

# Revenue



Cáin agus Custaim na hÉireann  
Irish Tax and Customs

# Annual Report 2017



## **Our Mission**

**To serve the community by fairly  
and efficiently collecting taxes  
and duties and implementing  
Customs controls.**

### **Annual Report 2017**

Ninety-Fifth Annual Report of the Revenue Commissioners for the year ended 31 December 2017, 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 2018**





# Contents

<b>Board's Review</b>	<b>6</b>
<b>Main Results</b>	<b>11</b>
<b>Organisational Structure</b>	<b>13</b>
<b>Service to Support Compliance</b>	<b>15</b>
Collecting the Right Amount of Tax at the Right Time	15
Service	15
PAYE Modernisation	18
International	18
Policy Advice, Statistics and Research	19
<b>Confront Non-Compliance</b>	<b>24</b>
Audit and Compliance Interventions	24
Tackling Serious Tax and Duty Evasion and Fraud	26
Targeting and Disrupting the Shadow Economy	29
Tackling Offshore Evasion	33
Tax Avoidance Schemes	33
Prosecutions	34
Debt Enforcement	34
Corporate and Personal Insolvency	34
<b>Making it Work: Our Resources and Structure</b>	<b>37</b>
Building and Retaining Internal Capacity, Talent and Leadership	37
Deepening Employee Engagement, Communication and Innovation	44
Equality and Human Rights	45
Government Programmes and Cross-Departmental Activities	46
Information and Communications Technology	48
<b>Governance</b>	<b>49</b>
<b>Financial Management</b>	<b>52</b>
<b>2017 Table Index</b>	<b>55</b>
<b>Appendices</b>	<b>67</b>
<b>Index</b>	<b>69</b>

# Board's Review

Against a backdrop of continued strong growth in the economy, Revenue collected a total of €70.96 billion for the Exchequer in 2017, including €12.22 billion collected on behalf of other Government Departments and Agencies. Net tax and duty receipts when compared to 2016 increased by 5.8% to €50.76 billion. Almost all taxes and duties showed significant increases on 2016 including; Income Tax (up €798 million or 4.2%), VAT (up €838 million or 6.7%) and Corporation Tax (up €849 million or 11.5%). High rates of voluntary timely compliance are a key performance indicator for us, with rates of over 90% achieved across all taxes in 2017.

We made good headway in the first year of implementation of our Statement of Strategy 2017-2019. Significant progress was made on our PAYE Modernisation project, which will transform the administration and collection of payroll taxes.

We participated in the inter-Departmental work on Brexit that is coordinated by the Department of Foreign Affairs and Trade, where our focus is on the fair and efficient implementation of possible tax and customs procedures, post Brexit.

We sustained the high level of cooperation and collaboration with other agencies, nationally and internationally, to support fiscal, economic and social policy discussion, improve services to citizens and combat tax evasion, fraud and smuggling. We continued to fulfil our commitment to improved international tax cooperation and transparency, negotiating the expansion of Ireland's tax treaty network and exchanging information with our international counterparts. In September we had the first automatic exchange of financial account information between Ireland and 50 other jurisdictions. During 2017, a peer review by the Global Forum on Transparency and Exchange of Information for Tax Purposes confirmed Ireland's tax transparency. A review by the OECD of Revenue's implementation of the BEPS exchange of rulings framework made no recommendations and found that Ireland met all aspects of the terms of reference.

## Service to Support Compliance

During 2017, we continued to prioritise enhancements to our online and self service facilities so that taxpayers can understand their obligations and manage their interaction with us cost effectively and at a time that suits them. In January, we provided a new online system for taxpayers to avail of the Help to Buy incentive and during the year, claims with a total value of €68.9 million were approved. Our re-designed website, launched in June, provides accessible information that is easy to understand. Feedback in our survey of Small and Medium Enterprises, conducted in September and October, shows that 84% of those surveyed reported the new website as being easy to use. Our secure online services are available 24/7 year-round and are fully accessible on all mobile and smart devices. PAYE taxpayers can now manage their tax, update their record or claim entitlements quickly, easily and conveniently online or 'on the go'. Tax agents can also use online services to register a new PAYE taxpayer with Revenue and notify us of a new job or pension. Business taxpayers who have a PAYE employment can now use myAccount, making it easier to manage tax credits. The Revenue Online Service (ROS) registration

process was updated and simplified. myAccount customers who need to file certain business tax returns can now download a ROS certificate instantly. During the year, we answered more than 2.5 million telephone calls from PAYE and business customers to our 1890 telephone service and we have eliminated waiting time for taxpayers, by providing an appointments service in 17 of our public offices.

## **PAYE Modernisation**

In April, we published the report on our public consultation on modernising the PAYE system. Over the year, we engaged extensively with payroll professionals, tax practitioners, accountancy bodies, business representative bodies and payroll software developers, in a co-design approach. The Finance Act 2017 gave legal effect to the move to real time PAYE reporting and the new PAYE system starts on 1 January 2019. This significant reform of the PAYE system will bring improved accuracy and transparency for Revenue, employers and employees. It also will reduce the administrative burden on employers and will ensure that employee tax deductions and contributions are correct and are reported to Revenue on time.

## **Tackling Non-Compliance**

The vast majority of taxpayers are voluntarily compliant. We support these taxpayers and protect Exchequer funds by targeting and tackling all forms of non-compliance. We deploy our resources on a risk basis and have access to large amounts of data and information from third-party sources and global tax networks. We use data analytics to identify non-compliance and the nature of our intervention is determined by the non-compliance behaviour of the taxpayer. In 2017, we carried out a total of 655,557 compliance interventions, ranging from routine assurance checks to audits and investigations. The total yield from these interventions was €491.9 million in tax, interest and penalties. We conducted 5,220 audits yielding €196.3 million and 66 investigations yielding €7.5 million in tax, interest and penalties. 289 taxpayers were published as tax defaulters in 2017. In November, following the emergence of allegations and information leaked in what became known as the 'Paradise Papers', we identified and profiled entities with Irish connections. We continue to collaborate on intelligence with tax authorities worldwide, share information under existing legal frameworks and to identify beneficial owners and establish the role of intermediaries and institutions in facilitating offshore evasion.

A fundamental underpinning of our support for voluntary compliance is our determination to target and confront non-compliance on a risk priority basis. In 2017, a significant milestone in this regard was passed on the 4 May deadline for the Foreign Income and Assets Disclosure initiative. By the deadline, we had received 2,786 disclosures with a declared value of almost €84 million. Tax defaulters who use offshore facilities to hide undeclared income or assets can now no longer make a qualifying disclosure and we are using the information we receive from other jurisdictions to identify such tax defaulters. They now face penalties of up to 100% of the tax evaded, publication as tax defaulters and potentially, criminal prosecution.

We work closely with our counterpart agencies nationally and internationally in actions

against drug smuggling, smuggling and trade in illicit tobacco and alcohol, and fuel fraud. During 2017, we seized 3,692 kilos of drugs with an estimated value of almost €60 million. In November, we uncovered a large-scale counterfeit vodka production plant. Alongside the serious risks to the Exchequer that are posed by these illegal operations, they also create significant public health risks and often fund organised crime. We very successfully collaborate with the relevant agencies and authorities both nationally and internationally and our programme of enforcement action has a clear focus on criminal activities. During 2017, we secured 24 criminal convictions for serious tax and duty offences and at the end of the year, a further 27 cases were in the judicial system.

## Our People

Our people at all levels are engaged in the very wide and varied range of service, compliance and support activities that deliver the results reflected in this report. At the end of 2017, there were 6,372 people working in Revenue, equating to 6,007 full time equivalents. In the face of the ongoing loss of experienced staff to retirement, we continuously build capability with recruitment and are steadfast in our commitment to investment in training and staff development.

It is noteworthy to highlight some of the scale of activity in the recruitment and capability development sphere. During 2017, we appointed 546 staff from open recruitment and inter-departmental competitions; our direct expenditure on training and development was just over €8.6 million representing 2.9% of payroll costs and provided staff with 36,309 training days. This level of recruitment and capability development will be a feature of our landscape over the next number of years, as we continue to position Revenue as an employer of choice by attracting, developing and retaining an engaged and talented workforce.

## Looking Ahead

We will continue to make compliance as easy as possible and to identify, target and robustly respond to risk. We are alert to the changes in economic and business environments nationally and globally. We are committed to playing our part in supporting policy developments in relation to international tax and Brexit.

We are agile and will continue to evolve our structure to match the challenges and opportunities ahead. In this regard we are reviewing our operational structures and moving from our Regional structure to a National segmented structure. Work has started on this project and the transition to our new structure will take place in 2018.

The transformational move to real time PAYE reporting on 1 January 2019 is a primary focus for us, our intensive communications programme will run throughout 2018 and we are extending our ICT infrastructure to handle the scale and volume of data transmission on a continuous basis.

Our continued success in delivering on our mission and goals relies on the skills and



professionalism of our people, the flexibility of our structures and our effectiveness in harnessing innovation in technology and business practice. Our achievements in 2017 would not have been possible without the professionalism and dedication of our staff and we thank them for their resolute commitment and high standards in the achievement of our results.

We want to particularly thank those Revenue staff who retired in the past year, many of whom dedicated 40 or more years of service to the State. We particularly acknowledge the contribution to Revenue made by our former Commissioner Liam Irwin, who retired on 31 January 2018.



*Niall Cody  
Chairman*



*Gerry Harrahill  
Commissioner*



*Michael Gladney  
Commissioner*

## Headline Results 2017



Tax  
Collected

**€50.76 billion**

### Customer Contacts



**1890 Telephone Service 2.5m**



**Correspondence 1.5m**



**Electronic Returns 5.9m**

**Electronic Payments 2.3m**

### Timely Compliance

**Large Cases 99%**

**Medium Cases 98%**

**Other Cases 89%**



**15,268**

**Customs & Excise  
seizures**

### Marked Oil Fuel

**42 Commercial seizures**

**194 Vehicles seized**



**655,557 Audit/  
Compliance Interventions**  
yield **€491.9m**

**Foreign Income & Assets  
Disclosures**

**Declared value €83.8m**

### Tax Defaulters

**289 Settlements published**  
amounting to **€53m**

**24**

**Criminal  
Convictions**



**911**

**Summary  
Convictions**

### Debt Enforcement



**37,423 cases**  
yield **€212.4m**

### Debt Payment Arrangements



**10,406 with a  
value of €94m**

# Main Results

## Collection and Compliance

- Net receipts for 2017 were €50.76 billion, up 5.8% on 2016 receipts (Table 2). Collection was 0.2% ahead of target for the year.
- €12.22 billion was collected on behalf of other agencies, including €10.23 billion in PRSI (Table 1).
- Returns/payments compliance rates for business taxes were maintained at very high levels (Table 9).
- 97.5% compliance rate for Local Property Tax (LPT) 2017 was achieved.

## Managing Debt

- Debt<sup>1</sup> available for collection was €958 million, down €146 million (13.26%) on 2016. Debt available for collection as a percentage of gross receipts was 1.35%, down from 1.68% in 2016.
- 10,406 customers or business customers were facilitated with phased payment arrangements covering €94 million to enable them to overcome temporary cash flow problems.

## Supporting Voluntary Compliance

- 2.27 million payments (up 12% on 2016) were made via ROS with a value of €57.69 billion (up 14% on 2016). (Table 5).
- 973,792 electronic repayments to customers with a value of €6.38 billion (Table 5).
- 5.9 million electronic returns, an increase of 4% on 2016 (Table 5).
- 2.5 million phone calls to 1890 telephone service. (Table 6).
- 1.5 million items of correspondence.
- PAYE employments 2.75 million (Table 6).
- 1.5 million Customs declarations processed.
- 1.8 million individual customers were registered for myAccount at the end of 2017.

## Confront non-Compliance

- Yield from audit and compliance interventions was €491.9 million - €196.3 million from audits and €295.6 million from non audit interventions (Table 13) with a further €83.8 million from Foreign Income and Assets Disclosures (Table 15).
- 1,352 tax avoidance cases were settled resulting in a yield of €3.8 million, including interest and penalties.
- 289 settlements were published in Iris Oifigiúil in 2017 totalling €53.13 million (Table 17).

---

<sup>1</sup> In previous years, the total debt and debt available for collection were reported net of VAT claims awaiting repayment. From 2017 both total debt and debt available for collection are now being reported as gross figures. The 2016 figure has been adjusted to reflect this change.

## Seizures

- 6,064 drug seizures valued at €59.8 million (Table 19).
- 34.24 million cigarettes and 1,768 kg of tobacco seized, valued at €19.45 million and €0.89 million respectively (Table 20).
- 1,573 vehicles seized.
- 125,689 litres of illicit fuel seized.
- 78 cash seizures amounting to €1.04 million.
- Cash forfeiture orders amounting to €74,718 granted by the Circuit Court in 30 cases.

## Prosecutions/Penalties

- 24 criminal convictions for serious tax and duty evasion (Table 21).
- 911 convictions and fines amounting to €2.4 million secured in respect of a range of summary offences (Table 22).
- 732 penalties amounting to €2.92 million for non-filing of returns (Table 23).

## Playing Our Part Internationally

- 73 Double Taxation Agreements and 25 Tax Information Exchange Agreements in place at the end of 2017.
- 1,841 requests for mutual assistance received and 881 requests issued by Revenue (Table 24).
- 12 Mutual Agreement Procedures (MAPs) completed and 2 Advance Pricing Agreements (APAs) granted to Competent Authorities of other jurisdictions to eliminate double taxation (Tables 25 & 26).

## Benchmarking Our Performance

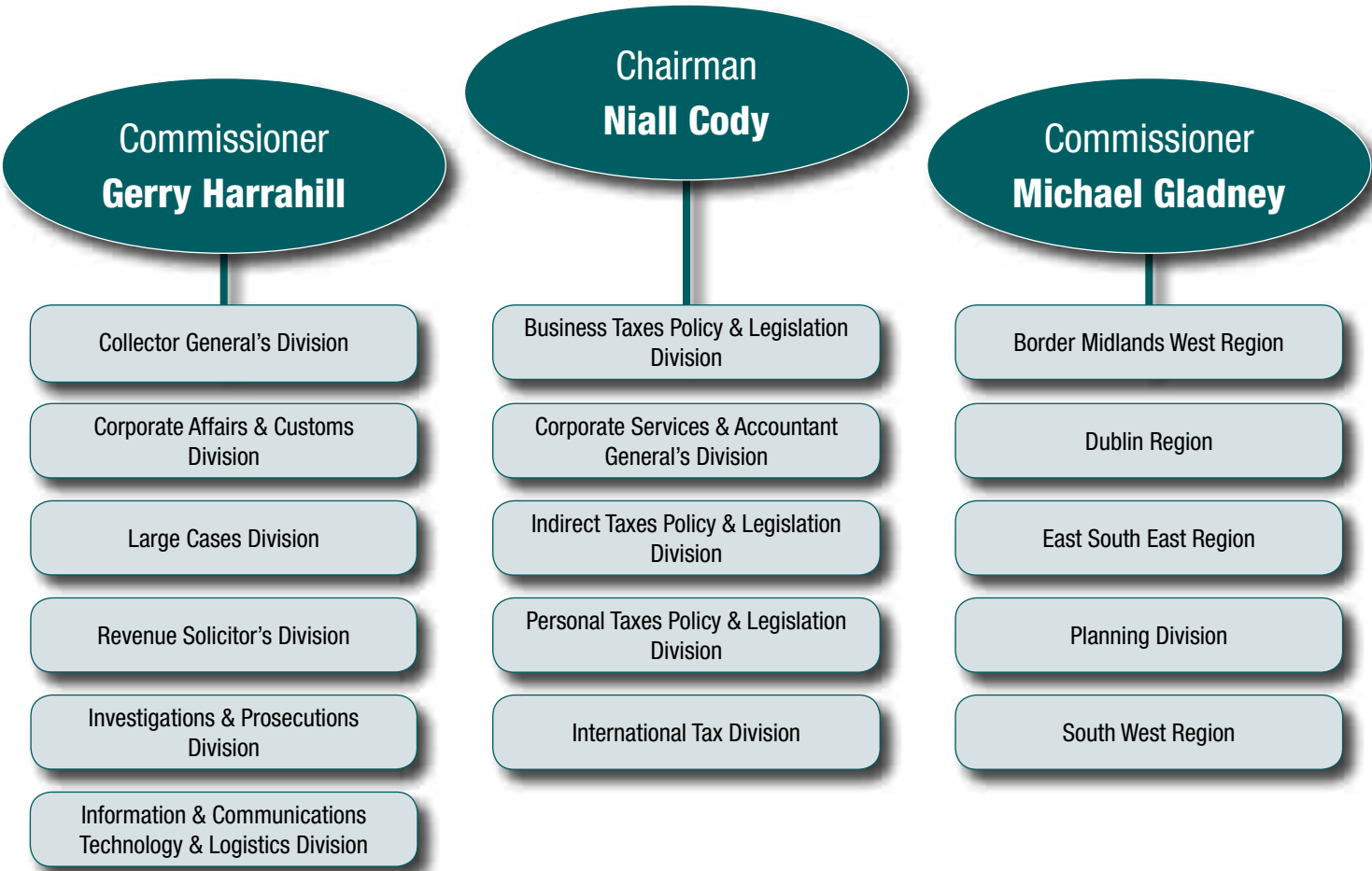
- Ireland was the most effective country in the EU in which to pay business taxes and 4th most effective worldwide (up from 5th place globally last year), according to the **PwC/World Bank Group Paying Taxes 2018 report**<sup>2</sup>, published in December 2017.
- Ireland has the 2nd lowest “Burden of Customs procedures” in the EU and the 6th lowest in the world, according to **The Global Competitiveness Report 2017-2018**<sup>3</sup>, World Economic Forum.

---

<sup>2</sup> [www.pwc.com/gx/en/services/tax/publications/paying-taxes-2018.html](http://www.pwc.com/gx/en/services/tax/publications/paying-taxes-2018.html).

<sup>3</sup> [www.weforum.org/reports/the-global-competitiveness-report-2017-2018](http://www.weforum.org/reports/the-global-competitiveness-report-2017-2018).

# Organisational Structure



Revenue's Management Advisory Committee (MAC), consisting of the Board and all the Heads of Division (at Assistant Secretary level). From L to R: **Bottom row:** Gerry Harrahill, Niall Cody and Michael Gladney. **2nd row:** Gerard Howard, Marie-Claire Maney, Brian Boyle & Eugene Creighton. **3rd row:** Gerard Moran, Eamonn O'Dea, Breda Ruddle & Joe Howley. **Back row:** Declan Rigney Tony Buckley, Charles Phelan, Paul Dempsey, John Barron & Philip Brennan.

## Service to Support Compliance



### Electronic Business

**5.9m** Returns

**2.3m** Payments

Value of Payments **€57.69m**



### Self Assessment

**29,987** New Registrations

**710,157** Registered for  
Income Tax



### Customer Service Standards Phone Calls



	1890 PAYE	1890 Business	1890 LPT	1890 Other
Answered < 5 Minutes	94%	88%	84%	95%

### Customer Contacts



1890 Telephone Service **2.5m**



Correspondence **1.5m**

### Customs Trade Facilitation

**1.5m** Customs  
Declarations

**90,600** Customs  
Interventions



### Debt Payment Arrangements

**10,406** with value of **€94m**

# Service to Support Compliance

Revenue is responsible for the assessment, collection and management of virtually all taxes and duties and for the collection of PRSI and other levies on behalf of other Departments. We are also responsible for the enforcement of import and export controls.

In 2017, we collected a total of €70.96 billion, including €12.22 billion on behalf of other Government Departments and Agencies. Net receipts of taxes and duties totalled €50.76 billion in 2017, with rates of timely compliance above 91% for all taxheads.

## Collecting the Right Amount of Tax at the Right Time

At €50.76 billion in 2017, total net tax and duty receipts were up by 5.8% on 2016. The largest increases in yield on 2016 were, Income Tax (up €798 million or 4.2%), VAT (up €838 million or 6.7%) and Corporation Tax (up €849 million or 11.5%). Further details on Gross and Net receipts can be found in Tables 1 and 2.

High rates of timely compliance were achieved across all taxheads (Table 8). Due month and next month compliance rates in 2017 were over 98% for large and medium cases (Table 9) and the Local Property Tax compliance rate was 97.5% (Table 3).

Total debt<sup>4</sup> at the end of 2017 was €2,200 million, and debt available for collection compared to 2016 decreased by 13.26% to €958 million. The value of debt written off as uncollectible was €147 million. We continued to assist viable customers with temporary cash-flow difficulties to meet their tax payment obligations. We agreed 10,406 phased payment arrangements in respect of debt of €94 million. We will continue to support customers who engage with us to resolve their payment difficulties.

## Service

Our goal and focus is to be a customer-centric, compliance-orientated, fair, transparent and effective tax and customs administration. We encourage and facilitate voluntary compliance by providing high quality customer-focussed services and information in line with best international standards and practice, so that customers can comply with their tax and duty obligations with minimal need for Revenue intervention.

Our *Customer Engagement Strategy 2015 – 2017: Engaging Customers to Support Compliance* focussed on providing secure, easily accessible, user-friendly services. 2017 saw a further increase in take-up of more efficient and cost effective online services. For example in 2014, 31% of tax registrations were received online and by the end of 2017, this figure increased to 64%.

## Information Online

Launched in June 2017, our new website was a key deliverable of both our Statement of Strategy and our Customer Engagement Strategy. As part of our commitment to the Official Languages Act, we undertook to translate all webpages into Irish, and this process is now almost complete. The website, which is accessible on all devices, meets commitments set out in the Public Sector Reform Plan to make public information accessible and easily understood.

<sup>4</sup> In previous years, the total debt and debt available for collection were reported net of VAT claims awaiting repayment. From 2017 both total debt and debt available for collection are now being reported as gross figures. The 2016 figure has been adjusted to reflect this change.



In designing our new website we consulted customer groups, tax practitioners and our staff, and took account of recent research into how people search for and consume online content. It uses plain language, reduces the use of unnecessary technical terms, makes extensive use of examples and the links to our online services so that customers can navigate seamlessly and easily, to use those services.

In line with the Public Sector Reform Plan, we prioritise our online services offering over other service channels.

Our online services are available 24/7 year-round, are fully accessible on all mobile and smart devices and provide the quickest, easiest and most convenient way to do business with us, at a time that suits the customer.

In myAccount, customers can manage their taxes, apply for certain tax reliefs and exemptions, store receipts, make payments, and access Local Property Tax (LPT) and Home Renovation Incentive (HRI) services. During 2017, our myAccount online services were enhanced:

**Manage your tax** allows PAYE customers to update their tax record including claiming tax credits and declaring non-PAYE income for the current tax year.

**Review your tax** allows PAYE customers to review their taxes for prior years and claim credits that can only be claimed after the end of the tax year (e.g. health expenses), or request an End of Year Statement (P21).

**MyDocuments** provides PAYE customers with access to Tax Credit Certificates and End of Year Statements (P21).

Using **MyEnquiries** customers can securely send and receive correspondence to and from Revenue. In response to customer/agent feedback we delivered a number of improvements, for example customers can now more easily identify a query they have sent to us as the reference will be included in the subject line.

During 2017, access to our **Jobs and Pensions** service was extended to tax agents, who can now register a new PAYE customer with Revenue and notify us of a new job or pension.

Business customers who have a PAYE employment can now use myAccount, making it easier to manage current year tax credits. In 2017 the **Revenue Online Service** (ROS) registration process was updated and simplified. Passwords are issued by email or text and password and certificate retrieval is also now faster. myAccount customers who need to file certain business tax returns can now download a ROS certificate instantly.

## Pre-population of Forms

In 2017 we expanded the range of pre-populated information on the Form 11 to include Home Renovation Incentive data, and health expenses for customers who use Revenue's 'Receipts Tracker'. Our Receipts Tracker is a service that allows customers to record and keep track of their receipts for health, trade and other expenses and documents therefore eliminating the need to keep paper copies.

Our **eRegistration** service pre-populates data from the Companies Registration Office (CRO) when an authorised agent registers a company online for tax purposes.



## Telephone and Appointment Service

In 2017, we answered more than 2.5 million telephone calls from PAYE and business customers (Table 6). 48% of PAYE customers' calls were answered within 30 seconds and 94% within 5 minutes. 60% of business customers' calls were answered within 30 seconds and 88% within 5 minutes (Table 7).

An appointments service now operates in 17 of our public offices, eliminating waiting time for customers.

## Help to Buy Online Service

The Help to Buy (HTB) incentive was introduced in Finance Act 2016, backdated to 19 July 2016. In January 2017, we provided a secure online system for customers who want to avail of the scheme. This service allows applicants to check the level of relief available to them under the scheme. Third parties involved in the transaction (e.g. mortgage providers, brokers or developers), can independently verify the potential HTB relief amount. Customers can claim the relief online and have the relief amount verified and applied to the deposit on the house purchase or self-build.

During 2017, 424 qualifying contractors were registered in the scheme and 5,392 HTB claims were made, of which 4,824 were approved, with a total value of €68.9 million.

## VAT MOSS

The VAT Mini One Stop Shop (VAT MOSS) facilitates return filing and payment of VAT by suppliers of telecommunications, broadcasting and e-services in the EU. Ireland retains a portion of the VAT payments to other Member States that are being paid through the Irish system. In the three years of its operation, the Irish Exchequer has benefited by over €552 million (€212 million in 2017, €220 million in 2016 and €120 million in 2015).

## Business Representative Bodies

Throughout 2017, we engaged and consulted with practitioners and business representative bodies through the Tax Administration Liaison Committee (TALC) on ways to achieve a more effective and efficient administration of the tax system. We also engaged with the Customs Consultative Committee (CCC) on EU customs legislative initiatives and proposed procedures, and other matters of mutual interest.

## Cooperative Compliance Framework (CCF)

For our largest cases, we promote and operate a policy of cooperative compliance (the CCF). The objective is to manage our relationship with large business customers so that we work together to achieve the highest level of voluntary compliance across all taxes and duties. The CCF offers participating business customers regular dialogue with us, helping to provide long-term certainty in relation to tax and duty exposures, and an ability to predict with reasonable confidence what our position will be on any particular aspect of tax and duty obligations.

The CCF was re-launched in 2017, following a comprehensive review of its operation. We invited all eligible corporate groups, assigned to our Large Cases Division, to consider participation on a voluntary, non-statutory basis. 77 corporate groups are now working with us in the CCF.

## Tax Opinions

In certain limited circumstances, customers and their agents may contact us to seek an opinion or confirmation in relation to the application of tax law to specific transactions or situations.

In January 2017, we issued a reminder (eBrief No. 8 of 2017), on the maximum validity period of Revenue opinions and advised that opinions provided prior to 1 January 2012 were subject to review. During 2017 we received applications to renew or extend 60 such opinions and provided 316 opinions on complex technical issues to business customers.

## PAYE Modernisation

During 2017, we dedicated significant resources to planning for PAYE Modernisation, adopting a co-design approach to what is the most significant reform of the PAYE system since its introduction in 1960.

The report on our public consultation process was published in April 2017, and throughout the year we engaged extensively with key stakeholders. We held workshops with payroll professionals, tax practitioners, accountancy bodies, business representative bodies and payroll software developers. We also presented at representative bodies' annual conferences and large showcase events, and delivered several well attended webinars.

In December 2017, the Finance Act 2017 gave full legal effect to the move to real time PAYE reporting. For employers, it changes current end of year reporting practices and they will, from 1 January 2019, be required to report payroll data to Revenue each pay period. Employees will be able to view all the data employers report to us on their behalf.

The start of real time PAYE reporting from 1 January 2019 will result in improved accuracy and transparency for Revenue, employers and employees. It will reduce the administrative burden on employers, eliminating the need for forms P30, P45, P60 and end of year returns. It will ensure that ongoing employee tax deductions and contributions are correct.

## International

### Double Taxation Agreements

Throughout 2017, we continued work on the expansion of Ireland's tax treaty network through the negotiation of new Double Taxation Agreements (DTAs). By the end of the year negotiations had concluded for new DTAs with Azerbaijan, Ghana, Oman, Turkmenistan and Uruguay, with the process to sign and ratify these treaties underway.

Ireland has signed Double Taxation Agreements (DTAs) with 73 countries, covering Income Tax, Universal Social Charge, Corporation Tax and Capital Gains Tax.

### Competent Authority Function

When we enter into a tax treaty with another jurisdiction, we have a legal obligation to provide a competent authority function to resolve any disputes that may arise. During 2017, our engagement with the competent authorities of other countries to eliminate double taxation resulted in the completion of 12 cases, 11 of which relate to transfer pricing (attribution/allocation). This work involved Mutual Agreement Procedure (MAP) negotiations, provided for under our network of double taxation agreements and the EU Arbitration Convention (Table 25).

We held negotiations on bilateral Advance Pricing Agreements (APAs) with the competent authorities of other countries to determine in advance an agreed basis for transfer pricing between companies. These negotiations seek to prevent transfer pricing disputes arising (Table 26). The Base Erosion and Profit Shifting (BEPS) project has resulted in an increase in the number of MAPs and requests for APAs.

During 2017, substantial progress was made at both OECD and EU levels on mandatory disclosure by tax advisers and intermediaries of potentially aggressive tax planning schemes with a cross-border element. The model disclosure rules developed by OECD member countries were finalised and published by the OECD in March 2018.

## **Tax Dispute Resolution in the EU**

On 10 October 2017 the EU Council Directive on Tax Dispute Resolution Mechanisms in the European Union was adopted. This Directive strengthens the mechanisms for resolving disputes among Member States, arising from the interpretation and application of agreements and conventions providing for the elimination of double taxation. The deadline for transposition of the Directive into the domestic law is 30 June 2019.

## **Policy Advice, Statistics and Research**

We assist the Department of Finance with policy formulation. We provide technical advice, costings and statistical and economic analysis, and proposals for changes to the tax and duty codes. We recommend changes that will support tax compliance, simplify tax administration and optimise the provision of electronic services to our customers.

We have a long established close working relationship with the Department of Employment Affairs & Social Protection, which is overseen by a High Level Group of senior management of both organisations. The purpose of this Group is to deepen the strategic and operational interaction between the two organisations, including ongoing collaboration and communication on relevant matters.

We are participating in the inter-Departmental work on Brexit that is coordinated by the Department of Foreign Affairs and Trade. Our focus is on the fair and efficient implementation of possible tax and customs outcomes, post Brexit.

We participate in the formulation of EU policies and legislation and reflect Government policy at the World Customs Organisation (WCO). Key discussions during 2017 included the control of cash movements, control of cultural goods, customs cooperation on combating fraud, customs funding, governance of the Customs Union and the future of Customs IT developments.

We support the Department of Finance and are actively engaged in the discussions at both the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD) on international tax matters.

In December 2017, European Finance Ministers agreed the need for an effective and fair taxation system fit for the digital era and which recognises the importance of a global approach to the issue of digital taxation. We are actively engaged in this work both at EU and OECD level, together with our colleagues in the Department of Finance.

## Statistical and Economic Analysis

We provide statistical and economic analysis and costings to the Department of Finance, the Government and the Oireachtas. Statistics published online are in accessible and machine readable formats.



In December 2017, the CSO confirmed that Revenue's audited official statistics can be published under the Official Statistics quality mark as meeting quality standards and principles. This achievement represents a significant milestone for Revenue. The accreditation highlights and affirms the quality and consistency of the data we produce and provides independent assurance that the statistics Revenue delivers for the Government and for the public are open, transparent and of the highest quality.

A significant resource to facilitate the study and discussion of matters relating to fiscal economic and social policy is our Ready Reckoner. This tool is openly available and published on our website and illustrates the estimated impact on the Exchequer from changing rates, thresholds, bands and more, for almost all taxes and duties. The Ready Reckoner is updated pre and post Budget, based on the most recently available data on tax returns and receipts, and as such presents a best assessment of the impacts of potential or actual policy changes. In October 2017, Revenue's Ready Reckoner won a 'High Commendation' award from the Foundation for Fiscal Studies. At the same event, our colleague Paul Tancred received an award for his research paper on Corporation Tax receipts in 2014-2015.

## Revenue's Ready Reckoner

Revenue's Ready Reckoner has won an award from the Foundation for Fiscal Studies.

The Foundation for Fiscal Studies hosts an annual prize event to recognise outstanding contributors in the area of Irish fiscal policy. The aim is to recognise those who promote the study and discussion of matters relating to fiscal, economic and social policy. This forms an important part of the Foundation's overall objective of promoting understanding and knowledge in these areas.

The Foundation awarded a 'High Commendation' to the Ready Reckoner at its annual Miriam Hederman O'Brien Prize Giving on Monday 2 October 2017. The Ready Reckoner is available on Revenue's website. It presents a range of estimates for the impacts of policy changes across all of the major taxes. It is updated before and after every Budget to reflect the most recent changes.

Speaking at the event, Foundation Chairman Colm Kelly said of the Ready Reckoner: "Over the past few years the Revenue Commissioners have adopted a more open approach to the provision of policy relevant information on taxation changes and taxation reform. In particular, they now make a comprehensive ready reckoner available on their website so that all who are interested in the policy formation process can see the possible nature and cost of many taxation reform options."



*L to R: Mr. Colm Kelly and Chairman, Niall Cody*



*L to R: Mr. Colm Kelly & Mr. Paul Tancred*

At the same event, Revenue's Paul Tancred received an award for the Miriam Hederman O'Brien prize for his paper "An Analysis of Corporation Tax Receipts in 2014-2015". Foundation Chairman Colm Kelly said of the paper: "With the return to economic growth in recent years, much of the increases in tax receipts have been seen through higher Corporation Tax revenues. This research gives a basis for further research in the area as well as better understanding of the changes that took place in 2015."



## Civil Service Excellence and Innovation Awards Winner 2017 in the 'Citizen Impact' Category



*(L-R): Robert Watt, Secretary General of the Department of Public Expenditure and Reform, Charlene McGoohan, Maura Conneely, Siobhan Gerrard, Kathleen Redmond, the Minister for Finance & Public Expenditure and Reform, Paschal Donohoe TD & Leeann O'Kelly*

The 2017 Civil Service Excellence and Innovation Awards took place on 27 November in the Royal Hospital, Kilmainham, Dublin. The Minister for Finance and Public Expenditure and Reform, Paschal Donohoe, TD, was joined by the Secretary General of the Department of Public Expenditure & Reform, Robert Watt, to announce the winners of the 2017 Civil Service Excellence and Innovation Awards.

The 'Enhanced Online Services for Customers' project was the ultimate winner in the 'Citizen Impact' category.

Revenue's upgraded online services have a common design look, are intuitive to use, are accessible on all smart devices and make it easier than ever for customers to engage with us. This project included designing an extensive range of PAYE online services including a 'Jobs and Pensions' service to allow customers, particularly first time employees, to notify us of a new job, and a 'Manage your tax' and 'Review your tax' service which allows customers to manage their current year tax record and review prior tax years seamlessly.

These developments enabled us to withdraw our older PAYE Anytime service which was not fully compatible with smart devices. We also provided additional online services including the 'Help to Buy' online service for first time homebuyers and a 'Receipts Tracker' service, accessed via an app or desktop, allowing customers to keep track of their expenses, particularly health expenses, throughout the year. We also have the integrated 'MyGovID' service as an authentication option for myAccount.

# Confront Non-Compliance



## Foreign Income Assets Disclosures

**2,786** Disclosures with declared value of **€83.8m**

### Avoidance



**1,352** cases settled  
yield **€3.8m**

### Seizures

**15,268**  
Customs / Excise  
Seizures  
valued at  
**€81m**



## Debt Enforcement



No. of cases **37,423**  
yield **€212.4m**



### Publications

**289** cases published  
with settlements amounting to  
**€53m**

### Prosecutions



**24**  
Serious Evasion &  
Fraud Convictions  
**911**  
Summary Convictions

# Confront Non-Compliance

We protect Exchequer funds and support voluntary compliance by confronting and tackling non-compliance, in all its forms.

We deploy our data analytics capability and risk assessment systems to identify and target risk. The non-compliance behaviour of the customer determines the nature and potential severity of the intervention we undertake. Our interventions are risk based and range from light touch early interventions, to criminal prosecutions for serious tax and customs fraud.

In 2017, the yield from a total of 655,557 compliance interventions was €491.9 million. This included 5,220 audits, yielding €196.31 million (Table 13). We seized 3,692 kilos of drugs with an estimated street value of almost €60 million. We carried out 5,770 seizures of illicit tobacco products, valued at over €20 million, seized 95,021 litres of illicit alcohol valued at €0.9 million and seized 1,573 vehicles, for various offences (Tables 19 and 20).

In 2017, Revenue prosecutions resulted in Court fines totalling €2.44 million in 911 summary cases (Table 22), 732 civil penalties for non-filing of returns totalling €2.92 million (Table 23) and 24 criminal convictions for serious tax and customs fraud (Table 21). At the end of the year, there were a further criminal 27 cases before the Courts (Table 21).

## Audit and Compliance Interventions

The vast majority of our customers are voluntarily tax and duty compliant and meet their filing and payment obligations on time and submit accurate returns and declarations. We have a duty to ensure that there is a level playing field for all customers. We minimise the opportunities for those who might seek a competitive advantage through non-compliance by conducting an extensive programme of compliance checks each year.

We take a risk-based approach to compliance activity, targeting resources where the compliance risk is greatest and keeping any intrusion on compliant customers to a minimum. Our compliance programme is continually reviewed to take account of changes in the economic environment and evolving trade and commerce models. We can successfully deploy significant resources at short notice to tackle any emerging compliance risk.

In the last number of years we have made greater use of the extensive range of data sources available for risk assessment purposes. These sources include large datasets drawn from customer returns and declarations as well as from sources such as third party financial institutions, payment intermediaries and other Government agencies. We started to evaluate and apply data available to us under the automatic exchange programmes with foreign intermediaries and tax administrations during the year and will see an escalation of this during 2018.

The type of compliance intervention undertaken is determined by the risks identified and the nature of the customer behaviour. Interventions can include aspect queries, profile interviews, Revenue audits or investigations. 5,220 Revenue audits were completed in 2017 yielding €196.3 million. In addition, over 650,000 other compliance interventions were completed, ranging from checks on PAYE customers to risk checks on VAT repayment claims. Table 13 provides a detailed breakdown of all activity for 2017.

In 2017, our compliance activity focused, among others, on the rental, retail, medical consultants, agricultural and wholesale sectors. Details of sectoral compliance activity are set out in Table 16. Given its importance in the overall economy and its continued expansion since



the economic downturn in the latter years of the last decade, the construction sector featured prominently in our interventions. In 2017, the construction sector yielded €60.2m, representing 12% of the total yield from all interventions and an increase of 10% from 2016. Interventions mainly focused on the risks associated with the VAT reverse charge, the eRCT system, payroll taxes and site visits to projects in receipt of Government funding.

Our Medical Consultants compliance programme has been ongoing for two years. By the end of 2017, we had carried out 748 interventions as part of these investigations, with 612 cases closed, yielding €67 million in tax, interest and penalties. The yield for 2017 was €11.1 million relating to 61 consultants.

Greater emphasis is being placed on the use of computer assisted audit techniques as a method of choice for our caseworkers. These techniques enable detailed analysis of large volumes of electronic records held by customers rather than a manual examination of a small sample of these records.

Our programme of real time behaviour driven compliance interventions (RTIs) is an integral part of our compliance framework. This programme allows earlier detection of non-compliance, resolution of tax return and payment compliance issues and escalation of cases to audit or investigation as appropriate. In 2017, 1,763 RTIs were closed with a total yield of €3.4 million.

## **Publication of Tax Defaulters**

Section 1086 Taxes Consolidation Act, 1997 provides that Revenue publish Lists of Tax Defaulters in Iris Oifigiúil, within three months of the end of each quarter in which agreed settlements are reached or Penalty Determinations are made by the Courts. This is an important deterrent in our fight against tax non-compliance. In 2017, tax settlements amounting to €53m were agreed with 289 customers and were published. Tables 17 and 18 provide details of publications in 2017 including a breakdown by quarter and the most common sectors published.

## **Risk Assessment and Customer Segmentation**

We target our resources at the areas of highest risk, and increasingly our approach is based on sectoral segmentation. In 2016, we established seven 'Second Tier' Districts, to manage compliance of higher risk customers within certain sectors. Those Districts deal with cases that account for 26% of overall net receipts, totalling around €13.16 billion. During 2017, there was particular focus on the motor industry, large tax practitioner and legal firms, and Government Departments and Public Bodies.

### **Motor Sector**

This mainly comprises motor dealers, with some repair and maintenance services providers, motor factors and leasing or rental companies. By the end of 2017 more than 60 comprehensive case appraisals were underway or completed, 10 audits had been closed with audits ongoing in another 12 cases. The yield from closed interventions in 2017 was just over €2.4m.

### **Large Tax Practitioner and Legal Firms**

In the two years up to the end of December 2017, 57% of this sector was profiled and during 2017 there were 65 compliance interventions yielding €430,279.

## **Government Departments and Public Bodies**

This sector includes all Government Departments and certain colleges and hospitals. The yield in tax, interest and penalties from 21 compliance interventions in this sector in 2017 was €4.6 million.

## **Tackling Serious Tax and Duty Evasion and Fraud**

In an increasingly global and digital world, our data analytics capabilities, along with cooperation and collaboration at both national and international levels, are key to our effectiveness in investigating and prosecuting serious tax and duty evasion and fraud.

### **Exchange of Information (EOI)**

We have legislation in place to automatically exchange financial account information, including foreign bank account details and details of foreign investments, with over 100 jurisdictions. In September 2017, the first of these exchanges took place between Ireland and 50 jurisdictions. This provides us with information on accounts held abroad by Irish customers, which is cross-referenced with tax returns to ensure that all offshore assets and income are properly declared.

Large multinational enterprises (MNE) are required to file a Country-by-Country (CbC) Report that provides a breakdown of revenue, profits, taxes and other indicators of economic activities, for each tax jurisdiction in which the MNE group does business. We use this information in high-level transfer pricing risk assessments and to evaluate other BEPS-related risks. The first exchanges of CbC data between tax administrations are scheduled to take place in 2018.

In keeping with our continuing commitment to the international tax transparency agenda and in line with EU and the OECD initiatives to strengthen EOI between tax authorities in the area of tax rulings, we exchanged details of 32 opinions issued since 1 January 2017, and details of 319 older opinions were exchanged in December 2017.

### **EOI Peer Review**

In 2017, Ireland was the subject of a peer review by the Global Forum on Transparency and Exchange of Information for Tax Purposes, to determine our compliance with international standards in relation to transparency and sharing of information. The review involved engagement with other Government Departments and public bodies to demonstrate Ireland's comprehensive implementation of these standards. Ireland was found to be compliant in all ten elements. We are one of a very small number of jurisdictions to achieve this result showing that our regime is among the most transparent in the world. The report is published on the OECD website.

### **OECD Review on Implementation of BEPS Exchange of Rulings Framework**

During 2017, Ireland was reviewed by the OECD in respect of Revenue's implementation of the BEPS Action 5 exchange of rulings framework. Ireland was found to have met all aspects of the terms of reference and no recommendations were made.

## Mutual Assistance

Mutual Assistance (MA) is the exchange of information between EU Member States and other countries. We provide and benefit from MA arrangements through sharing information and in collaborative investigations.

In 2017, we received 1,841 MA requests from other countries and we made 881 requests (see Table 24).

## Suspicious Transactions Reports

During 2017, we processed 24,232 Suspicious Transaction Reports (STRs) from financial institutions and other designated bodies that are required by law to make such reports. This is an increase of 7.1% over 2016. In 2017, the yield from audit cases involving STRs was €5.5 million.

## Data Analytics

We play a key role in the OECD Forum on Tax Administration (FTA) Advanced Analytics Network. The forum reports on collaboration between the analytics functions of leading tax administrations and supports the work of OECD project groups. In May 2017, we hosted a two day international conference on advanced analytic techniques in tax administration. This was the third such conference jointly organised by Revenue and the OECD where 47 delegates from 25 tax administrations met, to share best practices on how to develop and resource an effective analytics function.

In 2017, we continued to invest in and develop our data analytics function, to help us to manage risk, address non-compliance and allocate our resources cost-effectively. We piloted a range of risk assessment models and developed new models to identify risk in the mineral oils, construction and property rental sectors.

## Inter-Agency Collaboration

We work closely with other agencies, nationally and internationally, to combat tax evasion, fraud, smuggling and other forms of criminality.

## National Collaboration

We have a close working relationship with An Garda Síochána, the Criminal Assets Bureau, the Naval Service and the Defence Forces. We participate in the Oversight Forum on Drugs, led by the Department of Health, which oversees the implementation of Government's National Drugs Strategy 2017-2024. We participate with representatives from business groups, trade unions and State agencies who have a common commitment to tackle the shadow economy, in the Hidden Economy Monitoring Group (HEMG).

We are represented on the National Waste Enforcement Steering Committee, under the aegis of the Department of Communications, Climate Action and Environment, which facilitates cooperation between public authorities in the field of waste enforcement.

Our Joint Investigation Units (JIUs) work closely with a number of Government Departments and other agencies including the Department of Employment Affairs and Social Protection (DEASP) Special Investigations Unit and the Workplace Relations Commission (WRC), to confront and disrupt shadow economy activities.

We coordinate the enforcement and interception of prohibited and restricted goods and products on behalf of our colleagues in the Department of Agriculture, Food and the Marine (DAFM), the Food Safety Authority of Ireland (FSAI), the Department of Jobs, Enterprise and Innovation, the Health Products Regulatory Authority (HPRA) and the Competition and Consumer Protection Commission. We collaborate with the Dublin Society for the Prevention of Cruelty to Animals (DSPCA) and other agencies in relation to the illegal trade of animals.

## **International Collaboration**

We also work closely with Her Majesty's Revenue and Customs (HMRC) and other law enforcement agencies in Northern Ireland. The cross jurisdictional Joint Agency Task Force (JATF) was established under the Fresh Start Agreement and one of its stated priority areas is fiscal fraud. Under this framework, we work with the Police Service of Northern Ireland, An Garda Síochána, HMRC, the Criminal Assets Bureau, and the National Crime Agency.

We investigate irregularities involving evasion of duty on imports into the EU, including common customs tariff, anti-dumping duty and countervailing duty. This work is mainly mandated to us by the European Anti-Fraud Office (OLAF) and involves for example, the investigation of suspected evasion of Anti-Dumping Duty, or misclassification and undervaluation of goods entering the EU through Ireland. During 2017 we received 34 requests from OLAF for action or investigation, and collected €348,181 in outstanding customs duty. We work closely with OLAF sharing intelligence and information. This includes participating in the EU Commission's expert group on the fight against illicit trade in tobacco, which was established in May 2017.

We are actively engaged with the EU's Customs Cooperation Working Party, Europol and the Maritime Analysis and Operations Centre (Narcotics) (MAOC-N) and have officers based in London, at Europol in The Hague and at MAOC-N in Lisbon.

We participated in a number of programmes under the European Multidisciplinary Platform Against Criminal Threats (EMPACT) which is managed by Europol and coordinated at national level by An Garda Síochána. We actively engage with the activities of the World Customs Organisation directed towards addressing the threats posed by fraud and smuggling.

The Passenger Name Record (PNR) Directive came into force in 2017, establishing a common legal framework for the processing and transfer of PNR data to assist in the prevention, detection, investigation and prosecution of terrorist offences and serious crime. We are members of the High Level Group on EU information-sharing systems in relation to Security, Immigration and Crime systems, chaired by the Department of Justice and Equality (DJE). This group is responsible for the implementation of the PNR Directive and Member States are required to bring into force the laws, regulations and administrative provisions necessary to comply with the Directive, by 25 May 2018.

## Targeting and Disrupting the Shadow Economy

Tackling shadow economy activity in all its forms continues to be a key priority.

### Joint Investigation Units (JIU)

In 2017, JIUs continued to prioritise the construction sector and participated in 855 construction site visits, interviewing 5,017 contractors, sub-contractors and employees on-site to make them aware of their compliance and other statutory obligations.

In cooperation with our colleagues in Department of Employment Affairs and Social Protection (DEASP) and the Workplace Relations Commission (WRC), we continue to pursue employers engaged in misclassification of employees. In 2017, 723 individuals were registered as new employees for PAYE and 484 sub-contractors were reclassified as employees.

### Smuggling, Drugs and Fiscal Fraud

During 2017, we continued to prioritise action against drug smuggling, smuggling of and trade in illicit tobacco and alcohol products and fuel fraud. We have invested significantly in the development of modern intelligence systems within a framework of close inter-agency and international cooperation.

#### Drugs

Revenue has primary responsibility for the prevention, detection, interception and seizure of controlled drugs intended to be smuggled or illegally imported to or exported from the State. During 2017, we made 6,064 seizures of 3,692 kilos of drugs with an estimated value of almost €60 million (Table 19).

We work closely with An Garda Síochána, particularly the Garda National Drugs and Organised Crime Bureau, in joint investigations and operations targeting the illegal importation, exportation, supply and distribution of controlled drugs. We participated in 41 such operations during the year.

#### Tobacco Products

Trade in illicit tobacco products represents a serious risk to the Exchequer, undermines health policy and funds organised crime. The 2017 Illegal Tobacco Products Research Survey conducted by IPSOS/MRBI for Revenue and the HSE National Tobacco Control Office shows that 13% of cigarette packs held by surveyed smokers are classified as illegal (an increase of 3 percentage points compared to 2016). The 2017 and earlier years' results are published on our [website](https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/tobacco-consumption-survey/index.aspx)<sup>5</sup>.

In 2017, we continued our extensive programme of enforcement action, targeting all parts of the supply chain. We seized more than 34 million cigarettes and 1,768 kilograms of other tobacco products with a retail value of more than €20 million, (Table 20) representing a potential loss to the Exchequer of over €16 million in tax and duty.

---

<sup>5</sup> <https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/tobacco-consumption-survey/index.aspx>.

## Alcohol

We target the supply and sale of illegal and counterfeit alcohol. Illicit trade in alcohol occurs through smuggling from countries with lower excise tax rates, illegally diverting untaxed alcohol on to the market, or the production of counterfeit alcohol. During 2017, Revenue seized 95,021 litres of illicit alcohol with an estimated value of €0.91 million.

In November we uncovered a large-scale counterfeit vodka production plant, processing denatured industrial alcohol. Vodka is the most commonly counterfeited alcohol and often contains high quantities of poisonous chemicals such as methanol and isopropyl alcohol. We seized 586 litres of finished vodka-type product that was bottled, sealed, labelled and boxed, along with 4,000 litres of raw alcohol product, which would produce in the region of 12,000 litres of vodka-type spirits. The illicit alcohol product in this plant represented a potential loss to the Exchequer of approximately €300,000.

## Fuel

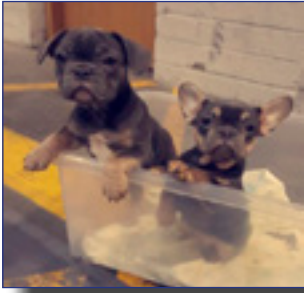
In recent years, we have implemented a comprehensive and successful strategy to tackle fuel fraud. Intensified enforcement against suspected fuel laundering operations on both sides of the border was accompanied by a new and strengthened licensing regime for different categories of oil traders, a monthly supply chain reporting regime to Revenue for mineral oil movements, a 'reckless trading' provision under excise law for oil traders, a new fiscal marker implemented jointly with the UK and new legal powers on the misuse of substitute fuels. We engaged extensively with the legitimate oil trade, which has adopted a code of business conduct, and the supply of low tax marked gas oils is now subject to customer due diligence procedures.

In January 2017, we conducted a second National Random Sampling Programme of auto fuel traders, testing for the presence of the new marker, and for the second year, no evidence of the marker was found. Although the available evidence to date indicates that the new marker cannot be laundered by conventional methods, we remain vigilant. A further sampling programme is currently underway which has been expanded to include hauliers and other businesses in the transport sector as well as auto fuel traders. While we welcome the effectiveness of the measures introduced over the last few years and the very positive outcome of the collaboration with HMRC, we are not complacent. We are alert to the resourcefulness of those involved in criminality in the fuel trade and are ready to respond to any new developments in this area.

## Cash Detention

We detain cash amounts of €1,000 or more which are suspected to be the proceeds of criminal activity, or intended for use in criminal conduct. When cash is detained, with the approval of the Courts, we investigate links to criminality. In 2017, Revenue got Court approval in 78 cases for investigation of cash amounts totalling €1.04 million. In cases where links to criminality are established, we apply to the Court for a forfeiture order. During the year, the Courts granted forfeiture orders in respect of 30 criminal cash seizures amounting to €74,718.

## Prohibited/Restricted and Counterfeit Goods



We enforce a range of prohibitions, restrictions and product safety regimes on behalf of other State Agencies, at the point of import or export, for example we collaborated closely with DSPCA and other agencies in Operation Delphin, to disrupt the illegal cross-border trade in pups. During 2017, we took custody of 33 pups being transported without pet passports and not microchipped, as required under the Animal Health and Welfare Act, 2013. All were passed to the DSPCA to be cared for.



## New Revenue mobile X-ray scanner targets smuggling



On 15 June 2017 at the New Custom House, Dublin Port, Chairman, Niall Cody, formally commissioned Revenue's new, state of the art, mobile x-ray scanner. The new scanner was part-funded by a grant of €750,000 from OLAF, the European Anti-Fraud Agency, under its Hercule III Programme. The Chairman, accompanied by his fellow Board members, Commissioners Liam Irwin and Gerry Harrahill, thanked OLAF for their financial support in the acquisition of the new scanner.

Acknowledging "increasingly agile and sophisticated" concealment techniques, the Chairman said that the new mobile scanner is the most powerful currently available on the market and uses imaging technology to analyse vehicles as well as shipping containers. It will enable Revenue "to identify suspicious consignments quickly and efficiently, with minimum impact on legitimate trade."

The launch was also attended by Garda Assistant Commissioner John O'Driscoll and army Commandant Michael Curran. The Chairman said that Revenue works at a national level in collaboration with An Garda Síochána, the Defence Forces and the Naval Service and engages at an international level in on-going actions aimed at intercepting and preventing drug trafficking, fuel fraud and the flow of smuggled tobacco and cash. The Chairman stressed the importance of inter-agency cooperation and thanked his colleagues, both domestic and international, for their continued support.

The Chairman spoke of a drug market that continues to be one of the most profitable areas for organised crime groups operating in the European Union and across the world and said that the illicit tobacco problem is also very much a global one. Referring to the effectiveness of inter-agency collaboration at national and international levels, the Chairman referred to our joint operation with An Garda Síochána earlier this year, which resulted in the seizure of herbal cannabis worth €37.5 million that had been destined for the Irish market.

Revenue's strategy is to target fiscal fraud, fuel fraud, and the supply of illicit drugs and tobacco products, with a view to disrupting the supply chain, seizing the illicit products and prosecuting those responsible. The new scanner is the latest tool in Revenue's fight against smuggling and was deployed in Dublin Port.



## Tackling Offshore Evasion

We recognise the serious risk to the Exchequer arising from the use of offshore accounts and structures to evade tax. In 2017, our yield from special investigations into offshore evasion was €87.4 million (Table 15) bringing our total yield to date to €2,900.06 million involving 38,206 cases.

Significant changes were introduced in Finance Act 2016 and since May 2017, tax defaulters who use offshore facilities to hide undeclared income, accounts, or other assets can no longer make a qualifying disclosure. This means that such defaulters face penalties of up to 100% of the tax evaded, publication in the Quarterly List of Tax Defaulters and potentially, criminal prosecution.

By the 4 May 2017 deadline for the Foreign Income and Assets Disclosure initiative, we received 2,786 disclosures, with a declared value of almost €84 million. Disclosures relating to pensions, bank accounts, shares and property between them accounted for 82% of the total. Disclosures were received in respect of undeclared assets worldwide. Just under 70% of the disclosures made related to four countries: United Kingdom (44%); United States of America (14%); France (7%); and Spain (5%).

On 17 November 2017, we confirmed that an inquiry was underway to identify and pursue customers engaged in offshore tax evasion and avoidance. This work is being progressed in close cooperation with the tax authorities in other jurisdictions and using the extensive information on the offshore assets and income of Irish residents that is now available through initiatives such as FATCA (an inter-governmental agreement to share financial account information with the United States), DAC (EU Directives on Administrative Cooperation) and CRS (the OECD's Common Reporting Standard).

## Tax Avoidance Schemes

Tax avoidance is the use of tax legislation, reliefs or allowances other than as intended, in order to reduce a tax liability. This is distinct from tax evasion, which is the illegal non-payment or underpayment of tax. It is our policy to actively challenge tax avoidance schemes which threaten tax yields and undermine the fairness of the tax system. We will always investigate and challenge such schemes and will litigate cases up to the High Court, Court of Appeal and the Supreme Court, if necessary. We are currently challenging 883 avoidance cases. In 2017, we settled 1,352 tax avoidance cases, 15 of which yielded settlements totalling €3.8 million, in tax, interest and penalties.

### Impact of Court Decisions

Decisions of the Court can significantly impact our tax avoidance casework.

#### *Revenue Commissioners v Hans Droog*

Of the 1,352 avoidance cases settled in 2017, 1,332 were closed following the Supreme Court's decision in the case of *Revenue Commissioners v Hans Droog*, in which it was successfully argued that time limits set out in legislation relating to the self-assessment system apply to anti-avoidance legislation. Acting on legal advice, as a result of that decision, in 2017 we;

- Closed 1,332 similar cases and will refund relief due, where tax relief had been denied. The amount refunded to date is €17.8 million.
- Closed a separate series of cases involving similar time limit issues, where claims for film

relief under section 481 of the Taxes Consolidation Act 1997 were under inquiry. We have allowed the relief claimed in 1,214 cases. We made refunds in 652 of these cases, with 19 cases still to be processed, and repaid tax and interest amounting to some €9.7 million. The enquiry also included 543 cases where tax assessments to withdraw the relief were appealed by customers. As no tax was paid in these cases no refund is due.

## **Decision of Court of Justice of the European Union (CJEU)**

In November 2017, the CJEU delivered a judgement on questions referred to it by the Irish Supreme Court, relating to an Irish VAT case (Cussens C251/16) and the application of the EU principle of prohibition of abuse of law. The CJEU confirmed that the EU principle of the prohibition of abuse of law is a general principle of EU law and is not derived from a directive.

This is significant because it sets a precedent in Irish law for the application of the EU principle of prohibition of abuse of law to be relied on to refuse a taxable person the right to exemption or relief from VAT, even in the absence of provisions in national law for such a refusal. The Supreme Court is expected to list this case for hearing in 2018, in order to finalise the case having regard to the CJEU decision.

## **Prosecutions**

In 2017, 24 criminal convictions for serious tax and duty evasion were secured before the Courts.

- 9 convictions for serious tax offences in which custodial sentences ranging from 7 months to three and a half years were imposed. Sentences were fully or partly suspended in 6 of these cases.
- 15 convictions for serious duty offences. Custodial sentences of up to 2 years were received in 5 cases, and 10 cases resulted in suspended custodial sentences.

At the end of 2017, 107 cases of serious evasion or fraud were under investigation and a further 27 cases were in the judicial system (Table 21).

## **Debt Enforcement**

To protect Exchequer funding, an effective debt collection and enforcement strategy is crucial, when customers refuse to comply with their tax and duty obligations. Each such case is assessed, to determine the most appropriate form of enforcement option i.e. Sheriff, Court action, or Attachment in the more egregious cases. Table 10 sets out the details of our 2017 collection enforcement programme.

## **Corporate and Personal Insolvency**

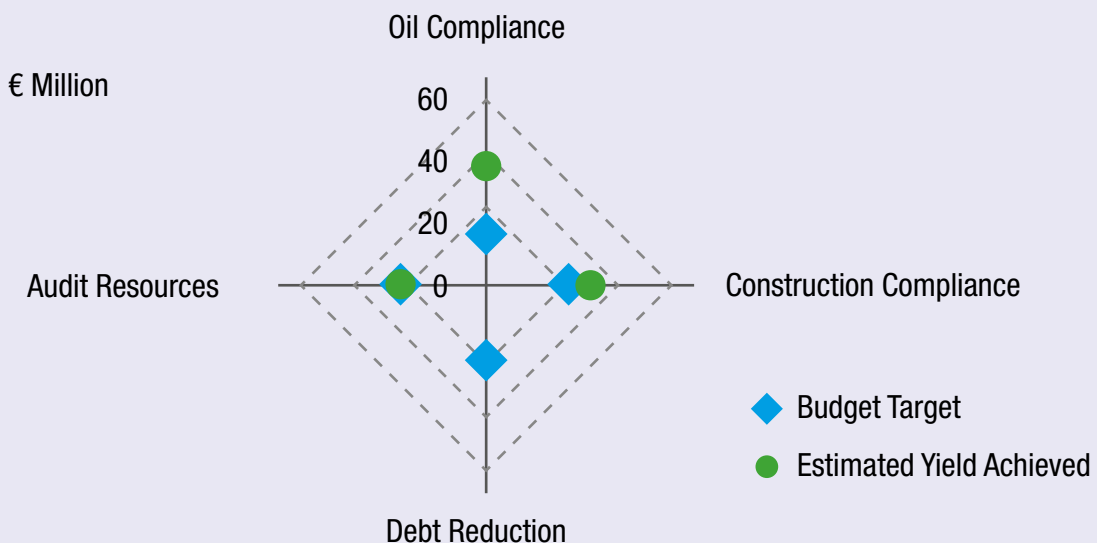
We initiated and supported corporate and personal insolvency action during 2017. We received 423 requests to participate in personal insolvency arrangements, up 13% on 2016. Of the proposed arrangements, 18 were withdrawn by customers or their representatives. We agreed to participate in 273 arrangements and declined to participate in 132, because insufficient or conflicting information was provided.

We continue to work closely with the Office of the Director of Corporate Enforcement to support investigations into suspected breaches of company law, and with the Official Assignee in support of the Bankruptcy process.

## Budget 2016 Compliance Measures Evaluation

Budget 2016 included a “compliance measures” item among the taxation policy changes: *The Office of the Revenue Commissioners has received new funding for increased audit and investigation activities, which will lead to improved compliance. This is supplemented by a new debt analysis tool, which will reduce tax arrears.*

These measures were projected at the time of the Budget (October 2015) to yield an additional €75 million to the Exchequer in 2016. Our research evaluates the yield from these measures. It is not possible to conclusively separate their impact from other actions taken by us, behavioural changes by customers and general economic activity. The analysis assesses the likely impact and indicates a range of outcomes that it is reasonable to attribute to the measures.



This analytical research indicates the target of €75 million for 2016 has been exceeded. Conservative estimates show the measures in total yielded between €120 million and €150 million in the year. Analysis for individual components shows:

- €35 million uplift from higher oil clearances, linked to Revenue compliance activities in oil, exceeding the €10 million Budget 2016 target.
- Revenue’s compliance initiatives in the construction sector contributed to increased revenues of €290 million. The Budget 2016 target was €20 million.
- The reduction in debt available for collection by €99 million in 2016 is primarily attributed to enhanced debt analysis systems. A conservative approach suggests an estimate of €56 million, more than double the €20 million Budget 2016 target.
- The average yield (based on 2016 performance data) for 50 trained staff working on audit is €26.4 million or other risk management interventions is €25.8 million. This indicates the Budget 2016 target (€25 million) is achieved.

A paper documenting these findings was presented to the Minister for Finance in October 2017 and published in the same month and can be accessed on: [http://www.budget.gov.ie/Budgets/2018/Documents/Evaluation\\_of\\_Budget\\_2016\\_Compliance\\_Measures.pdf](http://www.budget.gov.ie/Budgets/2018/Documents/Evaluation_of_Budget_2016_Compliance_Measures.pdf). Overall this research confirms that the estimates of yield by Revenue from the measures introduced in Budget 2016 have been delivered.

# Making it Work

## Staff Numbers

**6,372** Staff

**42** Locations



Male

**37%**



Female

**63%**

## Recruitment & Promotion

**546**

Staff recruited



**174** Internal  
Revenue  
Promotions

## Training & Development



## Females at Management levels



PO	<b>42.2%</b>
AP	<b>46.7%</b>
AO/HEO	<b>51.6%</b>

## Internal I.T. systems Certification



# Making it Work: Our Resources and Structure

As a large organisation with more than 6,000 staff in over 42 locations nationwide, our effectiveness is reliant on the skills, capability and professionalism of our staff, the flexibility of our structures, and our ability to harness innovation in technology and business practices.

We recognise the need to continuously build capability with recruitment, staff development and investment in training and in technology.

## Building and Retaining Internal Capacity, Talent and Leadership

### Workforce Planning and Recruitment

At the end of 2017 there were 6,372 people working in Revenue, equating to 6,007 full time equivalents.

We aim to be an employer of choice and to recruit individuals with a range of skills and expert knowledge, including but not restricted to taxation, computing, accounting, economics and statistics. We offer merit-based opportunities for advancement along a structured career path and a range of work-life balance options. The staff profiles in this Annual Report provide an insight into the variety and range of career opportunities available in Revenue.

During 2017, we appointed 546 staff from open recruitment and interdepartmental competitions. These comprised 6 Principal Officers, 49 Assistant Principals, 7 Solicitors, 38 Administrative Officers, 72 Higher Executive Officers, 1 Librarian, 158 Executive Officers, 212 Clerical Officers and 3 Service Officers.

### Revenue Skills Development Programmes

In February 2017, we launched a Skills and Qualifications application which allows staff to capture and update their formal education qualifications and skills and informs and supports our future workforce, training and development planning.

We value and encourage continuous professional development, offer a range of training programmes and provide financial support and sponsorship for certain academic programmes. Our mobility policy provides exposure to a wide variety of interesting roles and gives staff further opportunities to learn and apply their skills.

During 2017, our total direct expenditure on training and development was just over €8.6 million, representing 2.9% of payroll costs. We provided staff with 36,309 training days, an increase of 17% on 2016. This included training in leadership and management, technical tax, audit, analytics, customer service, and our Continuous Professional Development Programme (CPPD).

## Revenue Sponsored Professional Tax Programmes



*L to R: Des Fitzgerald (University of Limerick President), Theresa Curley & Chairman Niall Cody*

Our staff participated in recognised external training programmes through our partnerships with the University of Limerick (UL) and the Irish Tax Institute (ITI).

This year marked a milestone in our partnership with the University of Limerick, when Theresa Curley who works in our BMW Region, became the 1,000th graduate in the joint Revenue/University of Limerick programme.

The Class of 2017 included:

- 77 staff graduated with a UL Diploma in Applied Taxation and 24 were conferred with a BA (Hons) in Applied Taxation.



- 2 staff graduated with a UL Corporate MBA. 16 staff were awarded with UL Certificates of Study on successful completion of Revenue's new Customs Technical Training Programme, which was designed and developed by Revenue and is accredited by UL.
- 196 staff were awarded ITI tax qualifications, including Certificates in Income Tax and Payroll Compliance, Diplomas in Tax and Certificates in VAT and other indirect taxes.
- 68 staff were conferred with the ITI Tax Technician qualification (TMITI).
- 3 staff graduated as Chartered Tax Advisors.





### **Self-Directed Learning Programme**

We encourage staff to participate in training and self-directed learning that will fit with the demands of a busy work life. A variety of relevant online training courses and tutorials are available to all staff. We provide financial support to staff studying for a recognised academic or professional qualification in their own time, through our Refund of Fees scheme and corporate sponsorship.

### **Continuous Professional Development Framework (Information and Communications Technology (ICT) services)**

Our Statement of Strategy 2017-2019 and our ICT Strategy 2017-2019 commit to building and retaining internal capacity, talent and leadership to enable us to maintain our information technology capability at the highest standard.

In December 2016, we launched our Continuous Professional Development (CPD) framework for delivery of ICT enabled services. The framework is in line with the Public Service ICT Strategy 2015, which recognises the need to professionalise ICT as a critical measure for the future delivery of ICT enabled public services.

Our CDP framework for ICT includes programmes in development, test, infrastructure, programme management and a number of logistics related functions including procurement, financial and resource management and telephony.

The EU-hosted European Digital Skills Awards showcase initiatives that are original and can be scaled-up or replicated in other countries and sectors. Our CPD ICT framework made the finals in Category 3 (Digital Skills for ICT Professionals).

## Staff Profiles

Our staff are selected on foot of competitive, merit based appointment processes. We have been successful in attracting, recruiting and retaining the talented, committed and ambitious candidates needed to support tax compliance and confront non-compliance. In addition, we invest heavily in training our staff so that they develop the skills and experience needed to meet the many challenges Revenue faces in delivering a pro-active, agile, best in class tax administration now and into the future.

We offer opportunities for new and serving staff to develop their experience in professional areas such as Audit and Compliance; International Tax (including Transfer Pricing); Accountancy; Finance; Law; Data Analytics; Statistics; Risk Management; ICT; Human Resources and Customer Service. We work hard to ensure that our staff are coached and mentored and afforded opportunities to fulfil their potential.

### ***Lynda Kealey – Dog Handler, Enforcement, Rosslare Europort***

I joined Revenue in 2016 and was working in the 1890 customer service and compliance team in Waterford. I was successful in the customs enforcement competition and was assigned to Rosslare Europort. My role involved a number of varied duties from passenger profiling to freight examinations, working both indoor and outdoors.

I became a dog handler and was sent on an intensive training in Wales. I am now teamed with Flynn a lively springer spaniel who is trained for the detection of drugs and cash. Working with Flynn on a daily basis is an extremely rewarding role and brings something new to every day. We work closely with all our teams, with a common aim to detect and deter the unauthorised movement of cash and combat the smuggling of prohibited drugs. Flynn and I are responsible for searching foot passengers and their luggage, car searches and freight searches. Other operations can see us involved in rummage searches of warehouses and postal or delivery centres. Depending on operational requirements we can be deployed anywhere and to date Flynn and I have assisted An Garda Síochána in operations in the Wexford area.

As a Dog handler I have the opportunity to interact with people every day not only during live searches but on a public awareness platform. We visit schools and organised events demonstrating Flynn's skills and the value he brings to all the teams he works with.

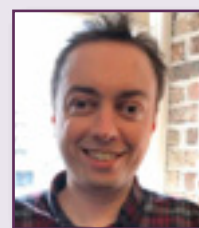


### ***Raymond Burke – Higher Executive Officer, Corporate Services Division (CSD)***

I joined Revenue in 2013 as a Temporary Clerical Officer in the Customer Service Unit of Large Cases Division (LCD). This was my first paid employment after college having lost my eyesight in 2008. I moved from Revenue to the Department of Social Protection where I was employed as an Executive Officer intern through the WAM (Willing, Able, Mentoring) Scheme.

In 2015 I returned to Revenue as a Clerical Officer working in Corporate Services Division (CSD) in Dublin Castle and was promoted to Executive Officer in 2016. I am currently based in the Workforce Planning and Deployment Unit of Corporate Services Division. Our team deals with a range of people-centred functions and my own areas of expertise include career breaks, staff mobility and staff reporting arrangements.

This role has provided me with excellent opportunities to interact with people across all divisions in Revenue, and also with the Department of Public Expenditure and Reform. I have been involved with the roll out of the Civil Service Mobility Scheme over the last year. In 2017 I was successful in the HEO competition and have recently been promoted, I will be remaining in Revenue.





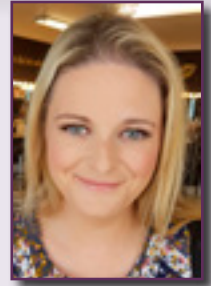
### **Anne Marie Hayden – Clerical Officer, Large Cases Division**

I joined Revenue in 2016 as a Clerical Officer and was assigned to Large Cases Division where my comprehensive training began. I began in-house tax training and this provided me with not only the knowledge in acquiring technical tax knowledge but helped me become more proficient in the Revenue IT systems.

In 2017 I was assigned to the Financial Services Banking District within Large Cases Division dealing with Section 110 companies, Banks and Aircraft Leasing Companies. The work is varied and involves duties on the 1890 telephone line; dealing with agents and business customers overseeing refunds and issuing letters of clearance for liquidations.

Revenue has encouraged and supported me to further my education and build on my skills by giving me the opportunity to undertake the Tax Technician course through the Irish Taxation Institute.

During my time in Revenue I have at times been met with strong challenges. These were overcome in no small part by the inherent support structure that we are all part of, both management and colleagues alike.



### **Marie McGuirk – Assistant Principal, Revenue Legislation Service - Personal Taxes Policy & Legislation Division**

Throughout my career, since joining Revenue in 1990, I have had various roles and been involved in numerous projects such as the PAYE Planning and Support Services in Planning Division to work on the PAYE Redesign project, projects that supported the successful implementation of the USC Cumulative project and the eForm 12 project etc. Working on these projects gives you an insight into Revenue processes.

In 2007 I was promoted to HEO, in 2014 I was assigned to the Joint Investigation Unit (JIU) in the East and South-East region. My role was to carry out compliance interventions into tax and PRSI non-compliance and fraud, determining the employment status of workers and to address areas where information suggests shadow economy activity exists. Confronting non-compliance and working alongside other Departments and agencies is both challenging and interesting. It allowed me to develop and maintain a strong network of contacts within Revenue and across the broader Public Sector.

In 2014 I was promoted to Assistant Principal in Revenue Legislative Service. My role in Personal Taxes Branch includes answering PQ's and press queries and interpreting complex tax queries from the Regions and practitioners. My duties also include drafting legislation for the annual Finance Bill and associated Statutory Instruments, providing input to tax policy matters including advice for the Department of Finance on Finance Bill proposals. Most recently I was involved in drafting the legislation for the new PAYE Modernisation project, drawing on the knowledge I had acquired during my entire Revenue career.

The in-depth knowledge I have acquired gives me a greater understanding of the wider impact of decisions affecting customers, internal caseworkers, systems developers and policy makers.



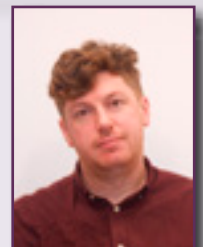
### **Gavin Elsted – Clerical Officer, Planning Division**

I joined Revenue in 2015 as a Clerical Officer and was assigned to Customer Services in East/South East Division. In this position, I dealt with enquiries and correspondence from self-assessed customers. This provided me with valuable insight into the Income Tax system.

I was transferred to the Customer Systems Support team for PAYE and Business Taxes in Planning Division in April 2016. I was responsible for the testing of changes to the customer services system. I also maintained the database on the First Time Buyers refund of DIRT.

This ensured quick and accurate turnaround in the provision of information by Revenue of how the refund was operating.

I am now part of the Change Management Team for PAYE Modernisation. I am responsible for assisting with the scheduling and compilation of information for presentations around the implementation of PAYE Modernisation.



### ***Daniel Keogh – Executive Officer Enforcement, Dublin Port District***

I joined Revenue as a Clerical Officer in 2007 and was appointed to a VAT repayments Unit. In June 2013 I joined Customs Enforcement and was appointed to the Revenue Anti Evasion Team in Cork. My role entailed planning surveillance operations, searches of premises, Mineral Gas Oil (MGO) and Vehicle Registration Tax (VRT) checkpoints, attending Court hearings and giving evidence in Court. I received surveillance training in the UK and helped establish the Covert Surveillance Unit (CSU) within the South West Region.

In January 2016 I was promoted to Executive Officer and in 2017 was successful in the Executive Officer role in Customs Enforcement, Dublin Port District, Frontier Team.

My role is to detect, intercept and seize smuggled goods such as drugs, firearms, illicit tobacco, alcohol and counterfeit products. I achieve this by targeting the movement of people and goods coming in and out of Dublin Port. We have a number of tools available to us such as the x-ray scanner which is deployed on a regular basis. We also work closely with canine teams to assist in detection of smuggled goods.

My position in Revenue has provided me with many opportunities for further advancement and career progression within a team working environment. My career in Revenue so far has been varied, rewarding, team focussed and fulfilling. Revenue invests heavily in training and mentoring and this investment has benefitted me in my career to date.



### ***Rafal Saniternik – Assistant Principal, Revenue Legislation Service***

I came to Ireland from Poland in 2005 as a student for a summer break and ended up staying. I joined Revenue in 2014 on promotion to A.O. from the Internal Audit Unit of the Department of Enterprise, Trade and Employment.

I was assigned to Corporation Tax Branch, Revenue Legislation Services (RLS) and in 2017 was appointed to Assistant Principal Officer and remained in the same area. My work is diverse with many interesting aspects to it and includes the provision of high quality, clear and comprehensive policy advice to the Department of Finance and the drafting of clear and robust legislation. I provide timely support and engage with Large Cases Division and Revenue Technical Services on legislative interpretation queries - mainly in areas such as loss relief, group relief and permanent establishments. I review and update the relevant sections of the Tax and Duty Manuals and I analyse Court of Justice of the European Union preliminary reference cases with relevance to Corporation Tax.

Additionally, I have the opportunity to gain experience in other challenging areas, for example, I recently participated in Revenue's Partnership Intensive Group on Employee Engagement & Involvement.

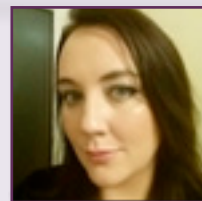


### ***Noelle Breen – Executive Officer, Revenue Solicitor's Division***

I began working in the Revenue Solicitor's Division in September, 2006, as a Clerical Officer. In 2011 I was reassigned to the Legal Research Team where I gained invaluable experience researching and compiling reports on various legal issues. I also had significant involvement in the development and implementation of a Basic Law Training Course and the Appeals Training Course across Revenue.

I obtained a Certificate in Public Law and am currently on the Revenue's Trainee Solicitor Programme which I will complete next year.

I am currently assigned to the Commercial and Litigation Team. The main area of my work is targeting non-compliance in respect of commercial entities and I manage company restorations, liquidations and examinerships in the Courts. I enjoy the challenging legal work in the Revenue Solicitor's Office.



### ***Therese Whitty – Executive Officer, Planning Division***

I joined Revenue in 2001 as a Clerical Officer and was assigned to Manpower Planning and Recruitment Unit in Personnel. I worked in the Transfers Unit facilitating internal and external transfers for Revenue staff members, as well as staff from other Departments wishing to transfer into Revenue.

In 2007 I moved to High Wealth Individual's Branch in Large Cases Division working on various projects and meeting tight deadlines on press queries, parliamentary questions and statistics.

In 2012 I was assigned to Planning Division on promotion working on the Local Property Tax Project. This work provided me with a varied experience on every aspect involved in setting up a new tax, project management and Revenue's internal IT systems. I learned so much about many aspects of Revenue's work during my time on this project and particularly found the project management aspect of this work interesting and challenging.

After the successful implementation of the LPT Project I moved to the Business Project Management Unit where I am responsible for ensuring benefits are realised for major Projects in Revenue as well as assisting in the project management of various projects. This work provides me with an overview of all of the ongoing and new projects/initiatives occurring in Revenue.

I have completed project management training. I have been given many opportunities to develop my knowledge and challenge myself during my time in Revenue.

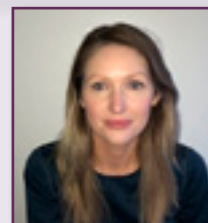


### ***Elaine Forde – Assistant Principal, BMW Region***

I joined Revenue in 2013 as an Administrative Officer (A.O.) and was assigned to an Audit Team in the Galway/Roscommon District and subsequently to a full time role coaching and mentoring new recruits.

My work as an A.O. has been varied and challenging. My responsibilities have included case selection, completion of audits and other interventions, analysing technical queries, managing staff and mentoring new entrants. This position has enabled me to develop my tax expertise and management skills and gain invaluable knowledge from more experienced colleagues.

I have recently been promoted to the position of Assistant Principal and am currently an audit manager with responsibility for 10 auditors. My role involves managing the workload and performance of the team, ensuring completion of quality audits and other compliance interventions. I provide guidance to my staff in relation to all aspects of their work and address their training and development needs.



### ***Tom Quirke – Assistant Principal, 2nd Tier District, Cork***

I started work in Revenue in 2007 as an Executive officer in Cork and was assigned to the Regional Office where I was fortunate to work on a number of interesting projects.

In 2010 I joined a caseworking district and commenced the Revenue Degree programme where I graduated with a BA in Applied Taxation from UL. Following this I also undertook the Chartered Tax Advisor exams with the Irish Tax Institute.

I was promoted to Higher Executive Officer in 2014 and promoted to Assistant Principal Officer in 2017. My current role as an audit manager in the 2nd Tier District involves dealing with a wide variety of customers in the SME and multinational sphere. My team has responsibility for both service for compliance and caseworking duties and interact on a daily basis with customers and agents. The work is varied and interesting and involves interaction with a wide range of colleagues across the organisation and I represent my district on knowledge sharing networks.

During my time in Revenue I have received every support in obtaining the necessary training both internally and externally to enhance my capabilities. The work, whilst challenging, is very rewarding and there is a great team ethos in the organisation with plenty of opportunities for advancement.





## WCO Awards 2017



On 25 January, Customs Administrations throughout the world celebrated International Customs Day marking the anniversary of the first meeting of the World Customs Organisation (WCO) in 1953. It was an opportunity to reflect on the changing role of Customs and also to recognise the outstanding contributions and achievements of our officers by presenting WCO awards.

The theme of the 2017 awards was 'A Secure Business Environment for Economic Development'. The guest speaker was Dr Pat Ivory, Director of EU and International Affairs, IBEC. WCO Certificates of Merit were presented to four individual staff members and 12 teams that had earned special commendation for their outstanding contributions to Irish Customs. All the winners demonstrated initiative and commitment to Revenue's mission. Their efforts reflected the focus of the Revenue Customs Service on facilitating business customers and deterring criminal activity.

Certificates of Study from the University of Limerick (UL) were presented to 16 staff members following their successful completion of our new Customs Technical Training Programme. The programme was designed and developed by us and is accredited by UL.

## Deepening Employee Engagement, Communication and Innovation

We are strongly committed to improving employee engagement at all levels. In 2017 we launched our Employee Engagement Charter which outlines a series of commitments to support a positive working environment and an engaged workforce.

During 2017, the Board attended 63 Town Hall sessions nationwide, providing an opportunity for every staff member to discuss issues directly with the three Board members, and to share ideas and perspectives on the future of Revenue.

In September 2017, Professor Ciarán O'Boyle, the Director of the Institute of Leadership in the Royal College of Surgeons of Ireland, presented on and facilitated discussion around Leadership and Employee Engagement at Revenue's Senior Management Conference.

## Equality and Human Rights

We are committed to ensuring that there is a culture of respect for human rights and equality among our staff and towards our customers.

### Public Sector Duty

We conducted an assessment of human rights and equality issues relevant to our role and we are satisfied that we are fulfilling our public sector duty obligation as set out in the Irish Human Rights and Equality Commission Act 2014. To further embed and promote human rights and equality principles, we have published our plan, Public Sector Duty - Revenue's Action Plan 2018 - 2020 on our website.

During 2017, in conjunction with the Irish Human Rights and Equality Commission, we developed and rolled out new training courses on human rights and equality, and on unconscious bias.

### Gender Balance

We are fully committed to equality and support government initiatives to improve gender balance at all levels, particularly at senior level, where women are under-represented.

The gender balance at senior management level has improved over the last five years. At the end of 2017, 42% of our Principal Officers and 47% of our Assistant Principal Officers were female. This compares to 28% and 34% respectively at end of 2012. We still have progress to make to achieve gender equality, particularly given the overall proportion of female staff (63%) in Revenue. We will continue to be proactive in this area.

### Disability

In 2017, just over 4% of our workforce identified as having a disability, above the 3% minimum target of the Civil Service Code on Employment of People with Disability. We had four graduates from the Willing, Able, Mentoring (WAM) programme employed on a contract basis. This is a paid work placement programme for graduates with disabilities, run by the Association for Higher Education Access & Disability (AHEAD), and aims to promote access to the labour market for graduates with disabilities and build the capacity of employers in both the public and private sectors to integrate disability into the mainstream workplace. WAM placements typically last for 6 months.



*Lianne Quigley, Chairperson of the Irish Deaf Society presenting the awards to Revenue's (L to R) Jonathan Griffin, Brian Keenan & Linda Walsh*

In 2017 Revenue won an award at the WAM Leader Awards, which recognise companies and Departments who support and promote the employment of graduates with disabilities.

## Civil Service Renewal

We play an active role in the ongoing implementation of the Civil Service Renewal Plan and are represented on the Civil Service Management Board by Chairman, Niall Cody, who is also a member of the Accountability Board for the Civil Service. Some achievements in 2017 include:

- The launch of OneLearning, a Civil Service Shared Learning and Development Centre, which is co-sponsored by Chairman, Niall Cody.
- Four Revenue projects were shortlisted for Civil Service Excellence and Innovation Awards, which showcase examples of best practice and innovation in Government Departments. Our project 'Enhanced online service for customers' was the winner in the 'Citizen Impact' category.
- Active participation in cross-Departmental reform groups including the Public Sector 2020 Reform Project Board, the Learning and Development Project Working Group, National Shared Services Governance Groups, and the Financial Management Shared Services Programme Board.
- We improved our data collection and management to fulfil our commitments under the Open Government National Action Plan and were accredited with the official statistics quality mark.



*L to R: Mark Griffin, David Cagney, Niall Cody & Dr. Lucy Fallon-Byrne*

In September 2017, we hosted a Civil Service Renewal Town Hall meeting in Dublin Castle. The panel comprised Chairman Niall Cody, Mark Griffin, (Secretary General, Department of Communications, Climate Action and Environment), David Cagney, (Chief Human Resources Officer, Department of Public Expenditure and Reform) and Dr Lucy Fallon-Byrne, (Director of Public Service Reform, Department of Public Expenditure and Reform).

## Government Programmes and Cross-Departmental Activities

We collaborate with and support our colleagues in other Government Departments to implement the programme of reform across the civil service and public sector.

We support the key objectives of Office of the Government Chief Information Officer (OGCIO) and the Office of Government Procurement (OGP), and are committed to deliver on the overall Government ICT Strategy. We are represented and actively engage in each of the subgroups set up by the OGCI0 to drive the implementation of the five pillars of the Public Service ICT

strategy. We are represented on the OGP's category councils, which oversee procurement frameworks and contracts to ensure better value and sustainable savings are delivered for our citizens. We are also involved in the technical and functional steering groups for the Financial Management Shared Services project.

We actively support the Department of Public Expenditure and Reform's Project Management Leaders and Advisory Service (PMLAS). In 2017, as part of this group we assisted in the creation of the Project Management Handbook for the Civil Service and established a Project Managers' Network, aimed at both ensuring best practice and knowledge sharing across the Civil Service.

### **Progressing the Public Service ICT Strategy**

We continue to actively engage with a number of interdepartmental groups established by the Office of the Government Chief Information Officer to advance the thinking and implementation of the Public Service ICT Strategy. We have the lead role in the Build to Share initiative, which will see the Public Sector move to a more integrated and shared infrastructure model – including the Financial Management Shared Service project.

### **Unique Business Identifier (UBI) Working Group**

We chair an inter-Departmental group examining the options for developing a Unique Business Identifier (UBI) for all business customers in Ireland, to deliver greater efficiency in the provision of public services. Under the National Data Infrastructure which is a key component of Ireland's Open Data Strategy 2017-2022, this group also comprises the OGCIO, the Central Statistics Office (CSO), the Companies Registration Office (CRO), the Department of Agriculture, Food and Marine (DAFM), the Department of Business, Enterprise and Innovation (DBEI) and the Department of Employment Affairs and Social Protection (DEASP).

### **Central Statistics Office (CSO) – Revenue Liaison Group**

We meet regularly with the CSO to discuss issues of mutual interest. During 2017, the assignment of a Senior Statistician from the CSO to work with Revenue's Data Analytics team was facilitated.

### **Shared Services Initiatives**

We continue to provide IT services and support to other Government Departments. This includes the provision of hosting services, storage, data security and printing services.



# Information and Communications Technology

## Strategy

Our ICT Strategy (2017-2019) is based on five key principles and supports the two pillars of our Statement of Strategy, 'service for compliance' and 'tackling non-compliance':

- ✓ **S**ecurity of our systems and service to ensure the integrity and privacy of our customer's data.
- ✓ **M**aintenance of high quality 24/7 services to all its customers, both internally and externally, to support compliance goals.
- ✓ **A**dvancing the modernisation programme for existing applications and continuing to develop a new line of business systems.
- ✓ **R**efreshing our technology stack on an ongoing basis, adopting new beneficial technology and retiring older, costly and hard to maintain technologies.
- ✓ **T**raining and developing IT staff using a Continuous Professional Development Framework.

## Cyber Security

We continue to employ the latest technologies to protect against the increasing threat of a cyber security attack.

In 2017 we retained our ISO 27001 certification which sets out the requirements of information security management systems relating to information and cyber security and offers a comprehensive set of controls, based on best practice in information security. Revenue is also certified to ISO 22301 standard. This is the international standard for business continuity to protect against, reduce the likelihood of, and ensure business systems recovery from disruptive events.

## Accessibility

In 2017, we continued to develop our suite of IT applications in line with Web Content Accessibility Guidelines (WCAG) 2.0, as set out by the World Wide Web Consortium (W3C). The W3C Web Accessibility Initiative produces the guidelines that are the internationally recognised benchmark of accessibility.

## Project Delivery Standards

In 2017, we achieved ISO29119 certification for our software testing standards. ISO/IEC/IEEE 29119 Software Testing is an internationally agreed set of standards for software testing that can be used within any software development life cycle or organisation.

# Governance

The Revenue Board comprises three Commissioners, appointed by the Taoiseach, one of whom is appointed by the Minister for Finance as Chairman. The Board has statutory responsibility to carry out its functions. Our governance structures are designed to enable us to achieve our strategic goals, deliver our business programmes cost-effectively, and meet all our regulatory requirements. Our Corporate Governance Framework is updated regularly and published on our website<sup>6</sup>.

It sets out the framework of principles, structures and processes that govern and guide the way we do business. It dictates the shared philosophy, practices and culture within Revenue, which along with our structures and arrangements determine how we deliver on our Mission and ensure quality outcomes.

Our Statement of Strategy 2017-2019 was published on our website<sup>7</sup> in December 2016.

## Managing Corporate Risk

During 2017, our Risk Management Committee actively monitored and updated our Corporate Risk Framework to ensure that appropriate actions were taken to mitigate risks that could impact on the achievement of our corporate objectives.

## Internal Audit

Internal Audit Branch provides independent objective assurance that the systems, processes and procedures that underpin Revenue's operational activities are properly and effectively managed, and recommend appropriate corrective measures where necessary.

The annual internal audit programme is informed by the Internal Audit Universe, Revenue's Corporate Risk Register and Revenue's Risk Management Framework. In 2017, 31 audits, comprising 19 internal audits and 12 follow-up audits were completed.

## Audit Committee

The Audit Committee oversees the Internal Audit function in Revenue and advises the Board in relation to its operation and development. The Committee assesses governance arrangements including those related to risk management and internal controls. The Committee met 5 times in 2017.

## Audit Committee Membership

- Gerry Kearney, Chairperson of the Committee, former Secretary-General of the Department of Community, Rural and Gaeltacht Affairs.
- Barbara Flood, Professor of Accounting and Deputy Dean at Dublin City University Business School.
- Richard Murphy, Principal Auditor, Local Government Audit Service, Department of Environment, Community and Local Government.
- Gerard Moran, Assistant Secretary, Indirect Taxes Division, Revenue.

<sup>6</sup> [www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf](http://www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf).

<sup>7</sup> [www.revenue.ie/en/corporate/documents/governance/sos-2017-2019.pdf](http://www.revenue.ie/en/corporate/documents/governance/sos-2017-2019.pdf)

## Protected Disclosures Act 2014

We foster an appropriate environment for addressing concerns relating to potential wrongdoing in the workplace and provide the necessary support for staff that raise genuine concerns. The Director of Internal Audit in Revenue is a 'prescribed person' to receive disclosures from employees. The 'Revenue Policy on Protected Disclosure Reporting in the Workplace' is published on our website<sup>8</sup>. No protected disclosures were received during 2017.

## Ethics, Standards and Behaviour

All Revenue officials adhere to the principles, standards and values set out in the Revenue Code of Ethics and The Civil Service Code of Standards and Behaviour. In 2017, staff at Assistant Principal level and above, as well as officials in certain designated positions, submitted a Statement of Interests under the Ethics in Public Office Acts 1995 and 2001.

## Regulation of Lobbying Act 2015

In accordance with Section 6(4) of the Regulation of Lobbying Act 2015 the names, grades and brief details of the role/responsibilities of the "Designated Public Officials" in Revenue are published on our website<sup>9</sup>.

## Data Protection

We protect the integrity of data supplied to us by our customers and third parties. In 2017 we continued to increase awareness of and improve compliance with data protection in Revenue and by the end of 2017 over 1,600 staff had attended Data Protection Awareness presentations.

We continued with preparations to ensure full and timely compliance with the new EU General Data Protection Regulations (GDPR), which comes into effect in May 2018.

## Freedom of Information (FOI)

In 2017, we received 342 FOI requests, an increase of 15% over 2016 (Table 27) and we continue to work with the DPER to ensure the efficient and effective operation of the Freedom of Information Act 2014 in Revenue.

## Complaints

Customers 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. In 2017, we received two requests for internal review, and 15 for external reviews (Table 28).

The Ombudsman received and finalised 66 complaints relating to Revenue (Table 29).

## Business Project Management

Our Business Project Management Unit provides advice and support on project governance and management within Revenue. It ensures that the planned operational and business benefits from major business and ICT projects are monitored and reported accurately over time.

---

<sup>8</sup> [www.revenue.ie/en/corporate/statutory-obligations/protected-disclosures/protected-disclosure.pdf](http://www.revenue.ie/en/corporate/statutory-obligations/protected-disclosures/protected-disclosure.pdf)

<sup>9</sup> [www.revenue.ie/en/corporate/statutory-obligations/regulation-of-lobbying-act/designated-officers.aspx](http://www.revenue.ie/en/corporate/statutory-obligations/regulation-of-lobbying-act/designated-officers.aspx)

## Oireachtas Committees

In 2017, the Chairman and Revenue officials appeared before a number of Oireachtas Committees, including the Committee of Public Accounts, the Select Committee on Budgetary Oversight and the Joint and Select Committees on Finance, Public Expenditure and Reform, and Taoiseach.

## Other Governance Matters in 2017

- Cost of Administration as a percentage of Gross Collection was 0.77%.
- We are compliant with Prompt Payment of Accounts Act 1997 and the European Communities (Late Payment in Commercial Transactions) Regulations 2002 (Table 30). Our Prompt Payment Returns are published on our website. 94% of all payments were made within 15 days.
- We provided responses to 1015 Parliamentary Questions and 206 Representations from Public Representatives (plus an additional 101 that the Minister referred to Revenue for reply).
- We continued our commitment to energy saving in the workplace. We strengthened our involvement in the OPW Energy Awareness Campaign 'Optimising Power @ Work'. Currently there are Energy Teams operating in 41 of our offices and are examining the feasibility of acquiring an ISO 50001 accreditation for energy management.

## Senior Management Changes

Commissioner Liam Irwin retired from the Board on 31 January 2018.

Following a Top Level Appointments Commission (TLAC) competition, the Taoiseach, Mr. Leo Varadkar, TD, appointed Michael Gladney as Revenue Commissioner and he took up his position on 5 February 2018.

# Financial Management

Each year Revenue prepares and submits the Account of the Receipt of Revenue of the State collected by The Revenue Commissioners and the Appropriation Account of the expenditure for the Office of the Revenue Commissioners to the Comptroller and Auditor General for audit.

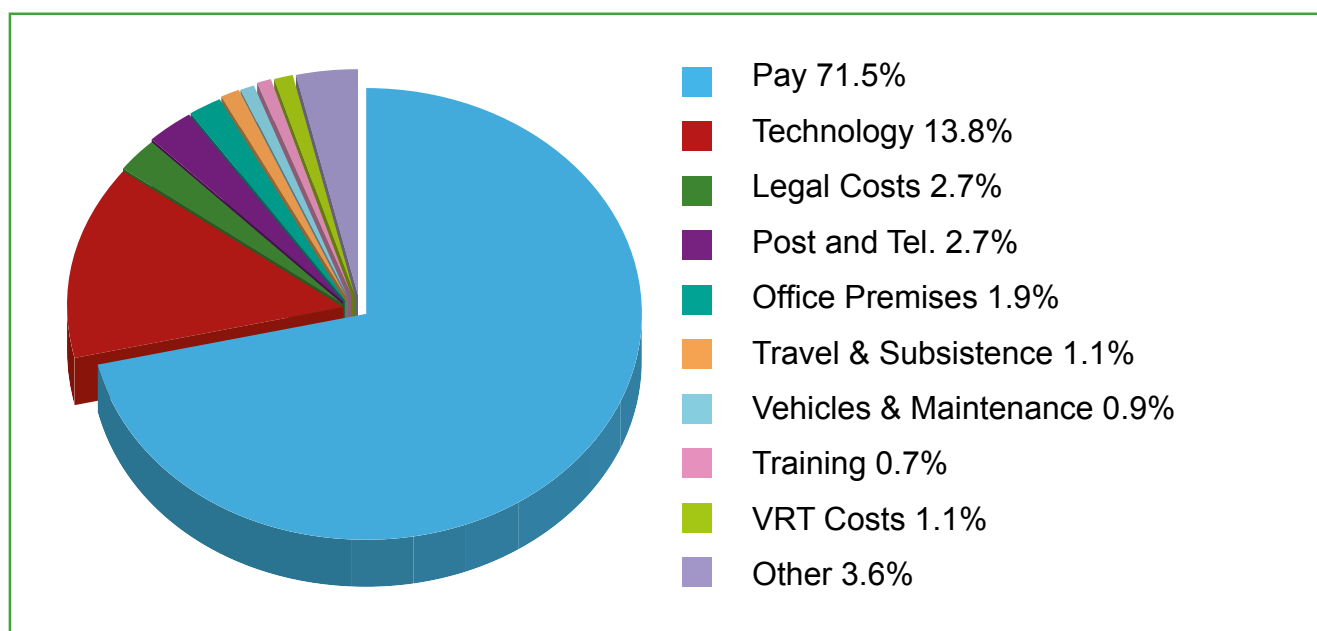
The audited Account of the Receipt of the Revenue of the State collected by Revenue for 2017 is presented to the Oireachtas at the same time as this Annual Report. It will be published online as Section 2 of the Annual Report on [www.revenue.ie](http://www.revenue.ie). The gross and net collection figures are available at Tables 1 and 2 respectively in this Report.

The Appropriation Account of the amount expended by Revenue in relation to salaries and expenses in the year ended 31 December 2017 has been submitted to the Comptroller and Auditor within the statutory timeline. In accordance with the Comptroller and Auditor General (Amendment) Act 1993, the audited account will be published by September in the *Report on the Accounts of the Public Services*. The account will be published and available at [www.audgen.gov.ie](http://www.audgen.gov.ie).

## Financial Performance

In 2017 Revenue's expenditure on the administration and collection of taxes and duties and frontier management amounted to €411m. Revenue received Appropriations in Aid of €71m in 2017, mainly from receipts for services relating to PRSI and a share of Customs duties collected from the Single Authorisation for Simplified Procedures. This was almost €3m more than expected. As a result a surplus of just over €3m was surrendered to the Exchequer.

## Gross Expenditure 2017



# Revenue Management Committee at Assistant Secretary Level



**John Barron**  
**Information, Communications Technology and Logistics Division**

Information and communications technology services and through innovation, adaptability and new advances in technology. Also responsible for management and delivery of logistical services central to running Revenue.



**Brian Boyle**  
**Personal Taxes Policy and Legislation Division**

Development of personal tax and capital taxes policy at national and EU level and responsible for managing policy, legislation and interpretation functions for personal and capital taxes (excluding capital gains tax).



**Philip Brennan**  
**Dublin Region**

Management and development of service, compliance and audit functions relating to customers resident in and business customers managed and controlled in Dublin City and County. Also responsible for the National Stamp Duty office.



**Tony Buckley**  
**Corporate Affairs and Customs Division**

Development of policy, legislation and international functions for Customs. Also responsible for developing Revenue's corporate strategy, performance measurement and reporting, communications, statistics and economic research functions.



**Eugene Creighton**  
**Large Cases Division**

Management and development of service, compliance and audit functions relating to the largest business customers and wealthiest individuals in the State. Also responsible for challenging tax avoidance transactions using the General Anti-Avoidance Rule.



**Paul Dempsey**  
**Corporate Services and Accountant General's Division**

Revenue's human resource management strategies, financial and information management, corporate reform and internal audit functions. Also the Accountant General, responsible for the accounting and reporting of all taxes and duties collected by Revenue and associated banking functions.



**Joe Howley**  
**Collector General's Division**

Collection and lodgement of the major taxes and for the development and implementation of debt management programmes. Also responsible for developing compliance interventions to maximise timely compliance and deploying enforcement programmes for those who fail to comply.



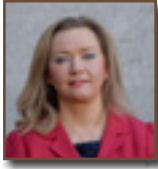
**Gerry Howard**  
**Business Taxes Policy and Legislation Division**

Policy, legislation and interpretation functions for corporation tax, incentives and financial services (including Capital Gains Tax).



**Vacancy**  
**Border Midlands West (BMW) Region**

Management and development of service, compliance and audit functions relating to customers resident in and business customers managed and controlled in the BMW Region. Also responsible for the Central Repayments Office, VIMA (including VAT MOSS), the National Prosecutions & Seizures Office and the ROS Helpdesk national functions.



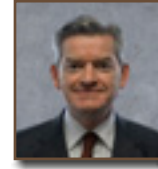
**Marie-Claire Maney**  
**Revenue**  
**Solicitors Division**  
**Investigations**  
**and Prosecutions**  
**Division**

Comprehensive legal support services including the conduct of litigation and appeals and the prosecution of criminal offences and responsible for the management, development and co-ordination of Revenue's investigations and prosecution activity.



**Gerard Moran**  
**Indirect Taxes,**  
**Policy and**  
**Legislation Division**

Development of indirect tax policy at national and EU level and managing the policy, legislation and interpretation functions for all indirect taxes (VAT, Excises and Vehicle Registration Tax).



**Eamonn O'Dea**  
**International Tax**  
**Division**

Management of direct taxes international functions including EU, OECD and Double Taxation Agreements.



**Charles Phelan**  
**South West (SW)**  
**Region**

Management and development of service, compliance and audit functions relating to customers resident in and business customers managed and controlled in the SW Region. Also responsible for the Maritime Unit national function.



**Declan Rigney**  
**Planning Division**

Development and evaluation of operational policy on service for compliance and confronting non compliance strategies and for quality assurance of operational processes and the identification of emerging compliance risks.



**Breda Ruddle**  
**East & South East**  
**(ESE) Region**

Management and development of service, compliance and audit functions relating to customers resident in, and business customers managed and controlled, in the ESE Region. Also responsible for the Central Vehicle office, the National Excise Licensing office, national functions and all aspects of Capital Acquisitions Tax customer service and compliance operations.



# 2017 Table Index

Table 1: Total Amount Collected/Gross Receipts	56
Table 2: Total Revenue/Net Receipts	57
Table 3: Local Property Tax Collection/Compliance	58
Table 4: Relevant Contracts Tax	58
Table 5: Electronic Business	58
Table 6: Volume of Business	58
Table 7: Customer Service Standards & Results	59
Table 8: Average Percentage of Tax Collected Within the Due Month (by Tax)	60
Table 9: Return/Payment Compliance by Case Size	60
Table 10: Collection Enforcement Programmes	60
Table 11: Oversight of Corporate and Personal Insolvency	60
Table 12: Relevant Opinions Provided to Companies and Other Entities	61
Table 13: Audit and Compliance Intervention Activity	61
Table 14: Random Audits Completed 2017 v 2016	61
Table 15: Special Investigations	62
Table 16: Summary of Selected Sectoral Intervention Results	62
Table 17: Publications	62
Table 18: Publications by Selected Sector	63
Table 19: Drug Seizures	63
Table 20: Excisable Products Seized	63
Table 21: Prosecutions for Serious Evasion	64
Table 22: Summary Criminal Convictions	64
Table 23: Civil Penalties for Not Filing Returns	64
Table 24: Mutual Assistance Requests	65
Table 25: Mutual Agreement Procedures (MAPs) under Double Taxation Agreement or EU Arbitration Convention	65
Table 26: Advance Pricing Agreements (APAs) under Double Taxation Agreement	65
Table 27: FOI Requests	65
Table 28: Internal & External Reviews	66
Table 29: Complaints Completed by the Ombudsman	66
Table 30: Compliance with Prompt Payment of Accounts Act	66

**Table 1: Total Amount Collected/Gross Receipts**

Category	2017 €m	2016 €m
<b>Income Tax Income, Levy &amp; USC</b>	22,076	20,974
<b>Value-Added Tax</b>	17,903	16,558
<b>Corporation Tax</b>	9,347	8,206
<b>Excise</b>	6,070	5,842
<b>Stamp Duties</b>	1,220	1,215
<b>Capital Gains Tax</b>	842	839
<b>Capital Acquisitions Tax</b>	466	419
<b>Customs</b>	335	312
<b>Local Property Tax</b>	482	468
<b>Collections on behalf of other Departments/Agencies</b>	12,216	10,758
<b>Total</b>	70,957	65,591

*Table 2: Total Revenue/Net Receipts*

Duties Taxes & Levies	2017 Net Receipts €m	2017 Budget Estimates €m	2017 Net Receipts +/- Budget Estimates €m	2016 Net Receipts €m
<b>PAYE Income Tax</b>	13,071	13,070	1	11,985
<b>PAYE USC</b>	3,131	3,245	-114	3,287
<b>Total PAYE Taxes</b>	16,202	16,315		15,272
<b>Self Assessed Income Tax</b>	1,844	2,057	-213	1,915
<b>Self Assessed USC</b>	593	475	118	681
<b>Total Self Assessed Tax</b>	2,437	2,532		2,596
<b>Life Assurance Exit Tax</b>	184	238	-54	228
<b>Deposit Interest Retention Tax</b>	118	175	-57	170
<b>Professional Services Withholding Tax</b>	634	614	20	583
<b>Dividend Withholding Tax</b>	324	293	31	272
<b>Income Levy</b>	0	0	0	2
<b>Other Income Taxes</b>	73	78	-5	49
<b>Net Yield – Taxes on Income</b>	19,971	20,245	-274	19,173
<b>VAT- On Imports</b>	1,733	1,674	59	1,546
<b>Internal VAT (including VAT MOSS)</b>	11,545	11,701	-156	10,894
<b>Total Value Added Tax</b>	13,278	13,375	-97	12,440
<b>Excise</b>	6,016	6,053	-37	5,801
<b>Corporation Tax</b>	8,201	7,715	486	7,352
<b>Stamp Duty on Shares</b>	449	507	-58	410
<b>Stamp Duty on Property</b>	381	399	-18	389
<b>Other Stamp Duty</b>	365	429	-64	380
<b>Total Stamp Duty</b>	1,195	1,335	-140	1,180
<b>Capital Gains Tax</b>	826	710	116	819
<b>Capital Acquisitions Tax</b>	460	440	20	415
<b>Customs</b>	335	355	-20	311
<b>Local Property Tax</b>	476	460	16	463
<b>Total</b>	50,758	50,688	70	47,954

**Table 3: Local Property Tax Collection/Compliance**

Category	2017	2016
<b>Properties Returned</b>	1.92m	1.93m
<b>Compliance Rate</b>	97.5%	98.5%
<b>Net Tax Collected €m</b>	452*	448**

\* LPT receipts reflect €452 million LPT payments collected for the tax year 2017 (€391 million received in 2017, €53 million in prepayments received in 2016 and €8 million to April 2018).

\*\* Updated to reflect payments collected during 2017

**Table 4: Relevant Contracts Tax**

Contracts/Payments Notified to Revenue	No.	Value €bn
<b>Contracts</b>	554,960	49.12
<b>Payments</b>	1,295,503	17.48

**Table 5: Electronic Business**

Contracts/Payments Notified to Revenue	2017	2016
<b>No. of Payments</b>	2,273,124	2,023,851
<b>Value of Payments €bn</b>	57.69	50.62
<b>No. of Repayments</b>	973,792	784,173
<b>Value of Repayments €bn</b>	6.38	5.35
<b>No. of Returns</b>	5,864,416	5,633,068

**Table 6: Volume of Business**

Activity	Volume in 2017	% Change 2017 v 2016
<b>PAYE Employments</b>	2,754,491	5.0%
<b>Self Assessment Income Tax</b>	710,157	5.0%
<b>Companies</b>	193,710	5.5%
<b>Vat Registrations</b>	255,541	1.4%
<b>1890 Contacts</b>		
<b>1890 Telephone Calls Answered*</b>	2,548,357	2.9%

\*Includes 316,160 calls in respect of Local Property Tax handled by an external service & 363,979 calls answered on the 1890 Business Taxes line.

**Table 7: Customer Service Standards & Results**

Service	Standard	Results 2017
<b>Complaints</b>	Processed within 20 working days	76%
<b>Telephone Service: PAYE 1890 calls</b>	50% within 30 secs	48%
<b>Telephone Service: PAYE 1890 calls</b>	85% within 3 mins	85%
<b>Telephone Service: PAYE 1890 calls</b>	100% within 5 mins	94%
<b>Telephone Service: Business Taxes 1890 Calls</b>	50% within 30 secs	60%
<b>Telephone Service: Business Taxes 1890 Calls</b>	85% within 3 mins	78%
<b>Telephone Service: Business Taxes 1890 Calls</b>	100% within 5 mins	88%
<b>Telephone Service: Other* 1890 Calls</b>	50% within 30 secs	66%
<b>Telephone Service: Other* 1890 Calls</b>	85% within 3 mins	89%
<b>Telephone Service: Other* 1890 Calls</b>	100% within 5 mins	95%
<b>Registrations</b>	PAYE Customers registering for myAccount, 90% of passwords will be issued within 5 working days	81%
<b>Registrations</b>	Business customers registering for ROS, passwords will normally be issued within 8 working days	100%
<b>Returns, Declarations, Applications</b>	ROS 100% processed within 5 working days	99%
<b>Returns, Declarations, Applications</b>	Non ROS 80% processed within 10 working days	91%
<b>Returns, Declarations, Applications</b>	Non ROS 100% processed within 20 working days	95%
<b>Returns, Declarations, Applications</b>	AEP Immediate Response	94%
<b>Repayments - ROS</b>	100% processed within 5 working days	92%
<b>Repayments – NON-ROS</b>	80% processed within 10 working days	77%
<b>Repayments – NON-ROS</b>	100% processed within 20 working days	89%
<b>Correspondence, e-mail, fax</b>	50% 10 working days	61%
<b>Correspondence, e-mail, fax</b>	85% 20 working days	77%
<b>Correspondence, e-mail, fax</b>	100% 30 working days	86%
<b>Applications for Non-Resident Tax Clearance Certificates</b>	100% processed within 5 working days	57%
<b>Applications for Standards in Public Office Tax Clearance Certificates</b>	100% processed within 5 working days	100%

\*Excludes 1890 LPT

**Table 8: Average Percentage of Tax Collected Within the Due Month (by Tax)**

Taxhead	2017
<b>PAYE/PRSI</b>	96%
<b>VAT</b>	92%
<b>Income tax (Non PAYE)</b>	98%
<b>Capital Gains Tax</b>	92%
<b>Corporation Tax</b>	98%
<b>Relevant Contract Tax</b>	91%

**Table 9: Return/Payment Compliance by Case Size**

Case Size	Due Month Compliance 2017	Due Month+1 Compliance 2017
<b>Large Cases</b>	96%	99%
<b>Medium Cases</b>	93%	98%
<b>Other Cases</b>	78%	89%

**Table 10: Collection Enforcement Programmes**

Enforcement	No. of Cases	No. of Referrals	Value of Referrals €m	Yield €m
<b>Solicitor</b>	3,228	3,745	109.5	29.1
<b>Sheriff</b>	29,698	40,038	297.1	151.7
<b>Attachment</b>	4,497	6,440	154.2	31.6
<b>Total</b>	37,423	50,223	560.80	212.40

**Table 11: Oversight of Corporate and Personal Insolvency**

Activity	2017
<b>Companies wound-up via Creditor Voluntary Liquidations</b>	593
<b>Creditor Meetings Attended</b>	325
<b>Revenue petitions to High Court for Appointment of a Liquidator</b>	34
<b>Receiverships</b>	229
<b>Examinerships</b>	26
<b>Revenue petitioned bankruptcies</b>	22



*Table 12: Relevant Opinions Provided to Companies and Other Entities*

Category	Number
Permanent Establishment	5
Trading	9
Reconstructions and amalgamations	53
Exemption from tax in respect of gains on certain share disposals	2
Elections to Tonnage Tax Scheme	2
Availability of interest relief for loans applied to acquire share capital in, or provide loan finance to, a trading company or a company holding shares in a trading company	1
Withholding taxes	36
Stamp Duty	88
Trade benefit test/share buybacks	77
Miscellaneous	43
<b>Total</b>	<b>316</b>

*Table 13: Audit and Compliance Intervention Activity*

Type of Intervention	Completed 2017	Yield €m	Completed 2016	Yield €m
<b>Comprehensive (All Tax Heads) Audit</b>	2,912	103.66	3,665	117.7
<b>Multi Tax/Duty Audit</b>	775	28.12	735	27.7
<b>Single Tax/Duty/Issue/Transaction Audit</b>	1,533	64.5	1,773	102.5
<b>Total Audit Intervention</b>	5,220	196.31	6,173	247.9
<b>Risk Management Interventions</b>	201,603	267.4	198,491	274.2
<b>Assurance Check</b>	416,662	7.9	293,173	8.7
<b>PAYE Compliance Check</b>	32,006	12.8	39,329	14.1
<b>Investigation</b>	66	7.5	38	10.7
<b>Total Interventions</b>	<b>655,557</b>	<b>491.9</b>	<b>537,204</b>	<b>555.6</b>

*Table 14: Random Audits Completed 2017 v 2016*

Category	2017 Programme	2016 Programme*
<b>Sample Size</b>	400	400
<b>Completed</b>	286	382
<b>Total Yield</b>	€327,550	€858,889
<b>With Yield</b>	93	176
<b>Nil Yield</b>	193	206

\* Figures updated from 2016 Annual Report to include 2016 cases closed and yield during 2017

**Table 15: Special Investigations**

Category	2017 Value €m	2016 Value €m
<b>Offshore Assets / Foreign Income and Assets Disclosure</b>	87.4*	7.2
<b>Life Assurance Products</b>	0	0.16
<b>Interest reporting - Voluntary</b>	0	0.10
<b>Total</b>	<b>87.4*</b>	<b>7.5</b>

\*Includes payments of €83.8m made under the Foreign Income and Assets Disclosure initiative

**Table 16: Summary of Selected Sectoral Intervention Results**

Sector	No. of Audits/ Investigations	Yield €m	Risk Management Interventions (RMIs)	Yield €m	Total Interventions	Total Yield €m
<b>Accounting</b>	63	4.39	748	4.08	811	8.47
<b>Construction</b>	797	29.70	16,067	30.48	16,864	60.18
<b>Doctors</b>	137	6.82	381	1.35	518	8.17
<b>Legal</b>	59	1.67	564	2.18	623	3.86
<b>Pubs</b>	149	3.22	2,008	2.04	2,157	5.25
<b>Rental</b>	432	24.21	4,900	20.63	5,332	44.84
<b>Restaurants and Fast Food Outlets</b>	148	9.46	2,643	2.37	2,791	11.83
<b>Retailers</b>	361	13.46	7,479	12.02	7,840	25.48
<b>Wholesalers</b>	326	8.12	5,429	14.98	5,755	23.10

Note: These results are included in the overall results on Table 13. This table presents a sample of sectors in alphabetical order.

**Table 17: Publications**

Period	Number and Total of Settlements in €m		Number less than or equal to €100k	Number between €100k and €500k	Number between €500k and €1 million	Number greater than €1 million	Number and Total of Court determined penalties €000	
<b>Q1 2017</b>	86	14.4	45	36	4	1	7	735
<b>Q2 2017</b>	58	11.08	31	23	3	1	4	124
<b>Q3 2017</b>	81	17.43	47	27	4	3	1	25
<b>Q4 2017</b>	64	10.22	34	27	2	1	7	1,369
<b>Total</b>	<b>289</b>	<b>53.13</b>	<b>157</b>	<b>113</b>	<b>13</b>	<b>6</b>	<b>19</b>	<b>2,253</b>

**Table 18: Publications by Selected Sector**

Sector	Publications
Construction Related	48
Company Directors	23
Engineers	6
Farmers	18
Hauliers	8
Landlords	33
Medical Consultants	11
Motor Dealers/Related Trade	17
Professionals	8
Publicans	12
Retailers	20

A single publication case may fall into more than one sector e.g. someone described as Company Director/Landlord will appear as Company Director and as a Landlord in the table. This table presents a sample of sectors in alphabetical order.

**Table 19: Drug Seizures**

Drug	No. of Seizures	Quantity kg	Value €m
Cannabis (Herbal & Resin)	1,066	3,100	54.67
Cocaine, Heroin	136	27	2.23
Amphetamines, Ecstasy & other	4,862	565	2.90
Total	6,064	3,692	59.80

**Table 20: Excisable Products Seized**

Product	No. of Seizures	Quantity	Value €m
Cigarettes	4,493	34.24m	19.45
Tobacco	1,277	1,768kg	0.89
Alcohol (Beer, Spirits & Wine)	1,819	95,021L	0.91
Illicit Mineral Oil	42	125,689L	-
Oil Laundries	-	-	-
Vehicles*	1,573	-	-

\*Vehicles seized for marked mineral oil offences, Vehicle Registration Tax offences and because of use in connection with alleged offences under Customs or Excise law

*Table 21: Prosecutions for Serious Evasion*

Activity	Total
Ongoing investigations	107
Cases referred to DPP	6
Cases for which DPP issued directions	10
Cases before the Courts	27
Convictions obtained	24

*Table 22: Summary Criminal Convictions*

Category	No. of Convictions
Alcohol Smuggling	1
Cigarette Smuggling	26
Cigarette Selling	53
Commercial Oil	2
Counterfeit Spirits	5
Excise Licence	70
Intrastat Non Compliance	1
Marked Mineral Oil	212
Non-Filing of Tax Returns	505
Tax Cases	4
VAT/P35 Prosecution Programme	23
VRT	8
Total	911
Total fines imposed €m	2.44

*Table 23: Civil Penalties for Not Filing Returns*

Non Filing Programme	Cases	Fines
P35 Penalty Programme	607	€2,421,000
VAT Penalty Programme	125	€500,000

**Table 24: Mutual Assistance Requests**

Mutual Assistance Requests	Received 2017	Received 2016	Sent 2017	Sent 2016	Closed in 2017	To Hand End 2017
From/To EU Member States	1,327	1,484	230	673	1,111	554
From/To Other Countries	66	66	502	25	496	123
<b>Total</b>	<b>1,393</b>	<b>1,550</b>	<b>732</b>	<b>698</b>	<b>1,607</b>	<b>677</b>
<b>Europol Request</b>	<b>448</b>	<b>704</b>	<b>149</b>	<b>219</b>	<b>448</b>	<b>419</b>

**Table 25: Mutual Agreement Procedures (MAPs) under Double Taxation Agreement or EU Arbitration Convention**

Opening Inventory 01/01/2017*	Initiated During 2017	Completed During 2017	Ending Inventory 31/12/2017
43	11	12	42

\*Opening inventory reflects adoption of new OECD MAP Statistics Reporting Framework

**Table 26: Advance Pricing Agreements (APAs) under Double Taxation Agreement**

Requests received	Pre-filing applications received	APAs granted	APAs in force as of 01/01/2017	APAs in force as of 31/12/2017
8	4	2	6	4

**Table 27: FOI Requests**

Category	2017	2016
<b>Received</b>	<b>342</b>	<b>298</b>
<b>Full Release</b>	<b>72</b>	<b>72</b>
<b>Partial Release</b>	<b>163</b>	<b>121</b>
<b>Refused</b>	<b>68</b>	<b>59</b>
<b>Dealt with Outside of FOI/Withdrawn/Transferred</b>	<b>39</b>	<b>46</b>
<b>Requests for Internal Review</b>	<b>26</b>	<b>11</b>
<b>Appeals to the Information Commissioner</b>	<b>5</b>	<b>7</b>

**Table 28: Internal & External Reviews**

Details	Internal	External	2017 Total
Requests brought forward	1	6	7
Number received	2	15	17
Number finalised	2	13	15
Decision in favour of customer	0	2	2
Decision against customer	2	6	8
Decision revised/partly revised	0	4	4
Discontinued	0	1	1

**Table 29: Complaints Completed by the Ombudsman**

Outcome	Number of Complaints
Upheld	3
Partially upheld	1
Not upheld	14
Assistance provided	2
Discontinued/Withdrawn	7
Discontinued premature	29
Outside remit	10
Total	66

**Table 30: Compliance with Prompt Payment of Accounts Act**

Payment Made	Number	Value €	% of Total No. of Payments made
Within 15 Days	15,265	137,845,610	93.97
Within 16-30 Days	954	4,487,493	5.87
In Excess of 30 Days	26	52,826	0.16
Total	16,245	142,385,929	100
Additional Information	Number	Value €	
Late payment interest paid in 2017	19	790	
Compensation costs paid in 2017	19	1,030	
Average days taken to make payment	9		



# Appendices

*Appendix 1                      Donation of Heritage Items*

# Appendix 1

## Donation of Heritage Items

### Donation of Heritage Items

Section 1003 of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a customer donates certain heritage items to the national collections. The following items were donated in 2017:

- Seán Mac Diarmada collection, valued at €185,000
- Neil Jordan archive, valued at €2,750,000
- Fewer Silverware Collection, valued at €237,302
- Sáirséal agus Dill archive, valued at €300,000
- Yeats Family Archive, valued at €923,800

Since 2009, the tax credit available to the donor of heritage items is an amount equal to 80% of the market value of such items, where the market value is established under the terms of section 1003. The value shown is the market value of the items.

### Donation of Heritage Property to the Irish Heritage Trust/Commissioners of Public Works in Ireland

Section 1003A of the Taxes Consolidation Act 1997 provides for a credit against tax liability where a customer donates certain heritage property to the Irish Heritage Trust or the Commissioners of Public Works in Ireland. Since 2013, the tax credit available to the donor of a heritage property is an amount equal to 50% of the market value of the property, where the market value is established under the terms of section 1003A.

There were no donations under this scheme in 2017.

# Index

Accessibility	48
Alcohol	30
Audit and Compliance Interventions	24
Audit Committee	49
Boards Review	6
Building and Retaining Internal Capacity, Talent and Leadership	37
Business Project Management	50
Business Representative Bodies	17
Cash Detention	30
Central Statistics Office - Revenue Liaison Group	47
Civil Service Renewal	46
Collecting the Right Amount of Tax at the Right Time	15
Competent Authority Function	18
Complaints	50
Confront Non-Compliance	23
Continuous Professional Development Framework	39
Cooperative Compliance Framework	17
Corporate and Personal Insolvency	34
Cyber Security	48
Data Analytics	27
Data Protection	50
Debt Enforcement	34
Deepening Employee Engagement, Communication and Innovation	44
Disability	45
Double Taxation Agreements	18
Drugs	29
EOI Peer Review	26
Equality and Human Rights	45
Ethics, Standards and Behaviour	50
Exchange of Information	26
Financial Management	52
Financial Performance	52
Freedom of Information	50
Fuel	30
Gender Balance	45
Governance	49
Government Departments and Public Bodies	26
Government Programmes and Cross-Departmental Activities	46
Help to Buy Online Service	17
ICT Strategy	48
Impact of Court Decisions	33

Information Online	15
Internal Audit	49
International Collaboration	28
Inter-Agency Collaboration	27
Joint Investigation Units	29
Large Practitioners and Legal Firms	25
Main Results	11
Making it Work: Our Resources and Structure	36
Managing Corporate Risk	49
Motor Sector	25
Mutual Assistance	27
National Collaboration	27
OECD Review on Implementation of BEPS Exchange of Rulings Framework	26
Oireachtas Committees	51
Organisational Structure	13
PAYE Modernisation	18
Policy Advice, Statistics & Research	19
Pre-population of Forms	16
Progressing the Public Service ICT Strategy	47
Prohibited/ Restricted and Counterfeit Goods	31
Project Delivery Standards	48
Prosecutions	34
Protected Disclosures Act 2014	50
Publication of Tax Defaulters	25
Public Sector Duty	45
Regulation of Lobbying Act 2015	50
Revenue Skills Development Programmes	37
Revenue Sponsored Professional Tax Programmes	38
Risk Assessment and Customer Segmentation	25
Self-Directed Learning Programme	39
Senior Management Changes	51
Service	15
Service to Support Compliance	14
Shared Services Initiatives	47
Smuggling, Drugs and Fiscal Fraud	29
Staff Profiles	40
Statistical and Economic Analysis	20
Suspicious Transaction Reports	27
Tackling Offshore Evasion	33
Tackling Serious Tax and Duty Evasion and Fraud	26
Targeting and Disrupting the Shadow Economy	29
Tax Avoidance Schemes	33
Tax Dispute Resolution in the EU	19
Tax Opinions	18

Telephone and Appointment Service	17
Tobacco Products	29
Unique Business Identifier Working Group	47
VAT MOSS	17
Workforce Planning and Recruitment	37

<b>Feature Articles</b>	
Budget 2016 Compliance Measures Evaluation	35
Civil Service Excellence and Innovation Awards	22
New Revenue mobile x-ray scanner targets smuggling	32
Revenue's Ready Reckoner	21
WCO Awards	44

Revenue Management Committee at Assistant Secretary Level	53
Tables	55
Appendices	67









**Available via the Revenue website**

**[www.revenue.ie](http://www.revenue.ie)**

**ISSN 16495292**

**Dublin Castle**

**April 2018**