support prosecution, and to update the civil penalty regime.

Output	Result
<p>1. More prosecutions for serious evasion and other Revenue and Customs offences</p>	<ul style="list-style-type: none"> • In 2008, there were 15 Court convictions for serious Tax offences, representing a 50% increase on the 2007 convictions. In one of these cases, an individual received a 3 year custodial sentence suspended to 6 months imprisonment. In 4 other cases, custodial sentences ranging from one month to 3 years were issued, but these sentences were suspended. Fines totalling €1,180,410 were imposed in relation to 12 of the 15 cases. See Table 11. • There were 5 Court convictions in 2008 for serious Customs & Excise offences, the same number as in the previous year. Custodial sentences ranging from 3 months to two and a half years were imposed but suspended in 3 of these cases. Fines totalling €16,295 were imposed in relation to 3 of the 5 cases. • At the end of 2008, there were 118 tax and duty cases at various stages of the prosecution process, 13% more than at the close of the previous year. • Summary Customs and Excise prosecutions during 2008 showed an overall decrease, although Marked Mineral Oil and VRT prosecutions increased by 5%. See Table 12 • Prosecutions for non-filing of Income Tax and Corporation Tax returns during the year are set out in Table 13. 1,131 convictions were obtained, resulting in the imposition of fines totalling €2.23m. • There were 522 cases approved for criminal prosecution for failure to submit VAT returns. A total of 48 cases were heard in Court with fines totaling €374,719 being imposed. One person was sent to prison for failing to pay a fine.

	<ul style="list-style-type: none"> • Penalties totaling €1,178,685 were imposed in 759 cases for failure to submit P35 returns on time. Customers who subsequently fail to pay the P35 penalty are subject either to civil proceedings or a criminal prosecution. In 2008, civil proceedings for non-payment of fines were commenced in 236 cases and 50 criminal prosecution cases were taken. • In 2008, of the 119 cases sent forward for prosecution for failure to file Intrastat returns by the due date, 53 were convicted by the Courts. Fines totalling €59,390 were imposed. 64 other traders arrived at settlements, and penalties of €102,400 were collected. Civil proceedings for failure to submit VIES returns by the due date were initiated in 48 cases. Penalties totalling €49,195 were collected in 25 cases. • Revenue commenced a criminal prosecution programme for non filers of Form RCT 35 in the construction, meat processing and forestry sectors. The Revenue Solicitor issued 243 warning letters and legal proceedings will follow in 2009. • In 2008, Revenue expanded the range of prosecutions to include single issue prosecutions. A total of 26 cases were selected for investigation/prosecution in 2008 under this category. The alleged offences included failure to produce books & records; failure to submit a Statement of Affairs form; providing incorrect information to a Revenue official and fraudulently using an incorrect VAT number. During the year, convictions were obtained for forging a letter of contract to obtain a C2 and for forging invoices to obtain a repayment of VAT before it was due. The remainder of these cases are at various stages of the investigation/prosecution process. • The cumulative total from the major “legacy” investigation projects reached €2.48 billion in 2008. Details are outlined in Table 14. • Regulations were made by Revenue, with the approval of the Minister for Finance, in May 2008, requiring financial institutions to report to Revenue details of interest paid to their customers where the interest paid exceeded €635 for any year. The first reports covering the years 2005 and 2006 were to be submitted to Revenue on or before 15 September 2008, and reports for the year 2007 were to be submitted on or before 31 October 2008.
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	<p>Coinciding with the new regulations, Revenue launched a voluntary disclosure initiative for persons holding untaxed funds in these accounts. The initiative was aimed at those persons who, at any time in 2005, 2006 or 2007, held in aggregate €100,000 or more in accounts and there were undeclared liabilities associated with the funds. The terms and conditions of the initiative provided that persons were required to submit a Notice of Intention to make a voluntary disclosure on or before 15 September 2008 and to submit a disclosure and payment by 15 January 2009.</p> <p>The benefits of voluntary disclosure, which mirrored previous benefits under earlier schemes, included substantial mitigation of penalties, non-publication of any settlement in Iris Oifigiúil and non-prosecution. At the 15 January 2009 deadline, disclosures were received from 1,232 persons and the total paid from this voluntary disclosure initiative is €73.8m to date.</p>
<p>2. Increased incentive to disclose tax avoidance transactions</p>	<ul style="list-style-type: none"> • The 'Protective Notification' regime was amended in Finance Act 2008. The new legislation provides that where a Revenue opinion on a tax avoidance transaction is appealed, such appeal is now determined on the basis of whether there were grounds on which it could have been reasonably considered as a tax avoidance transaction. Where the Revenue opinion is upheld, the taxpayer must pay a surcharge and interest on the outstanding tax. <p>By way of a positive incentive for the taxpayer, the time period within which Revenue must form an opinion, previously open-ended, is now limited to a period of two years from the date of the notification.</p>
<p>3. Redevelop our systems for interest and collection enforcement.</p>	<ul style="list-style-type: none"> • Work progressed in 2008 towards developing a system to identify, and automatically raise charges in VAT and Employers PAYE/PRSI (P30) cases where payments are regularly late. The system is due to be fully functional in May 2009. Studies also commenced in 2008 into developing an auto-enforcement programme. Depending on the outcome of these studies, development work on the system will commence after the introduction of the auto-interest programme in May 2009.

TABLE 11: PROSECUTIONS FOR SERIOUS EVASION 2008

During 2008	Tax	Customs	Total
No of convictions obtained (not including 5 cases where guilty pleas entered, adjourned for sentencing in 2008)	15	5	20
No of cases referred to DPP	9	3	12
No of cases for which DPP issued directions	8	3	11
No of cases for which DPP issued summonses	10	3	13
Total	42	14	56
At year end	Tax	Customs	Total
No of ongoing investigations	76	9	85
No of cases being considered by DPP	8	0	8
No of cases where directions issued by DPP but not yet in courts process	11	0	11
No of cases before the Courts	11	2	13
Bench warrants in place	1	0	1
Total	107	11	118

TABLE 12: SUMMARY CUSTOMS & EXCISE PROSECUTIONS 2008

Customs and Excise cases	No. of successful prosecutions
Anti-Fraud	87
Commercial Oil	11
Marked Mineral Oil	251
VRT	21
Excise Licence	85
Total	455
Total fines imposed	€654,071

TABLE 13: PROSECUTIONS FOR THE NON-FILING OF INCOME TAX AND CORPORATION TAX RETURNS

	Tax	2008	2007
Revenue Solicitor warning letters issued	IT	11,040	11,481
	CT	1,481	1,602
Cases referred for the institution of legal proceedings	IT	2,025	2,253
	CT	129	109
Convictions	IT	1,086	1,139
	CT	45	35

TABLE 14: SPECIAL INVESTIGATIONS (CUMULATIVE YIELD €2.48 BILLION)

Investigation	Yield in 2008 €m	Total Yield €m	Total Cases
DIRT	-	225.0	25
Bogus Non Resident Accounts	4.1	638.9	12,175
Offshore Assets	29.00	935.1	14,817
Life Assurance Products	18.7	464.2	5,358
Ansbacher	2.47	104.1	135
Moriarty/Mahon	0.06	41.0	23
NIB	0.31	59.9	312
Interest Reporting	21.0	21	342
Total	75.64	2,489.2	33,187

Goal 2 - Provide quality and innovative service that supports all our customers

Voluntary compliance is greatly helped if business and individuals understand their tax and customs obligations. Revenue has a responsibility to provide clear information, technical support and make the system as user-friendly as possible.

Revenue provides a quality customer service. This is confirmed by feedback we have received, including feedback from surveys. Over the past number of years, Revenue has delivered an innovative range of electronic and other services that gives our customers a variety of ways of interacting with us.

Strategy 2.1 Help customers pay the right amount and to get their entitlements

Revenue has a responsibility to help our customers, both individuals and businesses, receive their due entitlements and to pay only the right amount of tax and duty.

We strive to be better at explaining how the tax and customs systems work, what tax credits are and how to qualify for them.

We also seek to make it easier for customers to claim their entitlements.

This requires us to develop new and imaginative ways of interacting with customers, for example, giving more tax credits automatically or prompting claims on the basis of information already available to us. Part of this new approach involves providing more customised information and communications.

Output	Result
<p>1. Customers more aware of their entitlements and communication and information dissemination better targeted at individual needs</p>	<ul style="list-style-type: none"> • Our website was successfully redesigned during the year. The new site went live in December following months of development and wide-ranging consultation, both within Revenue and with external stakeholders, aimed at delivering improvements in quality and timeliness of information. The new site has received very positive feedback. • Promotional material, including a <i>PAYE anytime</i> leaflet, was developed along with an online video showing how to claim tax relief for medical expenses. Our ROS marketing staff made presentations at national, regional and local conferences to trade unions, payroll agents, FAS conferences, VEC's, Enterprise Days and Money Advice and Budgeting Service (MABS) events. This was supported by the production and circulation of posters, leaflets and web content to doctors' surgeries, pharmacies, local authorities and relevant representative bodies. The distribution of the <i>PAYE anytime</i> leaflet was supported by a national advertising campaign across all media in late February/early March to encourage taxpayers to claim their tax credits online. • Over 2.2 million PAYE taxpayers were sent a leaflet with their Tax Credit Certificate in January/February 2008. The insert was in an easy-to-read cartoon format which focused on explaining the value of tax credits. A booklet explaining the key areas of PAYE was issued with the 2009 Tax Credit Certificates in late 2008. The content of both the leaflet and the booklet, which were written in an accessible format and in simple language, were considered by PAYE Focus Groups before being finalised. Both received positive feedback.

	<ul style="list-style-type: none"> • The automatic granting of age credits was implemented. Over 2,500 information posters highlighting exemption from DIRT for over 65's were printed and circulated for display in banks, Post Offices and Citizens Information Offices. • A project examining the potential for customer base segmentation, to enable us to target appropriate information to different groups of Revenue customers, was undertaken during 2008. Potential rent relief claimants were chosen for a pilot project which was successful in identifying suitable cases. Since the pilot project, Revenue liaised with the Private Residential Tenancies Board to ask them to include information about the rent credit in their correspondence with tenants. Further work examining the potential for segmentation follow-up will be undertaken in 2009. • Revenue's first scheme under Section 11 of the Official Languages Act covered the period 2005 to 2008 and was recently reviewed by an Coimisinéir Teanga. We consulted publicly as part of the preparations for our second Scheme, which covers the period 2008 to 2011. Some of the developments during 2008 included the release of the <i>PAYE anytime</i> registration screens in Irish and the development of our lo-call PAYE 1890 phone service to include an option to facilitate customers who want to discuss their PAYE tax affairs with us in Irish. There are currently 4,200 Revenue customers who have opted to have their tax affairs dealt with through Irish. • During 2008 Revenue re-launched the Code of Practice for Determining Employment or Self Employment Status of Individuals and issued it to all employers. It was also translated into 13 languages including Romanian and Bulgarian.
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Strategy 2.2 Make it as easy as possible to do business with us

Making it as easy as possible for our customers to do business with us is essential if we are to maximise voluntary compliance. We help minimise compliance costs, which in turn contributes to the competitiveness of the economy. It is evident from customer feedback, including surveys, that there has been substantial improvement in our service and our contribution to minimising compliance costs over the past number of years. We value such feedback principally as a means of identifying areas of our operations that need more attention.

Customers can help us, and themselves, to be more efficient by using electronic channels where they can.

Output	Result
<p>1. A variety of service and self service channels available to our customers</p>	<ul style="list-style-type: none"> • Revenue's Customer Service Charter reflects the mutual expectations of Revenue and its customers and seeks to ensure that our organisation conforms to the highest principles of professional public service. • 2008 saw an increase in the number of customers opting to manage their Revenue business online. Electronic returns and declarations increased by 9%. The rate of electronic submission for Customs declarations reached 99%. Table 15 - Electronic Returns 2008 v 2007 below gives a breakdown. • ROS includes a facility for customers to check their Revenue record online. There were 9.5 million such requests in 2008, an increase of 36% on the 2007 volume of 7 million. • In late September 2008, Revenue launched a new registration process for the online service for PAYE taxpayers which was re-branded 'PAYE anytime'. By the end of 2008 some 320,000 customers had successfully registered for <i>PAYE anytime</i>. There were 475,671 transactions in 2008, an increase of 77% on 2007. • In 2008 Revenue won a number of awards – both for ROS and for the general improvements in public service delivery. The two awards for ROS were a <i>Central eGovernment Award</i> and an <i>Inspired IT Award</i>. The improvements in service delivery in the PAYE area won a Taoiseach's <i>Public Service Excellence Award</i> (and subsequently represented Ireland at the 5th Quality Conference on Public Administration in the EU in Paris) and an <i>Innovating Government Award</i> for Services to Business. • Mandatory e-filing and e-paying were introduced for our largest companies and Government Departments with effect from 1 January 2009. Notifications were issued to over 7,500 cases dealt with in Revenue's Large Cases Division which also provided assistance in the move to mandatory e-filing and e-payment with a dedicated support Unit and helpline. In addition to advice being given by phone, the Unit arranged visits on request, mostly to the larger Group Companies. • An internal Revenue system called Integrated Correspondence (iC) was deployed to all PAYE staff during 2006. The system provides staff with a fully integrated contact history for each PAYE customer and this has been a key factor in delivering significant customer service improvements. In 2008, this technology was extended to the business taxes areas.

	<ul style="list-style-type: none"> • Significant work was completed on a new Corporation Tax assessing system, and an eStamping system for Stamp Duty payment. Both systems will be available in 2009. • The 1890 telephone service was used by 2.8 million people with a call answering rate of almost 90%. • The Revenue Technical Service (RTS) facility was established in 2007 to deal with complex technical queries from practitioners and business customers. The agreed guidelines on how the system is to be used are available on Revenue's website. In 2008, over 700 queries were submitted and some 75% of these replied to by a Revenue technical expert. The remainder were either dealt with at local district level or were returned to the correspondent in accordance with the guidelines.
<p>2. An up-to-date tax and customs system that is simplified, responsive and which minimises compliance costs</p>	<ul style="list-style-type: none"> • Revenue is a member of the High Level Group on Business Regulation, the cross-departmental and cross-agency forum established by Government in 2007 to examine ways to reduce and simplify administrative burdens and to eliminate them where they are unnecessary. Revenue is working with the Central Statistics Office and the Companies Registration Office to ensure that optimal use is made of submitted data to help reduce reporting requirements. • Revenue is also actively participating in the Government's programme to reduce the administrative burden on business by 25% by 2012. • Revenue made 63,917 automatic refunds of tax with a value of €10.8 million in respect of non-reimbursed amounts paid for prescribed drugs in 2008. • At the end of 2008, there were 66,896 DIRT-free accounts in financial institutions for those permanently incapacitated and those aged 65 or over. • Automatic refund of tax in respect of tuition fees paid for approved third level college courses was introduced in 2008. A total of 1,084 refunds valued at half a million Euro were made during the year. • A simplified claim form for Tax Relief at Source (TRS) mortgage interest relief was introduced during 2008. • Revenue measures its performance against the standards set out in our Customer Service Standards. During 2008 we completed a review of our Customer Service Standards which involved consultation with our customers and staff. The new standards better reflect the customer service activity carried out by Revenue. The Results for 2008 are published in Table 19. • 'VAT reverse charge' for the construction industry was introduced from 1 September 2008.

	<ul style="list-style-type: none"> • A new Income Tax assessing system was introduced on 1 April 2008. It provides customers with speedier Notices of Assessment and an easier to use ROS service. A scanning facility for paper forms has also been introduced, saving on data capture costs. • Revenue continued to develop its systems to meet mandatory EU electronic Customs and Excise requirements. • Legislation was introduced to align the collection and recovery provisions across all non-Customs taxes and duties.
<p>3. Compliance encouraged through more and better engagement with intermediaries and other stakeholders</p>	<ul style="list-style-type: none"> • The Tax Administration Liaison Committee (TALC) is a forum for Revenue and organisations representing tax practitioners to meet and discuss issues relating to the administration of the tax system. Seven meetings of the group were held in 2008 and items discussed included mandatory e-filing; the interest reporting initiative; Revenue technical services for practitioners and administrative and interpretive issues arising from the budget and the publication of two Finance Acts during the year. The work of main TALC is supported by six sub-committees, which deal with specific areas of tax administration. This year TALC celebrated the twentieth anniversary of its inception. • The Customs Consultative Committee is the forum for Revenue and trade representative organisations to discuss issues of mutual interest affecting the customs treatment of imports and exports. The Committee met four times in 2008. The views of the Committee were sought on a number of important issues, including the modernisation of the Community Customs Code, the Authorised Economic Operator programme and the Electronic Customs Programme. • Revenue continues to chair and steer the Hidden Economy Monitoring Group that was set up under Social Partnership and includes representatives from ICTU, IBEC, SFA, CIF, DSFA, DETE, NERA and Revenue. In 2008, the Group delivered on all its commitments as set out in the Ten Year Framework Social Partnership Agreement Towards 2016. • At end 2008 some 131 large corporate entities were engaged in the cooperative compliance programme, which involves a form of relationship between Revenue and large business in which both parties work together to achieve the highest possible level of compliance. This initiative has been worthwhile and has been successful in addressing a range of systemic tax compliance issues. A number of these companies increased staffing levels in their in-house tax departments and put robust controls in place backed up by systems guidelines to minimise tax errors. Tax issues also tended to feature at Board level in these companies and were catered for in corporate governance arrangements.

	<ul style="list-style-type: none">• In 2007 Revenue established four regional Customer Panels in order to facilitate direct communications with PAYE taxpayers. There were several regional Customer Panel meetings during the year at which topics including customer services and communications were discussed. The panels are providing a useful source of direct feedback from our customers.• During 2008, Revenue initiated a range of consultations with software providers to business about system and online services developments. The consultations involved liaison with and presentations to payroll practitioners and representative bodies and third party software providers and developers.• Revenue's Research Unit conducted a postal survey of PAYE customers in 2007. The purpose of the survey was to gather information on a number of key areas relating to Revenue's service to its PAYE customer base. The results from this survey were broadly positive for Revenue with high levels of satisfaction being recorded and were published on Revenue's website in March 2008.• A consultative study, carried out by Revenue's Research Unit, in conjunction with four firms nominated by the Small Firms Association, was conducted with a view to developing a better understanding of the impact of Revenue regulations on the SME sector and identifying the key administrative burdens faced by these customers. The findings were published on Revenue's website in March 2008.
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TABLE 15: ELECTRONIC RETURNS 2008 v 2007

	2008	2007	% Increase
V.A.T. 3	501,037	457,838	9%
Employers' Monthly PAYE Returns – Form P30	499,587	379,836	32%
Employers' Annual PAYE Returns – Form P35	128,896	111,407	16%
Cessation Certificate – Form P45	515,198	470,740	9%
Income Tax Self Assessment Returns - Form 11	367,258	340,546	8%
Corporation Tax Self Assessment Returns – Form CT1	107,234	86,860	23%
Vehicle Registration Tax (VRT) Registrations	181,538	233,130	-22%
Relevant Contracts Tax – Form C30	192,752	154,281	25%
Relevant Contracts Tax – Form C35	16,252	12,591	29%
Customs Declarations	953,922	921,783	3%
Total No of all ROS Returns	3,463,674	3,169,012	9%

TABLE 16: PAYE ONLINE SERVICES

	2008	2007	% increase
Credits	155,543	69,537	124%
Reviews	31,141	12,680	146%
Profile/Pay & Tax/Address change	207,863	114,010	82%
Forms and Leaflets (web)	81,124	72,934	11%
Total	475,671	269,161	77%
Registrations	320,041	156,233	105%
Users (Distinct PPSNs)	183,193	121,022	51%

TABLE 17: PAYMENT TRANSACTIONS IN ROS

	2008	2007	% Increase
No of Payment Transactions	653,517	562,087	16%
Value of ROS Payments	€21.7 billion	€21.6 billion	0.5%

CHART 3: E-FILING V TOTAL FILING IN 2008

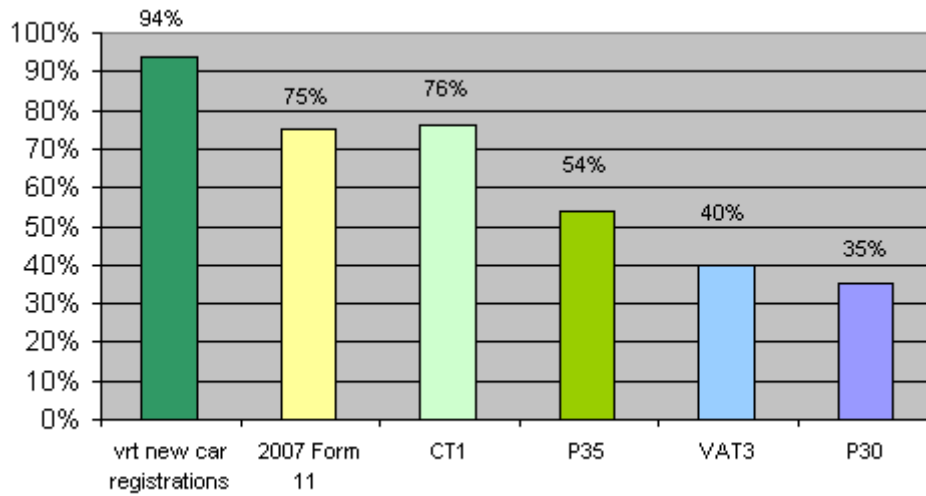


TABLE 18: VOLUME OF BUSINESS 2008

	Volume in 2008	Volume in 2007	% +/- 2008/2007
PAYE Employments	2,591,042	2,585,504	+0.2%
Self Assessment (Income Tax)	597,938	580,088	+3%
Companies	154,621	149,261	+4%
VAT Registrations	287,406	287,171	+0.08%
Contacts			
Personal Callers	1,142,167	946,427	+21%
Telephone Callers	4,863,287	6,370,602	-23%
Includes 1890 calls : 2,816,712			
Visits to the Revenue website (www.revenue.ie)	11,179,798	13,032,732	-14%
Items processed			
Correspondence	3,341,303	3,491,678	-4%
PAYE Employee Reviews	1,282,394	1,179,643	+9%
PAYE Returns	102,101	81,402	+25%
Income Tax Returns	493,306	466,692	+6%
Income Tax Repayments	216,917	197,341	+10%
Corporation Tax Returns	139,546	126,698	+10%
Corporation Tax Repayments	28,538	25,709	+11%
VAT claims received	343,967	336,285	+2%
Payments received by Collector General	4,397,822	4,484,156	-2%
P35 Returns	213,831	214,231	-0.2%

VAT3 Returns	1,232,698	1,339,697	-8%
RCT35 Returns	45,869	45,553	+0.7%
RCT30 Returns	571,084	533,501	+7%
Capital Gains Tax Returns	28,247	58,314	-52%
Environmental Levy Returns	13,743	20,528	-33%
CG50s (Applications for Clearance Certificates)	6,217	12,661	-51%
C2s (Sub-contractor certificates) issued	23,705	26,944	-12%
Relevant Contracts Tax (RCT) Repayments	208,018	204,713	+2%
RCT47s (Payment card authorisations) issued	274,600	299,936	-8%
Dividend Withholding Tax (DWT) Returns	6,341	5,920	+7%
DWT - Distributions to Individual Shareholders	1,067,632	1,000,686	+7%
Tax Clearance Certificates issued	185,575	158,276	+17%
Claims repaid to non-residents	19,359	17,128	+13%
Exemptions granted to charitable/sporting bodies	513	457	+12%
Customs & Excise Declarations	963,198	955,031	+0.9%
Intrastat Declarations	112,727 ¹	72,320	+56%
VIES declarations	38,059	41,748	-9%
New vehicles registered	195,743	248,603	-21%
Second-hand vehicles registered	90,808	89,353	+2%
Inland Revenue Affidavits	23,748	23,196	+2%
Gift/Inheritance and Discretionary Tax Returns	28,069	24,574	+14%
Capital Acquisition Tax Certificates of Discharge	35,407	31,084	+14%
Returns in relation to Companies Capital Duty and Composition Duty and Levies	2,130	2,214	-4%
Instruments presented for marking and stamping	171,205	243,053	-30%
CREST refund claims received	46,865	27,235	+72%

¹ These include all electronic declarations, which were not included in the 2007 figures.

TABLE 19: CUSTOMER SERVICE STANDARDS AND RESULTS

Service	Standard	Results 2008	Results 2007
Complaints	Processed impartially within 20 working days	100%	100%
Telephone Service	PAYE 1890 calls (answered)	88%	92%
	Other calls answered within 30 seconds	73%	85%
Registrations	VAT 100% within 10 working days	96%	97%
	Other 100% within 5 working days	94%	95%
Returns, Declarations Applications	ROS 100% within 5 working days	95%	98%
	Non ROS 80% processed within 10 working days	IT 20% CT 39% Other 97%	IT 37% CT 50% Other 96%
	Non ROS: 100% processed within 20 working days:	IT 37% CT 76% Other 98%	IT 61% CT 82% Other 99%
	AEP Immediate Response	Immediate Response	Immediate Response
Repayments - NON-ROS	80% processed within 10 working days	64%	79%
	100% processed within 20 working days	84%	92%
Repayments - ROS	100% within 5 working days	IT 76% CT 35% *	IT 79% CT 66%
Correspondence, e-mail, fax	80% processed within 20 working days	94%	83%
Applications for Tax Clearance Certificates	100% processed within 6 working days	89%	90%
Application for Non-Resident Tax Clearance Certificates	100% processed within 6 working days	100%	100%
Applications for Standards in Public Office Tax Clearance Certificates	100% processed within 6 working days	100%	98%

* 73% in 20 working days

Goal 3 - Contribute to economic and social development by participating effectively both Nationally and Internationally

Revenue's primary responsibility to the community is to collect taxes and duties and enforce tax and customs laws. Revenue also has a wider role in contributing to Ireland's economic and social development, particularly in creating an environment that promotes economic growth, encourages investment and improves competitiveness.

Of course, tax and customs systems that are fair, responsive and efficient are, themselves, key ingredients in ensuring economic success and international competitiveness, and Revenue has a key role in providing advice to the Department of Finance on changes to the tax system in the Budget and Finance Bill.

Revenue works with other Departments and agencies to implement Government programmes and contributes actively to a very wide range of national fora.

On the international front, Revenue negotiates double taxation treaties, which are vital to our international competitiveness and inward investment, and we contribute to the development of tax and customs policies and legislation at the EU, the OECD and the World Customs Organisation (WCO). Our objective in this area is to make a positive impact and contribution at national and international level to the implementation of Government policy and programmes.

Strategy 3.1 Effective contribution to economic and social issues by active participation in Government programmes

Revenue continues to play an active role in a wide range of Government and cross-Departmental activities. In particular, we work closely with the Department of Finance in the development of the Budget and the Finance Acts.

We co-operate closely with An Garda Síochána, the Criminal Assets Bureau, the Naval Service and the Air Corps in the fight against illicit drug smuggling and organised crime.

We also carry out a wide range of “agency” tasks on behalf of other State bodies. These include the collection of PRSI, health levies and the Environment Levy on plastic bags. Our Customs service is closely involved with the implementation of the Common Agricultural Policy, and with preventing the importation of prohibited, restricted or counterfeit goods.

Output	Result
<p>1. Effective tax and customs legislation</p>	<ul style="list-style-type: none"> • Revenue provided advice and support to the Department of Finance on a broad range of measures which were contained in the Finance Act 2008 and the Finance (No. 2) Act 2008. These included: <ul style="list-style-type: none"> • As part of our simplification agenda and strategy to make it as easy as possible to do business with Revenue, a reverse charge for Value-Added Tax in the construction sector was introduced with effect from 1 September 2008. The effect of this mechanism is that principal contractors in receipt of construction services self-account for Value-Added Tax on the services received. The successful implementation of this measure was facilitated by widespread communication with and the cooperation of organisations representing stakeholders in the construction industry. • The new VAT on property rules were given effect by the Finance Act 2008. The new rules were developed with the support and input of key stakeholders. In the run up to the introduction of the new system on 1 July a comprehensive change management programme was implemented. Briefings were given to external representative bodies and two training seminars for Revenue staff, which were attended by over 500 staff, and ensured both internal and external stakeholders were familiar with the new rules prior to their introduction. A new VAT on Property Guide was developed and published within 4 weeks of the passing of the Finance Act. Additional briefing material, including a number of replies to frequently asked questions was published on the Revenue website.

	<ul style="list-style-type: none"> • A new Guide to VAT was published in July, 2008 and updated by Addendum to include the Finance Act (No.2) 2008 changes. The Guide explains in general terms the principal features of the VAT system and updates readers on developments to the system since the publication of the last Guide in January, 2003. Over fifty VAT Information leaflets, drilling down into the VAT treatment of specific subjects are available in support of the Guide. • Since 1 July 2008, all passenger vehicles are charged VRT based on the level of CO₂ emissions of the vehicle. • Provision was made for the introduction of a tax on electricity, in accordance with the requirements of the EU Energy Taxation Directive. • Section 93 Finance (No. 2) Act 2008 obliges the delivery to Revenue of information by a Third Party who, in the course of a trade or profession carried on by that Third Party, has been concerned with the making of a settlement and knows or has reason to believe that, at the time of the making of the settlement – <ul style="list-style-type: none"> (a) the settlor was resident or ordinarily resident in the State, and (b) the trustees of the settlement were not resident in the State <p>The legislation also allows for an Authorised Officer to issue a notice in writing to any person, whom the Authorised Officer believes has information relating to a settlement, requiring the furnishing of such information.</p> • Provisions made in the Finance (No.2) Act 2008 include <ul style="list-style-type: none"> ○ Provision for the introduction of a parking levy which will apply to employer - provided parking facilities in the cities of Cork, Dublin, Galway, Limerick and Waterford. The exact areas to which the levy will apply will be designated by order of the Minister for Finance as will the date from which the levy will apply. Subject to certain exemptions and reductions, the amount of the levy will be a flat rate amount of €200 per annum.
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	<ul style="list-style-type: none"> ○ an Income Levy of 1% payable on gross income from all sources with effect from 1 January 2009. ○ an excise duty on air travel to be charged, levied and paid in respect of every departure of a passenger on an aircraft from an Irish airport on or after 30 March 2009 with a few limited exemptions. ○ a new provision making persons liable for payment of excise duty, who have received excisable products at a reduced rate of duty for a specific purpose which has not been met. For instance, haulage operators who use marked gas oil for automotive purposes will now be liable for the full duty due on such mineral oil. ○ The rate at which the R&D tax credit is calculated was increased from 20% to 25%. <p>A company may now opt to offset an unused credit against the corporation tax of the preceding accounting period - to create a tax refund.</p> <p>If an unused tax credit still remains, companies have a further option to have the remaining unused amount paid to them, in three instalments, by Revenue over a 3-year period.</p> <p>The credit is now available in respect of new expenditure on the construction, including refurbishment, of a building or structure, where the R&D activities carried on by a company in the building or structure over a period of 4 years represent at least 35 per cent of all activities carried on in that building or structure. The provision in relation to buildings is subject to a Ministerial commencement order.</p> ○ Section 819 TCA was amended to provide that from 1 January 2009 an individual will be regarded as present in the State on a day if s/he is in the State at any time during the day, not just at midnight as was previously the case. This abolishes what was known as the "Cinderella Rule".
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	<ul style="list-style-type: none"> ○ The main change to the tax and duty civil penalty regime ensures that the tax and duty civil penalty regime is compatible with Article 6 of the European Convention on Human Rights. The essence of Article 6 is that a person is entitled to have an independent court determine on certain matters. ○ The Act provides also for the rate of betting duty to increase from 1 per cent to 2 per cent with effect from 1 May 2009, and allows betting duty that becomes due on or after 1 January 2009 as a deduction in computing the profits or losses of a bookmaking business for Income Tax or Corporation Tax purposes.
<p>2. National programmes and other initiatives that reflect Revenue's input</p>	<ul style="list-style-type: none"> • Revenue made a submission to the Commission on Taxation set up in 2008 and provided assistance and information in relation to a range of tax and duty issues that are under consideration by the Commission. • As part of its commitment to multi-agency cooperation under Towards 2016, Revenue undertook to strengthen its Joint Investigation (JIU) activities with the Department of Social & Family Affairs to include the Department of Enterprise, Trade and Employment and the National Employment Rights Authority to monitor employers' compliance with their obligations under Employment Law. In 2008, Revenue more than doubled its number of JIU officers to 32 full time officers. • Revenue is committed to supporting the Government's National Drugs Strategy as a member of the Interdepartmental Group which oversees the NDS. Revenue is also represented on the Steering Group which is currently developing the new Strategy for 2009-2016.
<p>3. Customs activities that facilitate legitimate trade to the greatest extent possible consistent with our security and anti-smuggling responsibilities</p>	<ul style="list-style-type: none"> • As part of a series of measures introduced by the EU to protect the international supply chain from terrorist exploitation, a trade facilitation programme known as the Authorised Economic Operator (AEO) Programme was introduced with effect from 1 January 2008. The Programme is available in Ireland to all compliant traders who are involved in customs activities. So far, 14 AEO certificates have been issued to Irish traders.

<p>4. Effective provision of agency services on behalf of other Departments and Offices</p>	<ul style="list-style-type: none"> • Revenue collects PRSI on behalf of the Department of Social and Family Affairs and Health Contributions on behalf of the Department of Health and Children. The amounts collected and paid over by Revenue to those Departments in 2008 were: <ul style="list-style-type: none"> ○ Net PRSI and Health Contributions from employers/employees €9.299 billion ○ Net PRSI and Health Contributions from the self employed €409 million. <p>PRSI contribution data in respect of all PAYE employments was also captured by Revenue during 2008 and forwarded to the DSFA. This data is essential in determining entitlement to social welfare benefits.</p> <ul style="list-style-type: none"> • Revenue is the collection agent on behalf of the Department of the Environment, Heritage and Local Government, for the environmental levy on the supply of plastic bags by retailers to their customers at the point of sale. The amount collected during 2008 was just over €26 million (€26,279,452.76).
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Strategy 3.2 Active participation internationally with a view to increasing Tax and Customs co-operation

The growth in international trade and investments, globalisation, the use of tax havens, cross-border eCommerce, cross-border tax fraud, the smuggling of illicit drugs and border security concerns all present major challenges to Ireland in terms of developing appropriate responses.

Revenue plays an active role in developing appropriate responses to these challenges. In particular, greater international cooperation between tax and customs administrations is an essential part of any response to tackling cross-border tax and customs related criminality. Revenue continues to work in fostering and developing greater international co-operation in these areas.

We continue to negotiate double taxation treaties and contribute to the development of tax and customs policies and legislation at the EU, the OECD and the World Customs Organisation (WCO). In doing so, we are conscious of the need to promote Ireland as a location for inward investment and to ensure that the right balance is struck between security concerns and trade facilitation.

Output	Result
<p>1. EU policy proposals and legislation that reflects Irish interests to the greatest possible extent</p>	<ul style="list-style-type: none"> • Revenue contributed to discussions on the modernised Customs Code, which was adopted in 2008 and will come into force over the course of the next five years. <p>The Code will provide for more efficient and streamlined customs clearance at import and export, simplify and standardise customs procedures and processes, strengthen the use of risk-based controls and provide a long term legal basis for community-wide electronic customs environment.</p> <ul style="list-style-type: none"> • Substantial progress was made towards implementation of the various electronic systems contained in the Electronic Customs Programme and outlined in the Multi Annual Strategic Plan (MASP) for Customs' Authorities throughout the EU. A number of these systems are scheduled to be introduced in 2009 and ongoing contact and liaison was maintained with the trade and other relevant parties. • Revenue officials, together with officials from the Department of Finance, were involved in discussions on a proposed Directive on the control and movement of excisable goods that culminated in the adoption of Directive 2008/118. There were discussions also on a proposal for a new Directive on the rates and structures of tobacco taxation.

	<ul style="list-style-type: none"> • Revenue contributed to ongoing proposals on VAT including: <ul style="list-style-type: none"> ○ the ongoing review of the system of applying VAT to financial services and insurance proposals ○ development of an EU anti-tax fraud strategy ○ development of measures to counter VAT fraud involving improved cross-frontier cooperation ○ a review of the exemption from VAT on importation where the country of importation is not the final destination of the goods. • The first report on the operation of the EU Taxation of Savings Directive [2003/48/EC] was issued during 2008. It concluded that the Directive, although effective within the limits of its scope, can be easily circumvented. Accordingly, the European Commission adopted a proposal in November 2008 with a view to closing existing loopholes and eliminating tax evasion. Revenue and the Department of Finance are contributing to the development of this proposal. • Revenue was represented at Recovery Committee meetings in relation to Mutual Assistance and was centrally involved in discussions leading to the implementation of changes to the legislative framework of Mutual Assistance, which were implemented in 2008.
<p>2. Exert influence at the OECD, the WCO and other international policy-making organisations in line with Government policy</p>	<ul style="list-style-type: none"> • In association with the Department of Finance, Revenue continues to participate in the OECD Committee on Fiscal Affairs (CFA) and its working groups. Revenue also contributes to the OECD Forum on Tax Administration (FTA), participating in the FTA Bureau and in each of the FTA subgroups. Revenue was part of a core group that assisted the UK/OECD project team with the preparation of the <i>Study into the Role of Tax Intermediaries</i>. The report, which has been adopted by the FTA, recommended the development of an enhanced tripartite relationship between revenue administrations, taxpayers and tax intermediaries. Further FTA studies on Banks, Large Business, Corporate Governance and High Net Worth Individuals were initiated in 2008 and will be presented to the Fifth meeting of the FTA in May 2009.

	<ul style="list-style-type: none"> • We are also represented on the UN Committee of Experts on International Cooperation in Tax Matters. • The World Customs Organisation (WCO) was founded to enable countries to co-operate more effectively on Customs issues. Ireland was elected Vice-Chair of the WCO and also Regional Representative for the Europe Region in June 2007. <p>In February 2008, as part of the Vice-Chair role, Ireland hosted an international conference in Dublin which was attended by the Heads of Customs Administrations from the Europe Region to co-ordinate the views of the region on the major issues facing Customs today.</p>
<p>3. An extended and modernised network of double taxation treaties and other international agreements that facilitates investment, international trade in goods and services, and supports the fight against tax evasion and other trans-national crime</p>	<ul style="list-style-type: none"> • At the end of 2008, Ireland had comprehensive double taxation treaties in place with forty-eight (48) countries including new treaties with Chile, Malta, Macedonia and Vietnam – the treaties with Chile and Vietnam came into effect on 1 January 2009 and those with Macedonia and Malta will come into effect on 1 January 2010. In addition: <ul style="list-style-type: none"> ○ new treaties were signed with Turkey and Georgia. ○ negotiations for new treaties were completed with Albania, Azerbaijan, Bosnia-Herzegovina, Serbia, Thailand and a Protocol to the existing treaty with South Africa was completed. ○ negotiations took place for new treaties with Armenia and Morocco, while discussions took place with Germany and Pakistan on the revision of our existing treaties. <p>Broadening the tax treaty network continues to be our priority. Plans are under way to open negotiations for new treaties with several other countries during 2009.</p> <ul style="list-style-type: none"> • Revenue is also involved in negotiations for Tax Information Exchange Agreements. An Agreement with the Isle of Man came into force in 2008 and arrangements were made to bring Agreements with Jersey and Guernsey into force.

	<ul style="list-style-type: none"> • In 2008, to ensure our active participation internationally with a view to increasing Customs cooperation, Revenue assigned Customs Enforcement Officers to Europol HQ in The Hague, the Netherlands and to the Maritime Analysis and Operations Centre –Narcotics (MAOC-N) in Lisbon, Portugal.
<p>4. Technical assistance to be provided to other tax and Customs administrations and other bodies (OECD, WCO, etc.)</p>	<ul style="list-style-type: none"> • International co-operation plays a vital role in fiscal investigations involving cross-border fraud. Details of requests received and issued, under the various Mutual Assistance Conventions, Double Taxation Treaties, Directives, Protocols and Regulations are shown below in Table 20: Mutual Assistance Requests. • During 2008, Revenue hosted delegations from Pakistan, New Zealand, Denmark, Lebanon, China, Turkey, Australia, Argentina, Japan, Iran, Kosovo, Rwanda, Germany and Norway. The topics covered included Customs enforcement, Audit and Customer Service. Under both Fiscalis and Customs 2013 exchange programmes, we also hosted visits by EU Revenue officials from Finland, Croatia and Sweden. • Revenue hosted a four day Fiscalis conference in Dublin Castle in May 2008 attended by representatives of the OECD and 24 countries, on the topic "Using Intelligence to Combat Tax Evasion". Revenue also participated in a Fiscalis exchange in Sweden relating to Tax Havens. • During 2008, Revenue participated in multilateral controls (audits) initiated by Finland and the United Kingdom to investigate cross-Europe (Finland, Sweden, Poland, UK) and cross-border (Ireland-UK) tax fraud. Ireland also participated in the Multilateral Control Platform, a body established to improve the quality, efficiency and effectiveness of multilateral controls. • Revenue continues to monitor activity and to liaise with our EU counterparts on evolving trends and fraud mechanisms on Intra-community VAT carousel fraud. <p>Exchange of information under Mutual Assistance is a vital tool in early detection and intervention and the Carousel Fraud Team engages regularly in these exchanges, both bilaterally and through the Eurocanet Expert Group.</p>

TABLE 20: MUTUAL ASSISTANCE REQUESTS:

Mutual Assistance Requests	Received 2008	Received 2007	Sent 2008	Sent 2007
From/to EU Member States	3376	1,405	1,830	1,374
From/to other countries	24	38	15	9
Total	3400	1,443	1,845	1,383

Goal 4 - Develop our people, processes and technology to make sure we are a capable, responsive results-oriented organisation

Revenue strives to be a capable, flexible and results-oriented organisation. Our priorities include the building up of the capability of our people, particularly our new people, and continued investment in Information and Communications Technology (ICT).

We continue to develop expertise and skills and address skills and capability gaps to develop the organisation and respond to challenges. Our organisational structures continue to be adapted and developed as circumstances change.

Our ICT, in particular, remains aligned with the needs of our customers and with our own business needs and continues to exploit new opportunities.

We seek to maximise value creation from our investments in these areas so as to deliver improved operational efficiency.

Strategy 4.1 Develop our people

The skills and experience of our people, together with their commitment, goodwill and pride in their work, have been crucial in enabling Revenue to deliver results and get to grips with the huge increase in the numbers of our customers and the volume of business we have had to process in recent years.

With more active customer service provision and a more risk-based and analytical approach to compliance, we are focusing more on skills development through targeted training, education and recruitment.

The principles underlying the partnership process remain important to us.

Output	Result
<p>1. Highly motivated and well trained staff capable of working in a challenging environment</p>	<ul style="list-style-type: none"> • The total spend on training and development amounted to €11.2 million or 3.3% of payroll costs. • The continued success of our partnership with the University of Limerick ensures the academic standards of our tax technical training programmes and continues to enhance the professionalism, status, effectiveness and reputation of the organisation. In 2008, 30 Revenue staff were conferred with BA (Honours) in Applied Taxation while 69 Revenue staff were conferred with Diplomas in Applied Taxation. This brings our graduate numbers for these qualifications to over 360 since 2005. • As part of our programme to enhance the capacity of our staff we prepared a “Framework to address Audit Capability” in 2008. We are implementing the recommendations in 2009. • Our staff Mobility Policy is designed to provide staff with opportunities to gain new skills and perspectives. In 2008, 12.5% changed their roles in line with this policy. • The Performance Management and Development System (PMDS) is firmly bedded-down across the organization. <p>In 2008, the Integrated PMDS Model entered its second year of operation. A staff member’s performance rating must be at or above certain standards to permit payment of a salary increment or allow for access to promotion competitions.</p> <p>A wide range of training and development initiatives were availed of by staff under this system during 2008 with the main emphasis on improving core skills.</p> <p>Consistency and fairness in the operation of the system was measured and monitored with a Quality Assurance Analysis provided to the Board.</p>

2. An organisation that has a positive attitude, and is responsive to diversity and committed to equality of opportunity for all its staff	<ul style="list-style-type: none"> The targets for gender balance set down in the previous Statement of Strategy 2005-2007 were achieved – See Table 21 below. New targets set in our Statement of Strategy 2008-2010 and the target for 2009 is also shown.
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TABLE 21: GENDER EQUALITY

Grades	Target % posts to be held by women by end 2007	% of posts held by women at end 2008	Target % posts to be held by women by end 2009
Higher Executive Officer (HEO) / Administrative Officer (AO)	47%	48%	48%
Assistant Principal (AP)	27%	27%	28%
Principal Officer (PO)	17%	17%	23%

Strategy 4.2 Optimise our use of resources and our organisation structures

To effectively support our strategies we must continuously evolve as an organisation. The changes to our work environment over the last number of years required us to constantly refine and develop our structures and to look at new and innovative working methods.

Information and Communications Technology (ICT), an essential part of Revenue's operations, is critical to the achievement of our Goals. Revenue is at the forefront in exploiting technology to provide better services to our customers, to deploy effective compliance programmes and to maximise revenue collection.

Output	Result
1. Effective and efficient use of resources	<ul style="list-style-type: none"> • Cost of Administration as a percentage of Gross Receipts was 0.96% in 2008. See Table 22 and chart 4 for details. • Capital Acquisitions Tax and CREST functions were reviewed in 2008 and seven further reviews were commenced. These include a review of VRT administration and the effectiveness of Risk Evaluation and Analysis Programme (REAP). • Revenue is fully compliant with the Prompt Payment of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 – see Table 23 below. • Revenue operates 73 bank accounts in the commercial banks and the Central Bank and Financial Services Authority of Ireland, to facilitate the wide variety of payment and refund options available to customers. Internet banking facilities are widely used as part of the management of these accounts, to ensure prompt value to the Exchequer. • In February 2008, the then Tánaiste and Minister for Finance, Mr. Brian Cowen, T.D., officially opened Revenue's decentralised office in Athy, Co. Kildare. The office, which carries out a range of functions, is the location for 73 staff. Four weeks later, in March 2008, the Minister for Transport, Mr. Noel Dempsey, T.D., officially opened another decentralised office in Navan, Co. Meath. This new office is home to the Meath Revenue District, which is responsible for the administration of all taxes for taxpayers residing in the county. 100 staff are employed in the Navan office. A further 51 staff from the Collector General's Division moved into new offices in Newcastlewest, Co. Limerick in December 2008. The offices were officially opened in April 2009.

	<ul style="list-style-type: none"> In May 2008, Revenue staff in Cork moved to a new headquarters building for the South West Region. The new building, Revenue House, in Blackpool, was designed and constructed with universal accessibility as a priority. This was recognised in December 2008 when it became the first Revenue building to achieve the "Excellence" level of the <i>Excellence through Accessibility Awards</i> from the National Disability Authority.
2. More effective strategy development, business planning and performance measurement	<ul style="list-style-type: none"> The National Office structures were realigned in 2008 around corporate services and planning.
3. Better internal communication to ensure the alignment of legislative and administrative needs	<ul style="list-style-type: none"> A new internal process was established to ensure operational manuals, which were brought up to date in 2008, remain current.
4. Implementation of civil service modernisation agenda	<ul style="list-style-type: none"> Revenue's Action Plan under "Towards 2016" set out specific modernisation actions to be taken by Revenue. In 2008, the Civil Service Performance Verification Group considered Revenue's progress and concluded that it warranted payment of the pay increase due in September 2008. The external Verification Group noted in particular the continued emphasis on the improvement of customer service including improvements in Revenue's online systems.
5. Optimal use of ICT in our business processes	<ul style="list-style-type: none"> A multi-sourcing framework for external ICT resources is in place. There are currently 11 service providers either engaged in or available for ICT projects. Skills transfer from external to internal resources is an integral part of this framework. We aim to achieve ISO 27001 security certification for our public-facing systems by end 2009. A Value for Money and Policy Review (VFM) of Revenue's expenditure in 2006 on Information Technology External Resources Expenditure was completed in 2007. The report made a number of key recommendations most of which have already been implemented or are in the process of being implemented in Revenue. The implementation of the recommendations will deliver improved effectiveness in the delivery of Revenue's extensive ICT programme and will help to optimise the value obtained from this expenditure.

	<ul style="list-style-type: none"> • Income Tax assessing successfully migrated to our Integrated Taxation Services system in April 2008. The redesign features new style input screens for ease of use, more frequent issue of Notices of Assessment and facilitates new business processes. Corporation Tax assessing migration is on schedule for implementation in early 2009. • The Finance Act 2008 introduced enabling legislation for a fundamental change to the Stamping process. This will allow customers to fulfil Stamping requirements and pay relevant duties on-line. The new e-Stamping facility is being developed and will be released by the end of 2009. • Considerable progress was made in 2008 towards the implementation of the Electronic Customs Programme, designed to comply with increased security requirements. Phase 1 of the Export Control System (ECS) was completed. Work on the ECS phase two, Import Control System and the Economic Operator systems (AEO/EORI) was advanced. • The Excise Movement Control System (EMCS) is being implemented in accordance with an EU Council of Ministers decision, largely concerned with increased security requirements. Development of the associated System for the Exchange of Excise Data (SEED) is completed and it is due for implementation in early 2009. An external provider has been contracted to supply the core EMCS software components for integration with Revenue's systems during 2009.
<p>6. Enhanced systems to support customer insight, information management and customer analytics</p>	<ul style="list-style-type: none"> • Initial pilot research, based on market segmentation techniques, has been carried out to better target information for our customers. We plan to develop the programme to improve customer information and to promote our on-line services. Pilot research on customer profiling has been carried out for compliance purposes, such as testing the validity of credits claimed and against third party information. • A Request For Tender for a content management system was issued at end 2008. A decision will be made in early 2009 based on the market response.

TABLE 22: COST OF ADMINISTRATION

2008	2007	2006	2005
0.96%	0.80%	0.77%	0.81%

CHART 4: TOTAL EXPENDITURE WAS €484,833,000 BROKEN DOWN AS FOLLOWS:

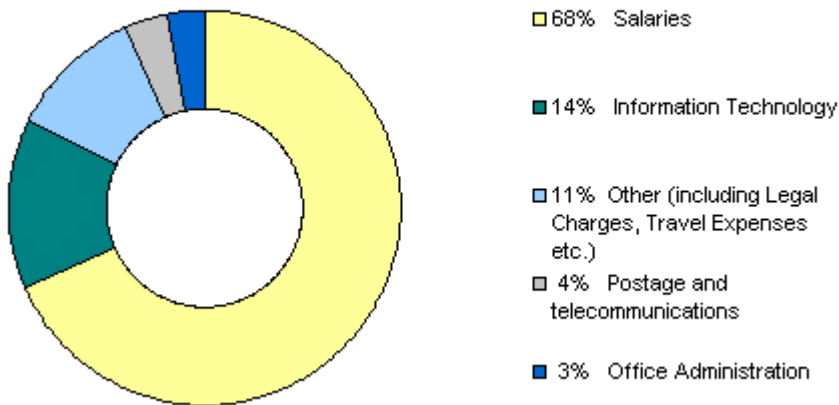


TABLE 23: PAYMENT OF ACCOUNTS STATISTICS 2008

Total value of all payments	€146,194,917.39
Total value of all late payments (including those under €317)	€1,496,911.88
Value of late payments in excess of €317	€1,496,911.88
Value of total late payments as a percentage of total payments	1.02%
Number of late payments in excess of €317 (Invoice Value)	42
Amount of interest paid on all late payments	€2,444.17
Amount of interest on all late payments as a percentage of total payments	0.0017%
Average delay in days (Invoices in excess of €317)	18

Accounting for Our Performance

Comptroller and Auditor General

Revenue is subject to annual audit examination by the Office of the Comptroller and Auditor General. The findings of this audit are published in the Comptroller and Auditor General's Annual Report. The audit reports on tax collected, expenditure, systems, procedures and practices. It also includes in-depth examination of selected Revenue activities. The most recently published Annual Report (2007) includes Voluntary Disclosure Checks, Special Savings Incentive Account Scheme, Interest on Late Payment of Tax, and Benefits-in-Kind.

Committee of Public Accounts

As Accounting Officer, the Revenue Chairman appears before the Committee of Public Accounts (PAC) to deal with issues arising from the Annual Report of the Comptroller and Auditor General and other matters relating to the activities of the Office that the Committee wish to discuss.

Other Committees of the Houses of the Oireachtas

The Chairman and Revenue officials attend other Oireachtas committees, such as the Committee on Finance and the Public Service, as required.

Appeals

Taxpayers have rights of appeal to the Appeal Commissioners and the Courts in relation to a range of tax and duty issues. Depending on their complexity, certain appeals can take a considerable time to bring to finality. Revenue has an Appeals Committee in place to consider which appeals should proceed to the higher stage. Table 24 sets out the outcome of the cases at the various stages in 2008.

TABLE 24: OUTCOME OF APPEALS IN 2008

	Total 2008	Decided		Settled or Withdrawn
		Won by Revenue	Won by Appellant	
Number of Cases at Supreme Court stage	1	0	0	1
Number of Cases at High Court stage	7	2	1	4
Number of Cases at CCJ stage	9	1	1	7
Number of Cases at Appeal Commissioner stage	44	13	11	20
Total number of cases decided, settled or withdrawn	61	16	13	32

Joint and Internal Review Procedure

Taxpayers who are dissatisfied with Revenue's handling of their tax affairs can have their case reviewed, either internally by a senior Revenue officer or by an External Reviewer acting in conjunction with a senior Revenue officer. The number of taxpayers requesting Joint and Internal Reviews in 2008 is set out in Table 25.

TABLE 25: INTERNAL REVIEWS IN 2008

	Internal	Joint	2008 Total	Internal	Joint	2007 Total
Number Received	28	37	65	25	31	56
Number Finalised	25	34	59	25	31	56
Decision Upheld	20	26	46	19	27	46
Decision Revised / Partly Revised	2	4	6	2	1	3
Withdrawn or agreed prior to being sent to Reviewers	3	4	7	4	3	7

The Ombudsman

In 2008, the Ombudsman received 129 complaints relating to Revenue and finalised 123 complaints. Tables 26: Complaints Relating to Revenue Made to the Ombudsman in 2008 and 27: Complaints Relating to Revenue Completed by the Ombudsman in 2008 provide further summary information.

TABLE 26: COMPLAINTS RELATING TO REVENUE MADE TO THE OMBUDSMAN IN 2008

Total Received and Subject	Number of Complaints
Income Tax	74
VAT/ Inheritance Tax/ CGT	8
Customs & Excise	2
Stamp Duty	4
Delay/no response to Correspondence	11
Miscellaneous	18
VRT	12
Total	129

TABLE 27: COMPLAINTS RELATING TO REVENUE COMPLETED BY THE OMBUDSMAN IN 2008

Total Completed and Outcome	Number of Complaints
Not Upheld	33
Withdrawn	5
Discontinued	39
Assistance Provided	25
Partially Resolved	0
Resolved	21
Total	123

Data Protection

Of the 6 access requests received in 2008 under the Data Protection Acts, 4 were granted in full and 2 were withdrawn. In addition, 5 complaints received from the Office of the Data Protection Commissioner were dealt with, 4 of these were satisfactorily dealt with and 1 was partially resolved.

Freedom of Information

Revenue's Freedom of Information publications under Section 15 of the FoI Acts (structure, organisation, functions, services and records of Revenue) and Section 16 (rules, procedures, practices, guidelines and interpretations of Revenue) are updated as required and published on our website.

TABLE 28: FOI REQUESTS

FOI Requests	2008	2007	2006
Received	141	117	130
Released in Full	44	25	26
Released in Part	52	40	36
Refused	22	15	21
Dealt with outside of FoI/Withdrawn/Transferred	18	37	41
Requests for Internal Review	12	11	10
Appeals to the Information Commissioner	5	1	9

Corporate Governance

The administration and management of taxes and customs is vested in the Revenue Commissioners, who are subject to the general direction of the Minister for Finance but are independent in the day-to-day management of the Office and in relation to taxpayers' affairs. The Board of the Revenue Commissioners consists of three Commissioners, one of whom is Chairman. The Chairman is the Accounting Officer for Revenue and the Head of the Office under the Public Service Management Act 1997.

The Board meets regularly to deal with a broad range of issues pertaining to Revenue, including strategic direction, the setting of key corporate priorities, financial and risk management, internal audit reports and minutes of Audit Committee meetings, senior management appointments and resource deployment. The Board reviews compliance with key legislation such as the Ethics in Public Office Acts, the Freedom of Information Acts and the Prompt Payment of Accounts legislation.

The Board reports annually to the Minister for Finance on the implementation of Revenue's Statement of Strategy, as required by the Public Service Management Act 1997.

Management Advisory Committee (MAC)

A Management Advisory Committee, consisting of the Board and all Heads of Division (at Assistant Secretary level), meets at least once a month to monitor performance across the organisation. The MAC reviews existing programmes and priorities to ensure that they remain responsive to emerging developments, deals with business issues which have cross-divisional impact and plays a key role in managing corporate risk. A formal system of delegation to each Assistant Secretary is in place, in accordance with the Public Service Management Act, with specified lines of responsibility and accountability to the Board. These responsibilities include the management of risk and of divisional resources. In addition, the Board has formally delegated responsibility for certain Human Resource Management matters to Assistant Secretaries as a group.

Ethics in Public Office Acts 1995 and 2001

All Revenue officials at Assistant Principal level and above, as well as certain other officials, involved, for example, in procurement decisions, are required to submit an annual Statement of Interests under these Acts. In addition, the Board members are required to submit a Certificate of Tax Clearance not more than nine months before or after taking up duty.

Civil Service Code of Standards and Behaviour

The Code forms part of the terms and conditions of service of all Civil Servants. It underpins the existing rules in many areas, including Revenue's own Code of Ethics, and sets out the main principles, standards and values that the Civil Service espouses and upholds.

The Civil Service Regulation (Amendment) Act 2005

The Civil Service Regulation (Amendment) Act 2005 gives each Secretary General/Head of Scheduled Office, as appropriate authority, responsibility for managing all matters relating to performance, conduct and discipline of civil servants below Principal Officer level. (Ministers and Government continue to be the appropriate authority for these matters in relation to civil servants at or above Principal level). The Act and the revised Civil Service Disciplinary Code came into effect on 4th July 2006.

Assistant Secretaries



Denis Graham
Investigations &
Prosecutions



Eamonn O'Dea
Corporate
Business &
International



Eugene Creighton
Income & Capital
Taxes



Frances Cooke
Revenue Solicitor



Frank Mullen
Large Cases



Gerry Howard
East South-East



Gerard Moran
Corporate Services



Gerry Harrahill
Collector General



Joe Howley
Border Midlands West



Liam Ryan
Information,
Communications
Technology &
Logistics



Niall Cody
Dublin



Norman Gillanders
Planning



Philip Brennan
Indirect Taxes



Tony Buckley
South West *



Willie Funnell
Customs &
Accountant
General

* In addition, Tony Buckley has national responsibility for Training and Capability Development, reporting to the Chairman.

Senior Management Changes

- Mr Frank Daly retired as Chairman on 12 March 2008.
- Ms Josephine Feehily was appointed Chairman by Tánaiste and Minister for Finance, Brian Cowen, TD, on 13 March 2008.
- Mr Paddy Donnelly, Assistant Secretary retired on 25 September 2008.
- Mr Sean Moriarty, Assistant Secretary retired on 2 October 2008.

Following Top Level Appointment Commission (TLAC) competitions:

- Mr Liam Irwin was appointed Revenue Commissioner by Taoiseach, Brian Cowen, TD, on 20 May 2008.

The Minister for Finance appointed:

- Mr Gerry Howard as Assistant Secretary, Revenue on 24 September 2008. The Revenue Board has assigned Mr Howard to East & South East Region.
- Mr Philip Brennan as Assistant Secretary, Revenue on 27 November 2008. The Revenue Board has assigned Mr Brennan to Indirect Taxes Division.

Appendix

Donation of Heritage Items

Section 1003 of the Taxes Consolidation Act 1997 provides for a full credit against tax liability where a taxpayer donates certain heritage items to the national collections. The following items were donated in 2008.

- Illustrations for Hans Christian Anderson's 'Fairy Tales' by Harry Clarke valued at €322,356.36
- 'On the Bridge at Grez' by Sir John Lavery valued at €1,600,000.00
- 'Cape Siren' by Philip Taaffe valued at €219,851.00
- Donation of a collection of 25 art works by Bank of Ireland valued at €2,050,000.00
- 'Il Trovatore' by Giorgio de Chirico valued at €500,000.00

Donation of Heritage Property to the Irish Heritage Trust

Section 1003A of the Taxes Consolidation Act, 1997 provides for a full credit against tax liability where a taxpayer donates certain heritage property to The Irish Heritage Trust. The following heritage property was donated in 2008:

- Collection of Paintings from the Wood Collection valued at €2,015,300.00
- Collection of Furniture from the Wood Collection valued at €739,800.00
- An Extensive Mountainous landscape by Thomas Roberts valued at €680,000.00 (part of the Wood Collection)
- Extensive Wooded mountainous River Landscape by George Mullins valued at €200,000.00 (part of the Wood Collection)