

# Revenue



Cáin agus Custaim na hÉireann  
Irish Tax and Customs

## Annual Report | 2018

## **Annual Report 2018**

Ninety-sixth Annual Report of the Revenue Commissioners for the year ended 31 December 2018, 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.

**May 2019**



## Our mission

To serve the Community by fairly and efficiently collecting taxes and duties and implementing customs controls.

## Our values

Presumption of honesty

Respect and courtesy

Taxpayer confidentiality

Integrity, openness and accountability

Accuracy and consistency

Innovation and excellence

Professionalism.

## Our vision

We are a customer centric, compliance orientated tax and customs administration.

We are a fair, transparent and effective tax and customs administration.



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# Board's Review for 2018

In 2018, the Irish economy expanded by 6.7%. Against this backdrop of continued strong growth, Revenue collected total gross Exchequer receipts of €77.27 billion, including €14.1 billion in Non-Exchequer receipts collected on behalf of other Government Departments and Agencies.

Net Exchequer receipts, after repayments of Exchequer and non-Exchequer receipts collected on behalf of other Departments and Agencies, is €54.6 billion. Net Exchequer receipts when compared to 2017 increased by 8% or €4.04 billion. Net Exchequer receipts for almost all taxes and duties showed increases on 2017 including Corporation Tax (up €2.2 billion or 26.7%), Income Tax (up €1.3 billion or 6.6%) and VAT (up €929 million or 7%).

Along with steadily increasing Exchequer receipts, we have seen further improvements to our already high rates of voluntary compliance levels. Due month and due month +1 compliance rates of 93% and higher were achieved for medium and large cases.

2018 was the second year of implementation of our Statement of Strategy 2017-2019. We have made significant progress in achieving our strategic objectives, including:

- modernising the PAYE system through the development of a real-time framework for the administration of payroll taxes
- investing in high quality and secure digital and self-service channels
- minimising the level of debt to the Exchequer through optimising development of technology and skills
- maintaining high levels of satisfaction reflected in taxpayer surveys
- being highly rated as a leading international tax and customs administration.

In preparation for, and to address the implications of, the United Kingdom leaving the European Union, we actively engaged in the inter-Departmental work that was co-ordinated by the Department of An Taoiseach and the Department of Foreign Affairs and Trade. We also worked closely with the Department of Finance, who determine fiscal policy. Our preparedness and contingency planning for Brexit, at both national and European level, is undertaken in the context of our role and responsibilities. Our overarching priority and objective is to facilitate the efficient and timely movement of legitimate trade.

We continue to contribute to the evaluation, development and implementation of both national and international tax policy. We worked closely with the Department of Finance on the implementation of the VAT Compensation Scheme for Charities and a new VRT Scheme while also introducing the Sugar Sweetened Drinks Tax. Building on work done at the Organisation for Economic Cooperation and Development (OECD) in relation to Base Erosion and Profit Shifting (BEPS), we provided advice, input and drafted legislation in respect of two legally binding anti abuse measures in the EU's Anti-Tax Avoidance Directive in 2016. Separately, a review carried out by the OECD found that Ireland met all aspects of the terms of reference in relation to the implementation of the BEPS Action 5 exchange of rulings framework.

As the Competent Authority for the purpose of resolving any dispute that may arise under Ireland's Double Taxation Agreements, we completed 12 Mutual Agreement Procedures (MAPs) and granted 3 Advance Pricing Agreements (APAs) to Competent Authorities of other jurisdictions to eliminate double taxation.

## **Service to Support Compliance**

We continued to support taxpayers to be voluntarily compliant by providing service in a timely, cost effective way. We continued our pro-active engagement with various segments of our taxpayer base to help them meet their compliance obligations, receive their due entitlements and only pay the correct amount of tax.

Our commitment to improve our self-service facilities, enables voluntary compliance and minimises the burden on compliant taxpayers. We further expanded our programme of pre-populating annual tax returns, using data from a range of sources, and provided a facility to file a Capital Acquisitions Tax (CAT) return in myAccount. As part of our PAYE Modernisation project we provided an enhanced range of services through the Revenue Online Service (ROS), to facilitate a seamless transition to real-time reporting of employees' pay and statutory deduction details by employers.

The level of tax debt available for collection is €1,032 million. We completed extensive work on the development of our new Debt Management Service (DMS). The new DMS system is now fully online and provides enhanced phased payment facilities for taxpayers who actively engage with us to resolve their payment difficulties.

We answered more than 2.2 million telephone calls from taxpayers. In September 2018, we launched our National PAYE Helpline, a single contact point for employees and pension recipients. We also launched new telephone technology, providing a national number for all telephone contacts, which significantly reduces costs for taxpayers who contact us.

## **PAYE Modernisation**

The new arrangements for PAYE reporting came into operation on 1 January 2019, representing the most significant reform of the administration of the PAYE system since its introduction in 1960. The changes mean that every time employers pay their employees, they now report the pay and statutory deduction details to Revenue as part of the payroll process.

The reform of the PAYE system to real-time reporting brings very significant efficiencies and improvements in accuracy for employers, employees and Revenue. Our co-design approach for the new system saw us engage extensively with payroll professionals, tax practitioners, accountancy bodies, business representative organisations and payroll software developers. We also undertook a range of initiatives as part of our comprehensive communications programme, assisting employers and their agents in understanding and preparing for the change. The transition to a real-time reporting system represents an important step in our commitment to continuously improve service, compliance and efficiency in the administration of the tax system.

As of 31 March 2019, we had received 1.4 million payroll submissions (pay and statutory deductions) from 156,900 employers, reporting total gross salaries of over €23,758 million, for more than 2.6 million employees and pension recipients.

## **Tackling Non-Compliance**

The vast majority of taxpayers are voluntarily compliant. We are committed to protecting Exchequer funding and supporting those who are voluntarily compliant by confronting non-compliance in all its forms. We aim to respond to risk and non-compliant behaviour in a timely, consistent, proportionate and effective manner. The nature and potential severity of the intervention we undertake is determined by the non-compliant behaviour of the taxpayer.

We carried out 580,757 compliance interventions ranging from routine assurance checks to audits and investigations. The total yield from these interventions was €572.1 million in tax

interest and penalties. Tax settlements amounting to €43.98 million were agreed with 265 taxpayers who were published as tax defaulters.

We dedicate significant resources to identify, confront and prevent non-compliance. We deploy our resources on a risk priority basis and make extensive use of the wide range of third party data available to us. In September 2018, and as provided for by legislation, 90 jurisdictions participated in the exchange of financial account information relating to Irish customers. Our approach facilitates the selection of cases for compliance intervention, based on a risk analysis of all available data sources.

We are determined to target and disrupt all forms of shadow economy activity and we continue to collaborate effectively with other Departments and Agencies on relevant cross-Government initiatives in this regard. In March 2018, as a result of an intelligence led operation, Revenue officers discovered the first counterfeit cigarette factory in the State. Over 23 million cigarettes and a further 71 tonnes of tobacco were discovered on site. The finished product, and potential product, had an estimated street value of €49.6 million, representing a loss to the Exchequer of €39.2 million.

Our national compliance project on the gaming and amusement machine sector continued throughout the year. We carried out site visits at 285 separate premises nationwide, seizing 158 unlicensed gaming machines. A range of follow-up compliance interventions has seen an additional annual increase of licence revenue in excess of €1 million and yield of more than €2.25 million.

Effective debt collection is key to protecting Exchequer funding and delivering on our mission of fairly and efficiently collecting taxes and duties and implementing customs controls. Throughout 2018, critical building blocks were put in place for the release of our new Debt Management Services (DMS) application, which launched in March 2019. DMS provides for advanced profiling of cases and delivers significant increased capacity for compliance and enforcement activities.

## **Structural Changes**

The adjustment of Revenue's organisational structure is an ongoing process, influenced by a wide range of factors, both external and internal. Some external examples include the international tax agenda, State aid issues, Brexit, the challenges presented by a growing economy, emerging trends in how businesses operate and advances in technology. Internal factors include the challenges of continually building and enhancing expertise in the face of the ongoing loss of experienced staff to retirement, and making the most of technology through new approaches such as PAYE Modernisation. All of these factors mean we continually adapt, realigning our structure to deliver on the objectives in our Statement of Strategy 2017-2019.

Throughout 2018, we realigned our organisational structure, moving from a regional structure to one that is based on a nationally segmented taxpayer base. Five new national Divisions have been established around defined taxpayer segments. Every taxpayer is now managed, from both a service and compliance standpoint, by one of the new national based Divisions.

The changes in our structure ensure that we optimise the alignment of our resources to risk and allow us to maximise the benefit of our geographic footprint across the country, providing opportunities for diversity of roles and responsibilities across the organisation.



## People and Capability

Our effectiveness in supporting compliance and addressing non-compliance depends on the commitment, professionalism, skills and capability of our people. At the end of 2018, there were 6,471 people working in Revenue, equating to 6,111 full time equivalents. Against a backdrop of ongoing loss of experienced staff to retirement, advances in technology and emerging trends in how businesses operate we continually invest in our people to overcome these ever-evolving challenges. We do this by building and retaining internal capacity, talent and leadership while also attracting and recruiting talented people.

During 2018, we appointed 638 staff from open recruitment, interdepartmental and Top Level Management competitions. In September, a recruitment campaign for customs officers, run by the Public Appointment Service, attracted more than 3,000 applications, very much confirming Revenue as an employer of choice.

We are committed to deepening staff engagement and value staff learning, with a strong focus on continuous personal and professional development. We offer a wide range of comprehensive training programmes and during the year we provided 42,976 training days to staff, an increase of 18% on 2017.

## Looking Ahead

We will continue to support taxpayers by giving them the appropriate information to be voluntarily compliant in the most cost-effective way possible. We are alert to, and proactive in addressing, the risks arising from the changes in economic and business environments both nationally and globally.

With real-time reporting now in place for employers, we have turned our focus to the benefits of this new system for employees. Shortly, all employees will be able to view their payroll details (pay, tax, USC and PRSI), as reported by their employer, through myAccount. This will reassure employees that the correct amount of tax is deducted at the right time, that their statutory deductions are reported to Revenue and that employees get the full benefit of their tax credits and rate bands across employments throughout the year.

We will continue to review our organisational structure and, where necessary, assign additional resources to manage the risks in larger cases, for example high wealth individuals.

Our continued success in delivering on our mission, upholding our values and realising our vision is down to the dedication, flexibility, adaptability and professionalism of our staff. We thank them for their determination, commitment and strong work ethic which has enabled us to report on the standards, achievements and results outlined in this year's report.



*Niall Cody  
Chairman*



*Gerry Harrahill  
Commissioner*



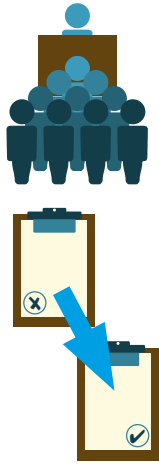
*Michael Gladney  
Commissioner*

# Headline Results 2018

## Tax Collected



## €54.6bn



### PAYE Modernisation

Employer outreach activities	82,031
Revenue seminars attendees	20,972
Employments verified	2,187,620
Employees covered by payroll submissions in 2018 for Jan 2019	823,710

### Customer Contacts



1890 Telephone Service **2.2m**



Correspondence **1.4m**



Electronic Returns **7.5m**

Electronic Payments **2.4m**

Electronic Self Service **1.4m**

### Timely Compliance

Large Cases	99%
Medium Cases	98%
Other Cases	88%



### Debt Payment Arrangements

9,088 with a value of €93m



### Debt Enforcement

31,680 cases  
€211.6m yield

## 580,757

## Audit and Compliance Interventions



## Yield €572.1m

### Tax Defaulters

711 Cases published with fines / penalties amounting to **€3.2m**  
265 Settlements published

## 21

Serious Evasion & Fraud Convictions



## 695

Summary Convictions



## 16,775

Customs / Excise Seizures

### Auto & Marked Fuel Oil

**27** Commercial Seizures

**212** Vehicles Seized



# Main Results

## Collection and Compliance

- Net Exchequer receipts for 2018 were €54.6 billion, up 8% on 2017 receipts (Table 2)
- €14.1 billion in Non-Exchequer receipts was collected on behalf of other agencies, including €11.2 billion in PRSI (Table 1)
- 98% return/payment compliance rates for medium sized businesses with very high compliance levels maintained overall (Table 9)
- 98% compliance rate for Local Property Tax (LPT) 2018 was achieved (Table 3)

## Managing Debt

- Debt available for collection was €1,032 million, up €74 million (7.78%) on 2017
- Debt available for collection as a percentage of gross receipts was 1.34%, down from 1.35% in 2017
- 9,088 businesses and individuals had phased payment arrangements in place at the end of 2018, covering €93 million in debt

## Supporting Voluntary Compliance

- 2.41 million payments (up 6% on 2017) were made via ROS with a value of €64.67 billion (up 12% on 2017) (Table 5)
- 1.1 million electronic repayments to taxpayers with a value of €6.96 billion (Table 5)
- 7.5 million electronic returns, an increase of 28% on 2017 (Table 5)
- 2.2 million phone calls to 1890 telephone service (Table 6)
- 1.4 million items of written correspondence (letters, secure email, etc.)
- 1.6 million customs declarations processed
- 2.3 million individual taxpayers were registered for myAccount at the end of 2018

## PAYE Modernisation

- 82,031 individual employers directly contacted to assist with understanding of changes
- 20,972 attendees at 113 Revenue seminars nationwide
- 2.1 million employments verified through List of Employees submitted by employers
- 823,710 individual employee payroll submissions, made by 30,079 employers, by the end of 2018 for pay dates in 2019

## Confront Non-Compliance

- €572.1 million in yield from audit and compliance interventions — €255.6 million from audits and investigations and €316.5 million from non-audit interventions (Table 13)
- €5.7 million in yield, including interest and penalties, arising from settlements in 22 tax avoidance cases

- €43.98 million in tax settlements were agreed with 265 taxpayers and published in Iris Oifigiúil in 2018 (Table 16)

## **Seizures**

- 7,174 drug seizures valued at €33.48 million (Table 18)
- 67.86 million cigarettes and 1,915kgs of tobacco seized, valued at €41.29 million and €1.01 million respectively (Table 19)
- 1,502 vehicles seized
- 110,525 litres of illicit fuel seized
- 78 cash seizures amounting to €1.05 million
- Cash forfeiture orders amounting to €1.28 million granted by the Circuit Court in 55 cases
- 158 gaming machines seized

## **Prosecutions/Penalties**

- 21 criminal convictions for serious tax and duty evasion (Table 22)
- 695 convictions and fines amounting to €1.76 million secured in respect of a range of summary offences (Table 23)
- €2.73 million arising from 707 penalties for non-filing of returns (Table 24)

## **Playing Our Part Internationally**

- 74 Double Taxation Agreements and 25 Tax Information Exchange Agreements (TIEAs) in place at the end of 2018
- Completed ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI)
- 1,967 requests for mutual assistance received and 751 requests issued by Revenue (Table 25)
- 12 Mutual Agreement Procedures (MAPs) completed and 3 Advance Pricing Agreements (APAs) granted, following engagement with Competent Authorities of other jurisdictions to eliminate double taxation (Tables 26 & 27)

## **Benchmarking Our Performance**

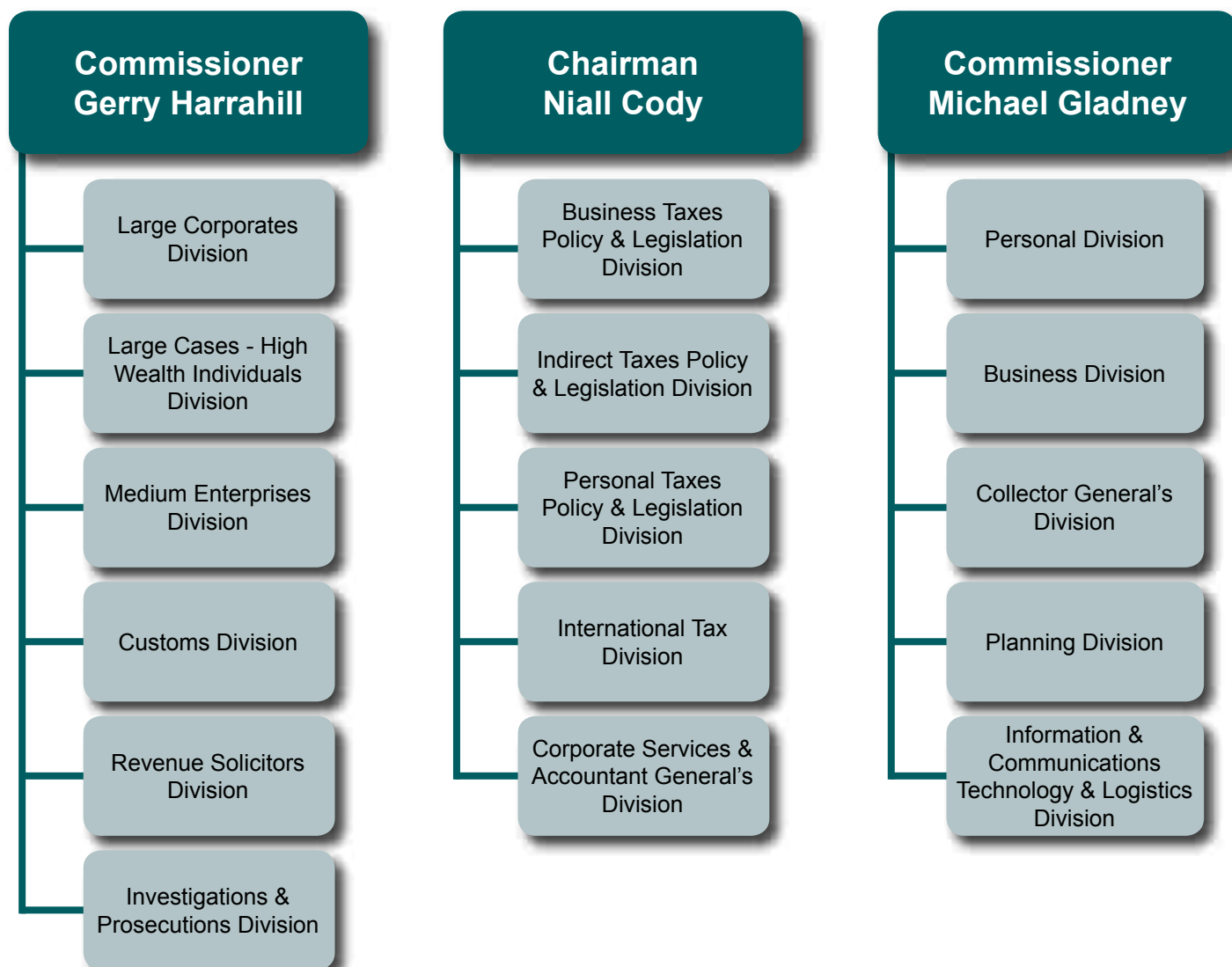
- Ireland was the most effective country in the EU in which to pay business taxes and 4th most effective worldwide, maintaining our position from last year, according to the PwC/World Bank Group Paying Taxes 2019 report<sup>1</sup>, published in November 2018
- Ireland ranked in the top 10% worldwide for “Lowest Burden of Customs Procedures” in 2018 according to The Global Competitiveness Report 2018<sup>2</sup>, published by the World Economic Forum in October 2018

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<sup>1</sup> <https://www.pwc.com/gx/en/services/tax/publications/paying-taxes-2019.html>

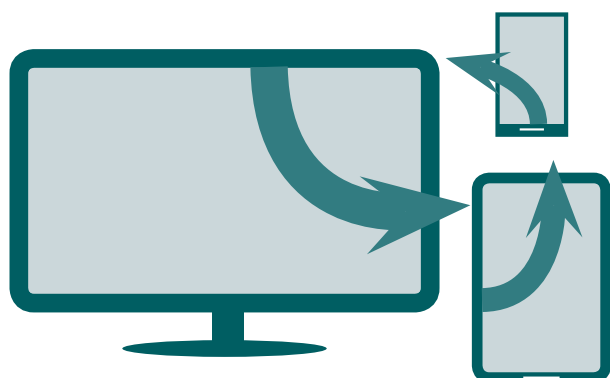
<sup>2</sup> <https://www.weforum.org/reports/the-global-competitiveness-report-2018>

# Our Organisational Structure



*Management Advisory Committee*

# Service To Support Compliance



## Electronic Business

**7.5m** Returns

**2.4m** Payments

Value of Payments: **€64.67bn**

## Revenue Website



## Self-Assessment

**23,999** New Registrations

**729,983** Registered for  
Income Tax



## Phone Call Answering Standards



	1890 PAYE	1890 Business	1890 LPT	1890 Other
Answered < 5 Minutes	68%	86%	92%	96%

## Customer Contacts



1890 Telephone Service **2.2m**



Correspondence **1.4m**

## Customs Trade Facilitation

**1.6m** Customs Declarations

**80,842** Customs Interventions



## Debt Payment Arrangements

**9,088** with value of **€93m**



# Service to Support Compliance

Revenue's role is to fairly and efficiently collect taxes and duties and implement customs controls. In doing this, we play a vital role in the economy and serve the Community, by securing tax and duties due to the State.

The economic and business environments, along with the needs of our taxpayers, are continually changing. We strive to deliver quality service across a range of delivery platforms in a cost-efficient way for our taxpayers. Key to achieving this is:

- ensuring that our organisational structure and delivery model is agile, innovative and efficient
- ensuring that we have a service delivery model that results in the right outcome for taxpayers and Revenue
- seeking to minimise compliance costs for taxpayers
- reducing the need for taxpayers to contact us.

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

Revenue collected total gross Exchequer receipts of €77.27 billion in 2018. Net Exchequer receipts were up by 8% or €4.04 billion on 2017, with the largest increases arising from Corporation Tax (up €2.2 billion or 26.7%), Income Tax (up €1.3 billion or 6.6%) and VAT (up €929 million or 7%). Further details on gross and net Exchequer receipts can be found in Tables 1 and 2.

2018 saw continued strong levels of timely, voluntary compliance by taxpayers across all tax heads (Table 8), reflecting the reality that the vast majority of individuals and businesses pay the right amount of tax, on time. Due month +1 compliance rates in 2018 were over 98% for large and medium cases (Table 9) and the Local Property Tax compliance rate was 98% (Table 3).

Total debt was €4,368 million gross, and debt available for collection compared to 2017 increased by 7.78% to €1,032 million gross. The value of debt written off as uncollectible was €139 million. We continue to successfully work with businesses and individuals who engage early with us to resolve their payment difficulties. In 2018, we facilitated 9,088 businesses and individuals with phased payment arrangements covering €93 million of debt.

## Supporting Voluntary Compliance

Our goal is to support taxpayers by giving them the appropriate information, and making it as easy as possible, to be voluntarily compliant. We aim to do this in the most convenient, efficient and cost-effective way possible for our taxpayers.

A key element of our role is to proactively assist taxpayers in meeting their tax obligations. During 2018, we achieved this through a number of initiatives such as providing appropriate and targeted information and support for new taxpayers, providing timely advice and assistance to taxpayers to support voluntary compliance and making it as easy as possible for taxpayers to understand their tax obligations and manage their tax.

## Claiming Entitlements

We continue to engage with PAYE taxpayers to remind them that there is a four-year time limit for claiming additional tax credits and reliefs, highlighting possible entitlements and encouraging taxpayers to use online services. In November 2018, we wrote to over 125,000 PAYE workers, with a history of paying tax in the past four years without claiming credits or reliefs. For the past number of years we have undertaken this initiative, pro-actively helping taxpayers receive their due entitlements and only pay the correct amount of tax. Analysis<sup>3</sup> of a similar previous campaign shows an increased rate of activity by these taxpayers following contact, suggesting that the letters had a significant positive effect on taxpayer engagement with Revenue.

## Supporting Businesses

We want to make it as easy as possible for taxpayers to understand their tax obligations and manage their tax. Our website provides a wide range of information about the tax and customs implications of starting a business, paying your tax, as well as details on the tax reliefs available for start-up businesses.

In 2018, we continued to support both newly registered and existing business taxpayers in meeting their tax obligations. This included:

- 16,000 newly registered self-employed taxpayers contacted with information and useful tips on how to file the tax return and pay any liabilities for their new business
- 530,000 contacts (emails, letters or forms) with self-employed taxpayers reminding them of their obligations and directing them to the updated Pay and File information on the Revenue website
- 19 videos made available to help taxpayers, and their agents, complete their tax return, register for ROS or solve filing issues.

## Providing Timely Advice and Support

### Short-term Accommodation Service for Compliance Campaign

In recent years, online marketplaces have been established which enable people to more easily lease or rent short-term accommodation, including whole residences, single rooms, hostel beds, hotel rooms etc. in a way not previously possible. This type of letting is typically done on a part-time or irregular basis but can also be run professionally. Any marketplaces of this type, who receive income on behalf of others, are required to file a third party return to Revenue detailing the relevant income and identifying the recipient.

In April 2018 we published comprehensive guidance, on the tax treatment of income from the provision of short-term accommodation and provided clarification that rent-a-room relief does not apply.

In September 2018, we wrote to 12,000 people who had received income from the provision of short-term accommodation. The purpose of this letter was to raise their awareness of the tax treatment of this income and to remind them to include it on their tax returns. Follow-up compliance checks will be undertaken in 2019.

## Tax Opinions

In certain circumstances, taxpayers 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.

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<sup>3</sup> <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/taxpayer-entitlements.aspx>



During 2018, Revenue provided 302 opinions on complex technical issues to companies and other entities (Table 12). In January 2018, we issued a reminder (eBrief No. 6 of 2018) on the maximum validity period of Revenue opinions and advised that opinions provided between 1 January and 31 December 2012 were subject to review. Taxpayers wishing to continue to rely on such an opinion/confirmation were required to make an application for its renewal or extension on or before 30 March 2018. We received applications to renew or extend 3 such opinions.

## **Debt Management**

Our new Debt Management Services application (DMS) provides new and enhanced customer services to support compliance, including an online 'real-time' Statement of Account as well as an online facility for viable businesses experiencing tax payment difficulties to apply for a phased payment arrangement. The new DMS system is fully online, allowing documentation to be uploaded electronically and provides much quicker turnaround times for clarifications. It also gives taxpayers greater flexibility to manage their payment schedule and make certain alterations to suit their circumstances.

## **CAT Strategy**

A 3-year CAT Strategy 2018-2020 was published in April 2018. This Strategy sets out our high-level objectives in relation to the administration of CAT during this timeframe, improving service to support compliance and deepening our risk based approach to confronting non-compliance. Key elements of the Strategy include:

- increasing taxpayer awareness of Gift Tax and Inheritance Tax obligations
- maximising the effectiveness of risk focused compliance interventions on Gift Tax and Inheritance Tax
- deepening the focus on wealth management and tax planning risks.

To date, some highlights as a result of the CAT Strategy and the focus on wealth include:

- improved management of CAT debt with a reduction of almost 8% of the amount available for collection in 2018
- provision of a quick and convenient way to pay and file for CAT through the new CAT Return on myAccount.

Enhancement of our CAT services will continue to be a priority development area in 2019.

## **Cooperative Compliance Framework (CCF)**

For our large corporate cases, we promote and operate a policy of cooperative compliance (the CCF). The objective is to manage our relationship with large corporate business taxpayers so that we work together to achieve the highest level of voluntary compliance across all taxes and duties. The CCF offers participating corporate business taxpayers 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. 111 corporate groups are now working with us in the CCF.

## **Improved Self-Service Facilities**

Our goal is to tailor our service to suit the needs of our taxpayers, making it as easy as possible to be voluntarily compliant. The provision and enhancement of our online and self-service

facilities, which are available 24/7, allow taxpayers to manage their interaction with us, at a time that suits them best and in a cost-effective way.

## **eRegistration**

As part of our ongoing efforts to minimise the administrative burden on compliant taxpayers, we pre-populate data from the Companies Registration Office (CRO) on Revenue's eRegistration system. Additionally, details are automatically updated on Revenue taxpayer records when companies change their name, are struck off or have been restored to the CRO record.

This initiative speeds up the tax registration process for new companies, existing customers and tax agents, ensuring that taxpayers and their agents no longer need to contact both the CRO and Revenue for the same event. Over the last 2 years, over 17,000 company name changes and 18,000 strike-off notifications have been updated on Revenue records from the CRO public webservice.

## **Pre-Population of Tax Returns**

To further enable voluntary compliance and minimise the burden on compliant taxpayers, we have developed a programme of pre-populating annual tax returns (Form 11, Form 12, CT1) using data from a range of sources. This makes it easier for taxpayers to complete tax returns, minimises the scope for errors and omissions, reduces the need to contact us directly and speeds up the process of filing a tax return.

The range of data provided has expanded significantly since 2011, when basic customer data, provided on the customers previous year's tax return, was used for their current year's tax return. Pre-population now includes:

- employees' gross pay earned, tax and USC deducted, taken from employers' returns
- data on pensions and other benefits provided by the Department of Employment Affairs and Social Protection
- data on payments to subcontractors sourced from Relevant Contract Tax (RCT) returns (mainly relates to the construction sector)
- Home Renovation Incentive (HRI) tax relief information returned by contractors carrying out qualifying renovations
- data on EU scheme payments to farmers and other beneficiaries provided by the Department of Agriculture, Food and the Marine.

For taxpayers using RevApp (Revenue's free mobile App), we pre-populate tax returns with information relating to:

- health expenses
- rental income and
- trading income.

Our work on the pre-population of tax returns was nominated for the 2018 Civil Service Excellence and Innovation Awards in the 'Digital Excellence' category.

## **myAccount**

myAccount is a single access point for all Revenue's secure online services for individuals. It is available 24/7, year-round and is fully accessible on all mobile and smart devices. It provides the quickest, easiest and most convenient way to access tax records and manage tax

obligations at a time that suits the taxpayer.

Using myAccount, taxpayers can apply for certain tax reliefs, credits and exemptions, store receipts, make payments and access their Local Property Tax (LPT) services. During 2018, our myAccount online services were further enhanced to include:

- a facility to file a Capital Acquisitions Tax (CAT) IT38 return and
- a 'Letter of Residence' facility, which enables tax payers to request and receive confirmation of residence status.

## Providing Cost Effective Service

We provide a range of cost effective ways our taxpayers can communicate with us including;

**Online and self-service facilities** – free and available 24/7, year-round, our online services are the quickest, easiest, most convenient and cost effective way for taxpayers to manage their tax affairs.

**Appointment Service** – now available in 18 public offices, eliminating waiting times and allowing taxpayers to choose a time convenient for them to meet with a Revenue official.

**Telephone Service** – we launched a new telephone technology platform in September 2018 that facilitates the use of national numbers (01) as an alternative to the 1890 “Lo-call” service. The availability of a national number for all telephone contacts has significantly reduced costs for taxpayers and for us.

To coincide with the launch of our new telephone technology platform, we provided a single contact point for our PAYE taxpayers. Our new National PAYE Helpline number is (01) 7383636 and is used by employees/occupational pension recipients for any queries relating to PAYE.

## Repayments Schemes

The Central Repayments Office administers a variety of repayment schemes including:

- the Drivers and Passengers with Disabilities (DPD) relief schemes for both vehicles and fuel
- VAT refunds for purchases of certain aids, appliances and housing adaptations for use by persons with disabilities
- the VRT Export Refund Scheme
- rebates in relation to marine diesel
- diplomatic VAT refunds and
- Carbon Tax and Greenhouse Gas emissions refunds.

In 2018 the Central Repayments Office issued payments to the value of almost €154 million across all the schemes administered, a rise of 15% on the 2017 total. This includes almost €70 million in respect of the DPD scheme.

The Central Repayments Office also continued to promote and enhance the online and self-service facilities available for the schemes that it administers. Further enhancements were made to the DPD and eRepayments systems to allow taxpayers to manage their interactions with us, at a time that suits them best and in a cost-effective way.

## ***PAYE Modernisation***

In 2018, we delivered the most significant reform of the administration of the PAYE system since it was first introduced in 1960, bringing about significant efficiencies and improvements in accuracy and transparency to some 200,000 employers and pension providers, and 2.6 million employees and pension recipients. Despite a challenging timeline for introducing this reform, we delivered the project on time and engaged in extensive collaboration with key external stakeholders as part of our co-design approach. We also undertook an extensive outreach and communications programme, assisting employers and their agents, in preparing for, and understanding, the new reporting requirements under PAYE Modernisation.

PAYE Modernisation is, without doubt, one of the biggest business developments that we have ever undertaken and has required the commitment of significant resources since the Minister for Finance announced the initiative in October 2016. It has been a major cross-Revenue project, drawing on the expertise and skills of staff from our legislation services right through to our employer and employee helpdesk staff. Over 100 people were involved in the IT architecture and systems build alone. As with all change programmes, a heavy emphasis on internal communications and training has been key to its successful launch.

The transition to a real-time reporting system represents an important step in our commitment to continuously improve service, compliance and efficiency in the administration of the tax system. The design of the new system leverages technological advances, responds to, and caters for, the complexities of today's employment patterns and minimises the administrative burden for employers. It also ensures that employee statutory deductions are correct and are reported to Revenue on time.

### **Co-Design Approach**

Our co-design approach for the new system saw us engage extensively with payroll professionals, tax practitioners, accountancy bodies, business representative organisations and payroll software developers. As a result, real-time PAYE reporting is seamlessly integrated into the payroll system, bringing significant streamlining of business processes and a reduction in administrative burden and costs. We are grateful for the co-operation of the various stakeholders for helping us deliver PAYE Modernisation on time and recognise that their input was central to the success of the project.

### **Assisting Employers to prepare**

To support the transition to the new reporting requirements under PAYE Modernisation, we provided extensive assistance, through a range of initiatives, for employers and their agents during 2018.

We hosted 113 information seminars, in 36 locations nationwide, aimed at employers, payroll operators and tax agents, to explain in detail how the new arrangements work. Almost 21,000 participants reserved places at these events. The seminars were welcomed by all those who interact with payroll management, with positive feedback received from employers and their representatives on the quality and standard of information delivered.

In addition to our nationwide seminars, our comprehensive communications programme, which started in October 2016, following the announcement in Budget 2017, included initiatives such as:

- issuing letters in April and September 2018 to all employers advising of the PAYE Modernisation changes
- completing 11,652 employer readiness visits
- contacting 82,031 employers directly by phone and other means
- strengthening resources for, and extending the opening hours of, the National Employer Helpline. In 2018 the helpline:
  - ✓ answered 86,678 calls,
  - ✓ responded to 25,453 written queries
- presenting at over 400 events for a range of representative bodies and associations
- undertaking an extensive advertising campaign through broadcast, print and online media channels.

## **Data Alignment**

In preparation for PAYE Modernisation we took a number of initiatives to ensure that both Revenue and employer records are accurate and up to date. This ensures that PAYE taxpayers pay the right amount of tax at the right time, a key objective of PAYE Modernisation. The initiatives undertaken identified over 20,000 PAYE taxpayer records that required an update. Successfully piloting a project using Robotic Process Automation technology (RPA), we reduced the process time for updating these taxpayer records from hours to minutes, leading to improved service for taxpayers and better use of our resources.

## **Revenue Online Service (ROS) Enhancements**

To facilitate a seamless transition to real-time PAYE reporting, we provided an enhanced range of services through ROS.

In June 2018, we provided a facility for employers and agents to reconcile details of employees on their records with those on Revenue records. The 'List of Employees' facility ensured that both Revenue and employer records were accurate and up to date, significantly easing the transition to real-time PAYE reporting for the majority of employers. Through this facility:

- over 101,000 lists were processed covering nearly 2.2m employments
- 58,000 employments were commenced on Revenue records
- 105,000 employments were ceased on Revenue records.

On foot of requests from employers and agents, a Personal Public Service (PPS) number checker was also provided on ROS. This facility helps employers ensure that they record and report the correct PPS number for each employee.

In December 2018, we launched 'Employer Services' in ROS to support PAYE Modernisation changes. By using 'Employer Services', employers and agents who do not use direct payroll reporting can submit pay and statutory deduction details, in respect of their employees, to Revenue via an 'upload' facility. The facility also allows employers who do not use payroll software to comply with their PAYE Modernisation obligations by manually completing an online form in respect of their employees, on or before their payment date. We developed 'Employer Services' following in-depth consultation and collaboration with payroll software providers, payroll operators and taxpayer panels, whose feedback was used to ensure that the overall design and layout of the service is intuitive and easy to use.

## **Ensuring system performance**

PAYE Modernisation required significant ICT changes for both Revenue and payroll software providers alike. A key challenge for us was the need to extend our ICT infrastructure to handle the scale and volume of inbound transaction files on a continuous 24/7 basis. We undertook detailed analysis and planning work to design, build and test the required ICT infrastructure to support the volumes of data that would be sent by employers on a daily basis and to ensure that response times were in line with expectations.

We made use of new technologies designed for handling large data volumes and merged these technologies into our existing integrated tax system. Payroll software providers worked collaboratively with us to ensure the solution achieved its objectives. The early development of a suitable public testing environment was a crucial milestone. We provided such a test facility in March 2018, which allowed software providers to test their software changes. Additionally, in conjunction with payroll software providers and a number of their clients, we undertook a phase of parallel testing from September to November 2018. This facilitated tests using real data.

All of these collaborative and varied approaches helped to de-risk the final implementation and ensure the smooth transition to the new reporting requirements for employers.

The new 'real-time' PAYE reporting system has been operational from 1 January 2019. As of 31 March 2019, we had received 1.4 million payroll submissions (pay and statutory deductions) from 156,900 employers, reporting total gross salaries of over €23,758 million, for more than 2.6 million employees and pension recipients.



## Understanding Taxpayer Needs

We continually engage with taxpayers to understand their differing and evolving needs. We engage extensively with taxpayers, industry and business representatives through a range of initiatives and forums, to collaborate, support, advise, listen and learn. This helps us tailor our service strategies, contact channels, systems and support services to achieve high levels of voluntary compliance.

In 2018, our engagement covered a broad range of initiatives, including:

**Outreach Events** – our staff offered information, support and advice services to individuals and businesses at events such as the Ideal Homes Exhibition, The National Ploughing Championships and Taking Care of Business.

**Tobacco Traceability System** – we engaged with industry and business representative bodies to make them aware of their responsibilities under EU-wide traceability and security feature systems for tobacco products, which will apply to packets of cigarettes and ‘roll your own’ tobacco from 20 May 2019.

**Business Representative Bodies** – we engage and consult with a range of practitioners and business representative bodies. For example, through the Tax Administration Liaison Committee (TALC) we discuss, review and recommend practical changes to achieve a more effective and efficient administration of the tax system.

We are also a constructive participant in the Personal Insolvency process and have representation on both the Insolvency Service of Ireland (ISI) Consultative Forum and Protocol Oversight Committee.

Additionally, we are represented on the Company Law Review Group CLRG Corporate Insolvency subcommittee. This committee is tasked with reviewing company law within the corporate insolvency regime to ensure it addresses all stakeholders’ concerns and is fit for purpose. In 2018, we endorsed the implementation of the United Nations Commission on International Trade Law (UNCITRAL) on Cross Border Insolvency. This law is designed to assist States to equip their insolvency laws with a modern, harmonised and fair framework to address instances of cross-border insolvency more effectively.

**Customs Consultative Committee (CCC)** – continues to provide a two-way forum for Revenue and representative organisations to consult and exchange views on the customs treatment of imports and exports. The collaborative forum reviews developments and proposals in the customs area, particularly at EU level, and it aims to support Ireland’s competitiveness by advising on the design of customs regimes in Ireland that will facilitate legitimate trade to the greatest extent possible, in line with legislative and compliance requirements. The focus of discussion in 2018 was on preparations for Brexit at national and EU levels, IT updates and highlighting procedures and simplifications available under the Union Customs Code (UCC) in order to assist legitimate trade and facilitate the efficient movement of goods.

## Taxpayer Surveys

We have conducted annual surveys over the past decade to better understand taxpayer behaviour, taxpayers’ expectations of us and their satisfaction with the service we provide. In 2018, we conducted our first survey to specifically seek the views of taxpayers who have small amounts of Schedule D income (i.e. income from self-employment). In particular, the survey focused on taxpayers with self-employed income below €10,000.

The results show that overall taxpayer satisfaction with the service Revenue provides is high, with 92% indicating satisfaction. Other key findings include 78% of respondents reported that they find the Revenue website easy to use and 80% say Revenue’s online help guides and

videos are helpful. These satisfaction rates are in line with those reflected in our surveys of small to medium sized businesses, PAYE taxpayers and tax advisors/agents conducted in recent years, as well as customer satisfaction surveys conducted for the Civil Service overall.

## Supporting Tax Policy

We work closely with the Department of Finance in contributing to the evaluation, development and implementation of national tax policy as well as contributing to the development of the overall international tax and duty policy framework of the EU and Organisation for Economic Cooperation and Development (OECD). This includes providing statistical and economic analysis and costings to the Department of Finance as well as to the Government and the Oireachtas (further information in Feature Article on page 28).

## National

### Implementation of Base Erosion and Profit Shifting (BEPS) Action Plan

Building on the work done at OECD level in relation to BEPS, the EU Commission put forward its Anti-Tax Avoidance Directive ('ATAD') in 2016. This Directive was agreed by all Member States, and formally adopted by the Economic and Financial Affairs Council of the European Union, on 12 July 2016.

We worked closely with the Department of Finance on policy formulation, by providing advice, input and drafting legislation, in respect of two of the legally binding anti-abuse measures in ATAD for the Finance Act 2018, namely:

- Controlled Foreign Company ('CFC') rules which are designed to prevent the artificial diversion of profits from the State to subsidiaries in low or no-tax jurisdictions by attributing the undistributed income of the subsidiaries back to the controlling companies in the State for immediate taxation.
- Exit Tax rules which, broadly speaking, impose tax on unrealised capital gains by deeming a disposal to have occurred where companies migrate or transfer assets offshore, without an actual disposal, such that they leave the scope of Irish tax.

Also arising from the implementation of the BEPS action plan and, in particular, BEPS Action 11 (Measuring and Monitoring BEPS), our statisticians worked with the OECD secretariat, and working parties, in preparing Ireland's contribution to a new publication of a Corporate Tax Statistics Database<sup>4</sup>, which was published in January 2019. A significant component of this preparatory work in 2018 included analysis, for the first time, of Country by Country reporting (CbCr) returns filed in Ireland.

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

During 2018, Ireland was reviewed by the OECD in respect of Revenue's implementation of the BEPS Action 5 exchange of rulings framework. The review found that Ireland met all aspects of the terms of reference and made no recommendation for any change.

### OECD Review of the Implementation of the BEPS Action 13 Minimum Standard on Country-by-Country Reporting

The first annual peer review of the implementation of the BEPS Action 13 minimum standard on CbC reporting was carried out by the OECD ad hoc CbC Reporting Group from February 2017 to February 2018. The outcome of the review process was published in May 2018<sup>5</sup>. Ireland was

<sup>4</sup> <http://www.oecd.org/tax/beps/corporate-tax-statistics-database.htm>

<sup>5</sup> [https://www.oecd-ilibrary.org/taxation/country-by-country-reporting-compilation-of-peer-review-reports-phase-1\\_9789264300057-en](https://www.oecd-ilibrary.org/taxation/country-by-country-reporting-compilation-of-peer-review-reports-phase-1_9789264300057-en)

found to have met all aspects of the terms of reference and no recommendation for any change was made.

## **VAT Compensation Scheme for Charities**

We worked closely with the Department of Finance and Irish charities on the implementation of the VAT compensation scheme announced in Budget 2018. The €5 million scheme aims to reduce the VAT burden on charities and to partially compensate them for a proportion of the VAT paid on expenditure related to privately sourced income.

Charities will be able to claim for VAT paid in 2018 from 1 January 2019 and, from then on, will be able to make claims once a year for VAT paid in the previous year. The scheme will be reviewed after three years.

## ***Sugar Sweetened Drinks Tax***

In October 2016 the Minister for Finance announced the planned introduction of a Sugar Sweetened Drinks Tax (SSDT) to deliver on a commitment made under the Programme for a Partnership Government. The rationale for the tax was proposed by the Department of Health and represents a key element of the Government's comprehensive action plan, "A Healthy Weight for Ireland," which aims to tackle the obesity problem in Ireland.

When announcing the SSDT proposals the Minister for Finance indicated that, given the soft drinks industry's highly integrated production and supply chains between Ireland and the UK, the SSDT would need to be aligned with the UK's Soft Drinks Industry Levy (SDIL) in terms of both timeframe and structure. On that basis, Ireland's SSDT was to be implemented from April 2018. We started work immediately after the Budget 2017 announcement to prepare for the introduction of Ireland's first ever health related tax.

Along with the Department of Finance, we engaged in detailed consultations with industry representative bodies for those involved in the production, wholesale and retail of soft drinks. These consultations included SSDT Technical Working Group meetings, focused on key aspects of the design and administration of the new tax. We also liaised closely with other Government bodies to ensure that policy proposals were translated into a workable design for the new tax that would be efficient to operate and would minimise the administrative burden on impacted businesses. Our preparations also included the development of IT systems and operational processes to support the online administration of the tax.

Our Revenue Legislation Services drafted the legal framework for SSDT covering scope, liability, basis of assessment, registration, powers and offences. The SSDT legislative provisions, included in the Finance Act 2017, provided for the introduction of the new tax to apply to sugar sweetened water and juice-based drinks. In line with the policy proposals, all dairy-based drinks with added sugar were excluded from taxation on the basis of the health benefits associated with their consumption. Milk substitutes such as plant protein drinks were also excluded from the scope of the tax on the same basis.

The commencement of the tax was subject to the outcome of Ireland's formal notification of the measures to the European Commission. As part of this process, Ireland made a commitment to the Commission to bring certain categories of drinks, that are currently excluded from taxation, within the scope of SSDT. In April 2018, the European Commission confirmed that, given the commitments made by the Irish authorities, the Sugar Sweetened Drinks Tax measures did not constitute a State aid under EU rules. This confirmation cleared the way to commence the new tax on 1 May 2018.

In order to meet the commitments made to the European Commission, legislative amendments were introduced in the Finance Act 2018 to extend the scope of Sugar Sweetened Drinks Tax to defined categories of drinks that are currently excluded, where they do not meet a minimum calcium threshold. These amendments came into effect on 1 January 2019 and bring certain plant protein drinks and drinks containing milk fats within scope of the tax.

The total yield from Sugar Sweetened Drinks Tax in 2018 amounted to €16.5 million and expected yield for 2019 is €35 million. There is evidence that the soft drinks industry is already responding to the policy objectives of the new tax with many products having been reformulated to reduce their sugar content.



## Vehicle Registration Tax

Following a recent European Court of Justice ruling, whereby Ireland was mandated to introduce a pro rata charging system in respect of certain leased vehicles which are brought into the State from another Member State for a temporary and fixed period, we worked closely with the Department of Finance and drafted legislation for the introduction of a new VRT scheme that will come into effect in the second half of 2019. Subject to a number of conditions being met, the scheme provides that the upfront VRT payment for qualifying vehicles is proportionate to the time the qualifying vehicle is scheduled to remain in the State.

## International

### Double Taxation Agreements

Throughout 2018, we continued work on the expansion of Ireland's tax treaty network through the negotiation of new Double Taxation Agreements (DTAs). We are also updating a number of existing DTAs through full renegotiations or the negotiation of protocols to implement anti-BEPS measures.

Ireland has signed DTAs with 74 countries, covering Income Tax, Universal Social Charge, Corporation Tax and Capital Gains Tax. Of these, 73 are in effect.

Also during 2018, Ireland completed ratification of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS (MLI), culminating in the depositing of the Instrument of Ratification with the OECD in January 2019. This Convention sets out the DTA related measures to tackle BEPS that were included in the various BEPS Actions Reports published on foot of the work done at OECD level. The MLI will be applied in parallel with existing DTAs, modifying their application to implement the anti-BEPS measures.

### Competent Authority Function

Revenue acts as the Competent Authority for the purpose of resolving any dispute that may arise under Ireland's DTAs. During 2018, our engagement with the Competent Authorities of other countries to eliminate double taxation resulted in the completion of 12 cases, 8 of which relate to transfer pricing (the attribution or allocation of profits between Ireland and the other country concerned). This work involved Mutual Agreement Procedure (MAP) negotiations, provided for under our network of DTAs and the EU Arbitration Convention (Table 26).

We held negotiations on bilateral Advance Pricing Agreements (APAs) with the Competent Authorities of other countries to determine, in advance of the period of account concerned, an agreed basis for cross-border transfer pricing between companies. The negotiation of APAs seeks to prevent transfer pricing disputes arising. In 2018, we received 9 APA requests and 3 APAs were granted following negotiations with the Competent Authorities of other countries (Table 27). On foot of the work done at OECD level in relation to BEPS we have seen an increase in the number of MAPs and requests for APAs.

Additionally, and also arising from the BEPS action plan, Ireland and other countries committed to having their work in relation to the resolution of international double taxation disputes reviewed and monitored by their peers. As part of this process, Ireland was subject to review during 2018. Ireland obtained a favourable outcome in this review. The report<sup>6</sup> is published on the OECD website.

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<sup>6</sup> OECD (2018), Making Dispute Resolution More Effective – MAP Peer Review Report, Ireland (Stage 1): Inclusive Framework on BEPS: Action 14, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264304192-en>.

## European Commission

With the aim of influencing the design and supporting the development of effective policy frameworks, we continued to participate in, and contribute to, a broad range of international tax and duty matters at European Commission level. In 2018 these included:

- modernising the VAT system to adapt it to the digital economy and the needs of SMEs
- an interim basis of taxation of multinational companies with income from internet activities
- Common Corporate Tax Base
- policy formulation for the Customs Policy Group (CPG)
- EU Code of Conduct (Business Taxation) Group.

## Traditional Own Resources

Revenue is responsible for collecting and accounting for relevant EU duties and charges, known as 'Traditional Own Resources'. The VAT Own Resource (VAT OR) account provides an assessment of the total value of VAT liable goods and services in any given period and is used to determine a portion of Ireland's contribution to the EU budget.

In November 2018, the EU Commission (and Eurostat) carried out an audit on the procedures used in the estimation of Ireland's VAT OR. These audits are conducted approximately every two years and involve an intensive review by the visiting audit team of the basis used to estimate Ireland's VAT OR contribution. The audit provided Revenue (and the Central Statistics Office) an opportunity to verify the process used to estimate Ireland's VAT OR account, improving its accuracy and therefore the accuracy of Ireland's contribution to the EU budget.

## Brexit

Extensive and detailed Brexit preparedness and contingency work, for all scenarios including 'no-deal', is being taken forward across all Government Departments and Agencies. As part of this preparedness, we are actively engaged in the inter-Departmental work that is co-ordinated by the Department of An Taoiseach and the Department of Foreign Affairs and Trade and we work closely with the Department of Finance, who determine fiscal policy.

In our Brexit preparedness and contingency planning, we are strongly focused on facilitating the efficient and timely movement of legitimate trade in compliance with customs controls post-Brexit. We will deliver efficient implementation of tax and customs procedures in a post-Brexit environment. In all instances we will continue to work to support trade and businesses in order to maintain high levels of voluntary compliance.

Throughout 2018, we continued our planning and preparations for Brexit at both national and European level. At a European level, we met with tax and customs administrations in Member States and with the European Commission to plan and prepare effectively for Brexit. National preparations have centred around 4 key areas:

**Inter-Departmental Working Groups:** we continue to actively engage with our colleagues across Government, providing technical advice and support to the Brexit teams in the Department of the Taoiseach, Department of Foreign Affairs and Trade and the Department of Finance. We also Chaired the Inter-Departmental Group on Infrastructure, established in June 2018, to examine the infrastructure requirements for the State's ports and airports post-Brexit. The group comprised key stakeholders such as the Department of Agriculture, Food and the Marine, Department of Health, Health Service Executive and the Office of Public Works.

**Staffing, Recruitment and Training:** Our dedicated Brexit Unit, which has 14 full time equivalent (FTE) staff, draws together and coordinates expertise from relevant specialist areas throughout Revenue including: customs, indirect tax, information technology, international relations, legislation, recruitment and training, and statistics, research and analytics.

We determined that an additional 600 staff will be required for Brexit and 2018 saw a significant programme of Brexit related recruitment and training. The Public Appointments Service ran an open recruitment campaign, for customs officers to work on a 24/7 basis, which attracted more than 3,000 applications. In preparation for a 'no-deal' Brexit, we accelerated and expanded our recruitment and training schedules with over 400 additional staff in place by the end of March 2019.

**Engagement with Business:** Throughout 2018, we engaged closely with businesses on the steps they should take to prepare for Brexit. We engaged through the Customs Consultative Committee (made up of Revenue and representatives of import/export trade organisations), by participation in events organised by other State Agencies (e.g. Enterprise Ireland, Bord Bia), industry organised events, and meetings with representative groups.

In order to intensify and extend engagement with businesses, we developed a comprehensive Trader Engagement Programme. The programme provided practical guidance to Irish businesses on the impacts Brexit may have and assisted them in identifying steps to take to prepare for Brexit.

We held 4 customs focused Brexit information seminars, in collaboration with the Department of Agriculture, Food and the Marine (DAFM), targeted at large economic operators and logistics companies that are involved with trading to, from or through the UK. These seminars were attended by 400 businesses. As well as presenting relevant information, we gave businesses the opportunity to engage, one on one, with our customs experts on the day.

Our engagement with businesses impacted by Brexit has continued and intensified in 2019.

**IT Systems:** IT systems are at the heart of all Revenue's operations, and are also central to how Ireland and the EU facilitate the fast and efficient completion of customs formalities. During 2018, we processed 1.6 million import and export custom declarations through our electronic systems. Post Brexit, import and export declarations could increase to as many as 20 million per annum. We carried out significant work to increase our systems' capacity to cater for trade with the UK as a third country. Our systems will successfully handle the increased transaction levels arising as a result of Brexit.



*Brexit Trader Outreach Seminar, The Printworks, Dublin Castle, 20 February 2019.*

## **Revenue Statistics and Research for our Customers**



*Revenue's Gerry McGuinness and Brian Stanley accepting their award from Colm Kelly, Chairman of the Foundation of Fiscal Studies*

Revenue is publishing an increasing volume of statistics and research on tax receipts and costings of tax policy options (<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/index.aspx>).

In doing this, we balance the expectations of the public, researchers, Government and the Oireachtas for information with data protection requirements and the need to protect the confidentiality of taxpayer information. Protecting taxpayers' data is central to all our processes including publication of statistics.

We worked hard over recent years to build a professional research team that provides analysis to support policy making. This required leadership, innovation and an investment in people and technology. This includes drawing staff from the Irish Government Economic & Evaluation Service ('IGEES'), secondment of statisticians from the Central Statistics Office, internship programmes with third level institutions and hiring of data analysts to work alongside tax and customs experts.

Our investment has led to many achievements, such as:

- we were the first Government Department to achieve the accreditation of the 'Official Statistics' quality mark by the Central Statistics Office, recognising the quality standards and principles of our audited statistics
- our most high profile statistical output, the 'Ready Reckoner', which illustrates the estimated impact on the Exchequer from changing tax rates, thresholds, bands and more, for almost all taxes and duties, won an award from the Foundation for Fiscal Studies in 2017. 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
- new publications to address critical issues such as our annual reports detailing data on Corporation Tax payments and returns (including in April 2018 reporting on payments in 2017 and returns for the 2016 tax year).

In 2018, we built on this work by further engaging with users of our statistics and research. User demand and facilitating their needs is key to our approach to publication of information. We publish in an accessible and convenient manner as much as possible, using Open Data formats where feasible.

In June 2018, Revenue hosted a seminar "Revenue Statistics: Building Awareness and Identifying Needs" in the Chester Beatty Library conference room, which was attended by over 80 stakeholders from the public and private sectors. At the seminar, we received a 'High Commendation' award from the Foundation for Fiscal Studies for research on income dynamics undertaken by Revenue economists at the request of the Government's Low Pay Commission.



## **Civil Service Excellence and Innovation Awards Winner 2018 in the 'Digital Excellence' Category**



*Photo L-R : Robert Watt, Secretary General of DPER, Paschal Donohoe, Minister for Finance and Minister for PER, Sinéad Ryan, Cleo O'Beirne, Niamh Behan, Chad Egan, Eamonn O'Brien, all representing Revenue's Website Redesign team, Niall Cody, Chairman of the Revenue Commissioners, Katherine Licken, Secretary General of Dept of Culture, Heritage and Gaeltacht.*

The 2018 Civil Service Excellence and Innovation Awards took place on 22 November in St Patrick's Hall, Dublin Castle. The Secretary General of the Department of Public Expenditure & Reform, Robert Watt, announced the winners of the 2018 Civil Service Excellence and Innovation Awards.

The 'Redesign of the Revenue Website' project was the ultimate winner in the 'Digital Excellence' category.

Guided by insights from engagement with taxpayers, feedback from our staff and the latest research into how people consume information online, our aim in redesigning the website was to:

- improve service for our 3.5 million taxpayers by delivering a one-stop-shop that enables and encourages taxpayers to self-serve for information and online services
- make services more accessible by ensuring availability on all device types (desktop, smartphone, tablet)
- rewrite the content to make it accessible for a wider range of literacy levels
- organise and present content in a way that makes sense to our diverse range of taxpayers
- introduce a rigorous content management process to ensure that information remains correct and up-to-date
- make all our webpages available in Irish.

The site launched in June 2017, successfully achieving our aims. We continuously review and refine it based on developments, taxpayer and staff feedback and analytics.

The website redesign team, pictured above, received the award on behalf of the 225 Revenue staff who worked on various stages of the project.

Revenue was also nominated in the 'Digital Excellence' category for its work on pre-populated annual tax returns, see page 18 for more details.

## **National Project Management Awards 2018 Winner in the 'Public Sector Project of the Year' Awards**



*Photo L-R :  
Eamonn Murphy, Conor McDonough, Aisling Malone, Irene Murphy, Kathleen Redmond,  
Leeann O'Kelly, Marian O'Sullivan, Director of IPA, Brian Boyle*

The 2018 National Project Management Awards took place on 29 November in Price Waterhouse Coopers, Spencer Dock, Dublin.

Revenue's 'Customer Engagement Strategy 2015 – 2017' was the ultimate winner in the 'Public Sector Project of the Year' category.

The key objectives of the Strategy were to improve customer service and move taxpayers to the quickest and most efficient contact channel for their business.

We achieved this through the implementation of a range of different initiatives. We enhanced and extended our range of online services, including launching the new myAccount portal, new PAYE online services, a redesigned website and a mobile app. These services are easy to use and are accessible on all smart devices, making it even easier for taxpayers to manage their tax affairs. We also implemented a number of initiatives to increase taxpayer's awareness of their entitlements and obligations.

Although our focus was to increase the use of our online services, we are also committed to providing alternative channels for taxpayers that are unable to use these services. Improvements were made to our telephone service and an appointments service is available in our public offices.

# Confront Non-Compliance



## Audit and Compliance Interventions

**580,757** Interventions with a Yield of **€572.1m**

### Avoidance

**22** Cases Settled

Yield **€5.7m**



### Seizures

**16,775** Customs/Excise Seizures

Valued at **€90.74m**



### Prosecutions

**21** Serious Evasion and Fraud Convictions

**695** Summary Convictions

### Publications



**265** Cases Published with  
Settlements Amounting to **€43.98m**

### Debt Enforcement

**31,680** Cases  
Yield: **€211.6m**



# Confront Non-Compliance

We are committed to protecting Exchequer funds and supporting voluntary compliance by confronting non-compliance in all its forms.

The majority of our taxpayers are voluntarily tax and duty compliant, meet their filing and payment obligations on time and submit accurate returns and declarations. We support this strong culture of voluntary compliance through our comprehensive, risk based compliance framework, which is embedded into our normal business.

We use a broad range of data, intelligence and analytical technologies to identify and quantify risk. The nature and potential severity of the intervention we undertake is determined by the risks identified and the behaviour of the taxpayer.

We respond to those who do not file returns or file incorrect returns, by auditing, investigating or making enquiries with a view to prosecution, as appropriate. Revenue challenges aggressive tax avoidance schemes, and the unintended use of legislation, that may threaten tax yields and the perceived fairness of the tax system.

In 2018, the yield from a total of 580,757 compliance interventions was €572.1 million. This included 4,735 audits and investigations, yielding €255.6 million (Table 13). In addition, 576,022 other compliance interventions were completed, ranging from over 34,000 checks on PAYE taxpayers to over 356,000 risk checks across all transactions including VAT repayment claims.

We seized 1,988kgs of drugs with an estimated street value of over €33 million. We carried out 5,339 seizures of illicit tobacco products, valued at over €42.3 million, seized 252,101 litres of illicit alcohol valued at €1.5 million and seized 1,502 vehicles, for various offences (Tables 18 and 19). In addition, 158 gaming machines were seized as part of a national compliance project on the gaming and amusement sector.

In 2018, Revenue prosecutions resulted in Court fines totalling €1.76 million in 695 summary cases (Table 23), 707 civil penalties for non-filing of returns totalling €2.73 million (Table 24) and 21 criminal convictions for serious tax and customs fraud (Table 22). At the end of the year, there were a further 20 criminal cases before the Courts (Table 22).

## Compliance Programmes

Our programme of compliance interventions aims to minimise the burden on the compliant taxpayer and tackle, in a thorough and effective way, the non-compliant taxpayer. Our compliance framework is risk-based. We constantly monitor new and emerging compliance risks, and continually review and adapt our approach to risk while having regard to the ever-evolving employment, social, economic and technical environment.

We undertake a wide range of targeted and risk focused interventions, ranging from light touch early interventions to criminal prosecutions for serious tax and duty fraud. This ensures that our response to risk and non-compliant behaviour is timely, consistent, proportionate and effective. The behaviour of the taxpayer determines the nature and potential severity of the intervention we undertake.

In 2018, we focused our compliance activity on the construction sector, on employers as part of our PAYE Modernisation preparatory work and on the gaming and amusement sector. Details of sectoral compliance activity are set out in Table 15.

We also continued to develop our e-audit capability and improved compliance among businesses operating in the e-Commerce economy.



## **Construction**

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 2018, the construction sector yielded over €50 million, representing almost 9% of the total yield from all interventions. These interventions focused on the risks associated with the VAT reverse charge, the eRCT system and site visits to projects in receipt of Government funding.

The construction sector was also the focus of our Joint Investigation Units (JIUs), see page 36 for further information.

## **Employer Compliance Campaign**

A significant portion of Income Tax is collected by employers through the 'Pay As You Earn' (PAYE) system. There are a number of obligations placed on employers to ensure that the correct amount of tax is collected from every employee at the right time. Based on risk analysis, and in preparation for the transition to the new reporting requirements under PAYE Modernisation, Revenue conducted a compliance project on employers' obligations, which yielded €6.5 million from 2,476 compliance interventions.

## **Gaming and Amusement National Compliance Project**

Any gaming or amusement machine, which is made available for play in a public place, must have a valid Excise Licence issued by Revenue. Revenue also requires compliance with tax clearance requirements before a licence is issued. Where a gaming or amusement machine is available for play, without a proper licence displayed, it is liable to seizure.

In 2017, we initiated a national compliance project on the gaming and amusement machine sector, designed to identify and tackle non-compliance with tax and excise licencing obligations. This project is ongoing and, to date, we have carried out site visits at 285 separate premises nationwide. A range of follow-up actions are being pursued with respect to the tax and licensing issues identified, including the seizure of unlicensed machines, where appropriate. By the end of 2018, this project had resulted in:

- the seizure of 158 unlicensed gaming machines
- an increase in the number of licences issued
- an additional annual increase of licence revenue in excess of €1 million and
- yield of more than €2.25 million.

## **e-Commerce**

In 2018, we established an e-Commerce Policy Unit to improve compliance in the rapidly growing e-Commerce economy. We are developing several business initiatives to enhance awareness among taxpayers and our staff of the e-Commerce environment, its associated risks and tax implications.

These initiatives focus on building our skills, structures and systems to address e-Commerce risks and ensuring that emerging risks are quickly identified and tackled.

We also established a dedicated team to improve compliance among non-resident online traders who supply goods to Irish customers. The key objectives of the team included the registration of traders with a prominent online presence in Ireland and traders who supply high-value/low-volume goods to the Irish market. The goal is to ensure these traders are aware of,

and comply with, their VAT obligations. To date:

- almost 1,000 cases have been profiled
- 132 new online traders registered with net VAT declared of €7.3 million
- 28% increase, equating to an additional €25.5 million, in net VAT declared from non-resident online traders, on a year-on-year basis, up to the end of December 2018.

## **e-Audit**

The business environment is primarily a digital environment with most taxpayers using some form of computer package or software to manage their business and tax records. The use of e-audit techniques is now a common feature of our compliance intervention work and we continue to expand and enhance our e-audit capability. This enables us to review large volumes of taxpayer records in a relatively short timeframe, enhances our ability to detect discrepancies in taxpayer records and identify non-compliance.

During 2018, we collected almost €69 million in yield from e-audits. This represents almost 28% of yield collected through our audit programmes. In 2018, the average audit yield from e-audits was €65,816, higher than the average audit yield of €49,896 when traditional auditing methods are used.

## **Publication of Tax Defaulters**

Section 1086 of the Taxes Consolidation Act, 1997 provides that Revenue publishes 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 2018, tax settlements amounting to €43.98 million were agreed with 265 taxpayers and were published. Tables 16 and 17 provide details of publications in 2018 including a breakdown by quarter and the most common sectors published.

## **Use of Data, Intelligence and Analytics**

We deploy our data analytics capability and risk assessment systems to identify and target risk.

We are committed to maximising the use of data and the deployment of analytics and risk assessment approaches to identify the incidence, scale and significance of non-compliance and to target our resources to successfully confront and overcome those risks.

We use a broad range of data and intelligence, including third party data sources, to inform responses to both risk and non-compliance.

## **Third-Party Information and Data Analytics**

The Taxes Consolidation Act 1997 obliges a wide range of third parties, including merchant acquirers, Government bodies, financial institutions, and certain types of intermediaries, to provide returns of information to Revenue. In general, the returns received detail payments made to, or assets held on behalf of, Irish taxpayers.

We actively manage compliance with these requirements to ensure that we receive comprehensive and high-quality information. In recent years, we have focused particularly on ensuring that online intermediaries (including peer-to-peer intermediaries) give full and timely reports of the transactions which they facilitate.

The data gathered in these third-party returns is matched to Revenue records and used to:

- inform our risk systems by cross checking a wide range of third-party information with taxpayer declarations, highlighting discrepancies for review
- determine specific compliance projects, for example, in 2018, matched third-party data was used to drive a wide range of ongoing projects including work on medical locums, providers of short-term accommodation, and Irish residents in receipt of income from foreign assets. In addition, we began a review of unmatched data to identify possible evidence of shadow economy activity
- support voluntary compliance, for example, information on agricultural subsidy payments provided by the Department of Agriculture, Food, and the Marine was used to pre-populate 78,000 income-tax returns. In addition, information on payments made by certain intermediaries was used to inform a service for compliance campaign during which we wrote to 12,000 taxpayers to remind them to make full and accurate declarations of their income.

We also make extensive use of third-party information in our data analytics projects, alongside a range of other Revenue data sources. In 2018, our specialist analytics unit completed comprehensive analyses of the results of our intervention programmes in order to identify which taxpayer behaviours and characteristics best predict non-compliance. The findings of these reviews are currently being used to inform the further development of our risk-assessment systems. The unit also developed a range of new interactive tools to allow frontline staff to interrogate, understand, and utilise the rich data sources available to Revenue.

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

We have legislation in place to automatically exchange financial account information, including bank account details and details of investments, with over 100 jurisdictions. In September 2018, 90 jurisdictions participated in the exchange of this data. This provides us with information on accounts held abroad by Irish customers, which is cross-referenced with tax returns, to ensure all offshore assets and income are properly declared.

Large multinational enterprise (MNE) groups 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. The first exchanges of CbC data between tax administrations took place in June 2018 and we will use this information to inform high-level transfer pricing risk assessments and to evaluate other BEPS-related risks.

In keeping with our commitment to international tax transparency, 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 152 opinions issued in 2018.

## **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 collaborative investigations. In 2018, we received 1,967 MA requests from other countries, while we made 751 requests (see Table 25).

## **Suspicious Transaction Reports**

During 2018, we processed 23,966 Suspicious Transaction Reports (STRs) from financial institutions and other designated bodies that are required, by law, to make such reports.

STRs received are examined and used to identify and subsequently confront non-compliance. In 2018, the yield from compliance interventions involving STRs was €1.9 million.

## **Target and Disrupt Shadow Economy Activities**

Our determination to challenge all forms of shadow economy activity and to restrict the opportunities for the deliberate evasion of tax is evidenced by the broad range of interventions conducted which target fraud, illicit trade and smuggling (including drugs) and which contribute to tackling organised criminal activity.

## **Joint Investigation Units (JIU)**

We conduct both standalone Revenue operations and, work collaboratively with the Department of Employment Affairs and Social Protection (DEASP) Special Investigation Unit (SIU) officials and also, as circumstances warrant, with the Workplace Relations Commission (WRC), to address areas of common concern in, for example, the construction sector.

In 2018, we conducted 793 Revenue standalone construction site visits, interviewing 3,953 contractors, sub-contractors and employees, on site, to make them aware of their compliance and other statutory obligations. Additionally, we carried out a further 678 construction site visits in conjunction with DEASP and WRC. As a result of these activities, 492 individuals were registered as new employees for PAYE and an additional 258 sub-contractors were reclassified as employees.

## **VAT Fraud**

We continue to develop measures to combat the risk of VAT fraud and engage with international agencies and fora including EUROFISC and the International Organisation of Tax Administrations (IOTA) for sharing of information regarding emerging trends and best practice. Bi-lateral cooperation with Member States on cross border fraudulent VAT activities is an important element in managing risk associated with VAT fraud.

In 2018, we increased our effectiveness in disrupting VAT fraudulent activity, generating assessments in excess of €13.9 million. A combination of enhanced registration processes and a robust compliance programme has resulted in 41 VAT registrations being compulsorily cancelled during 2018 where there were indications of fraudulent activity.

## **Prevention, Detection, Interception and Seizure of Drugs**

Revenue has primary responsibility for the prevention, detection, interception and seizure of controlled drugs intended to be smuggled or illegally imported into, or exported from, the State. Our strategy for acting against drug crimes is designed to be complementary to the Government's Drugs Strategy 2017-2025 led by the Department of Health, and, in particular, the Strategy's objective of reducing access to drugs.

We deploy a risk-based approach to identifying key players within the various strands of the supply chain for illegal drugs, and initiate a range of measures and interventions, including multi-agency operations, to disrupt the supply of illegal drugs and bring those responsible for the illegal trade to account. This risk based approach includes developing and utilising intelligence in conjunction with our national and international law enforcement partners.

We work closely with An Garda Síochána, particularly the Garda National Drugs and Organised Crime Bureau, in joint investigations and operations. We participated in 32 such operations during the year. We also work closely with the Health Products Regulatory Authority, the Irish Naval Service, and international bodies such as the Maritime Analysis Operations Centre-

Narcotics (MAOC-N) Lisbon, Europol, Interpol, and World Customs Organisation and law enforcement agencies in other countries.

During 2018, we made over 7,000 seizures amounting to 1,988kgs of drugs with an estimated value of almost €33.50 million (Table 18).

## **Illicit Tobacco Products**

Revenue's strategy is to target the supply of illicit tobacco products, with a view to disrupting all stages of the supply chain (supply, distribution and sale), seizing the illicit products and, where possible, prosecuting those responsible. Key elements of our strategy include using risk analysis and profiling to screen cargo, vehicles, baggage and postal packages to intercept the supply of illicit tobacco products.

Much of this criminal activity has a transnational and cross border dimension and, in addition to our ongoing cooperation with An Garda Síochána in this field, we work closely with our counterparts in other jurisdictions and bodies including the European Commission's Anti-Fraud Office (OLAF), Europol and the World Customs Organisation (WCO).

In 2018, our targeted actions led to the seizure of over 67 million illicit cigarettes and 1.9kgs of smoking tobacco, with a combined value of over €42 million. 2018 also saw the detection and closure of the first ever illegal cigarette factory in the State. Further details of this operation can be found on page 42.

The 2018 Illegal Tobacco Products Research Survey, conducted by Ipsos MRBI for Revenue and the HSE National Tobacco Control Office, shows that 13% of the cigarette packs held by smokers surveyed are classified as illegal and a further 9% of the packs are found to be legal Non-Irish Duty Paid (usually purchased legally abroad). The survey found that 21% of roll your own packs held by smokers are illegal, with a further 7% being legal Non-Irish Duty Paid. Compared to 2017, the results for cigarettes are unchanged. However, for roll your own packs the estimated illegal market share increased from 15%. The survey results are published on the Revenue website<sup>7</sup>. We continue to remain pro-active in the fight against tobacco fraud.

## **Illegal/Counterfeit Alcohol**

As a result of increased cooperation and intelligence sharing between Revenue and other EU Member States, in relation to the movement of product between bonded warehouses within the EU, we saw an increase in the number of larger seizures of illicit alcohol at the main ports in 2018. A total of 252,105 litres of alcohol with an estimated value of €1.5 million was seized during 2018. This represents an increase of 165% in the quantity of illicit alcohol seized when compared to 2017.

Ireland also participated in a number of multi-national operations involving other Member States, targeting fraudulent movements of alcohol products.

## **Fuel Fraud**

Based on the evidence to date, we are satisfied that our overall strategy has been very effective in combatting the illicit trade in fuel products. In 2018, we detected 4 fuel laundries and we continue to remain vigilant, particularly in relation to emerging trends and threats in this field.

In 2018, we expanded the National Random Sampling Programme to include (as well as retail fuel outlets) certain transport sector traders. This widened the testing to include a group that

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<sup>7</sup> <https://www.revenue.ie/en/corporate/information-about-revenue/research/surveys/tobacco-consumption-survey/index.aspx>.

are important users of diesel and who would stand to benefit significantly in financial terms from the illegal use of reduced-rate fuel. The programme showed no evidence of the sale of laundered fuel at retail outlets. However, evidence of misuse of reduced-rate fuel was found in 3% of sampled transport sector traders. The findings of the sampling programme show that the systematic selling of illicit fuel through retail outlets and its use in the transport sector is negligible but does not signify the complete elimination of the illicit trade in fuel. We continue to remain vigilant, particularly in relation to emerging trends and threats in this field. The results of the sampling programme are published in the Research area of the Revenue website<sup>8</sup>.

## **Cash Detention**

We detain cash amounts of €1,000 or more which are suspected to be the proceeds of, or intended for use in, criminal activity. When cash is detained, with the approval of the Courts, a comprehensive investigation is then conducted with a view to having the money forfeited to the State, where appropriate.

In 2018, Revenue was granted Court approval in 78 cases for investigation of cash amounts totalling €1.05 million (Table 20).

In cases where links to criminality are established, we apply to the Court for a forfeiture order. During 2018, the Courts granted forfeiture orders in respect of 55 criminal case seizures amounting to €1.28 million (Table 21).

## **Prohibitions/Restrictions and Counterfeit Goods**

Revenue action against counterfeit, fake or pirated goods is provided for by EU Regulations. We make regular detections of counterfeit goods at the country's ports, airports and postal hubs as a result of risk profiling. Many of the counterfeit goods that are detected and detained are intercepted in postal or courier hubs, addressed to individuals who have purchased them via the internet. Occasionally, larger consignments are detected in shipping containers, as a result of intelligence and risk profiling.

During 2018 we made over 450 detections of suspected counterfeit goods valued in excess of €3 million. The range of counterfeit goods seized includes electronic goods, cosmetics, mobile phones/accessories, clothing and jewellery, the majority of which are consigned from China and Turkey.

## **Tax Avoidance Schemes**

Ensuring a fair, transparent and effective tax and customs system continues to be at the heart of our organisation. To protect tax yields and preserve the fairness of the tax system, we proactively challenge the use of tax legislation, reliefs and allowances, other than as intended. We are currently challenging 912 tax avoidance cases, while in 2018 we settled 22 tax avoidance cases yielding a total of €5.7 million in tax, interest and penalties.

During 2018, we partook in EU and OECD working groups leading to an agreed EU Directive, "DAC 6", and an OECD agreement on mandatory disclosure by tax advisers and intermediaries of potentially aggressive tax planning schemes with a cross-border element. This will result in Revenue sharing and receiving information on such schemes from 2020.

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<sup>8</sup> <https://www.revenue.ie/en/corporate/information-about-revenue/research/research-reports/excise-and-vat.aspx>

## Tackling Offshore Evasion

Identifying, targeting and confronting non-compliance in respect of offshore assets is an integral component of our overall compliance framework. A fundamental element of our work in this regard is making the best use of all the data at our disposal to identify and target non-compliance. This includes data received under international arrangements for the automatic exchange of information which is used to identify and pursue those who have attempted to use offshore accounts, structures or assets to evade or avoid their tax obligations.

In 2018, we concluded 217 interventions on cases which were selected using information received under the Foreign Account Tax Compliance Act (FATCA). FATCA is an information sharing agreement between Ireland and the United States of America. These cases have yielded in excess of €1.31 million in tax, interest and penalties with 7 out of the 217 cases published in the Tax Defaulters List.

## Investigations and Prosecutions

Where we discover cases of tax and duty evasion, we seek to apply the full legal sanctions available that reflect the seriousness of the evasion involved.

In 2018, 21 convictions for serious tax and duty evasion were secured before the Courts.

- 11 convictions for serious tax offences. Custodial sentences ranging from 16 months to 5 years were imposed in 7 cases. Sentences were fully suspended in 6 of those cases. Fines totalling €32,000 were imposed in 4 cases.
- 10 convictions for serious duty offences. Custodial sentences ranging from 6 months up to 18 months were imposed in 9 cases. Sentences were fully suspended in 7 of those cases. Fines totalling €8,500 were imposed in 2 cases.

At the end of 2018, there were 100 cases of serious evasion or fraud under investigation and a further 20 cases were in the judicial system (Table 22).

## Debt Collection

Effective debt collection, to include robust but flexible enforcement mechanisms, is key to protecting Exchequer funding and delivering on our mission of fairly and efficiently collecting taxes and duties and implementing customs controls.

Our case management structure is segmented which enhances our ability to tailor our response based on taxpayer behaviour and provides greater flexibility in matching Revenue debt management resources to business needs, contributing to strong compliance outcomes. This approach is a critical building block for our new Debt Management Services application (DMS), which launched in March 2019. DMS will also provide advanced profiling of cases and deliver significant increased capacity for compliance and enforcement activities.

The DMS application will provide new and enriched customer services to support compliance, including an online 'real-time' Statement of Account as well as an online facility for viable businesses experiencing tax payment difficulties to apply for a phased payment arrangement. It will also provide advanced profiling of cases and deliver significant increased capacity for compliance and enforcement activities.

We undertake a range of debt enforcement action to recover a tax debt, including interest, where a taxpayer or business fails to comply with their obligations in a satisfactory manner in relation to that tax debt. Tables 10 and 11 set out the details of our 2018 collection enforcement programmes and insolvency statistics.



## Collaboration

We collaborate effectively with other Departments and Agencies, both nationally and internationally, to combat tax evasion in all its forms, including fraud, smuggling and other forms of criminality and to support and facilitate legitimate trade and regulatory objectives.

### National Collaboration

- ✓ We work very closely with An Garda Síochána, the Criminal Assets Bureau (CAB), the Naval Service and the Defence Forces, providing mutual operational, intelligence and material support.
- ✓ We participate in the Oversight Forum on Drugs, led by the Department of Health, which oversees the implementation of Government's National Drugs Strategy 2017-2025.
- ✓ We are represented on the National Waste Enforcement Steering Committee, under the aegis of the Department of Communications, Climate Action and Environment (DCCAE), 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. This effective and targeted collaboration produces significant results in terms of monitoring compliance with tax, PRSI and workers' rights.
- ✓ 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 (DJEI), the Health Products Regulatory Authority (HPRA) and the Competition and Consumer Protection Commission (CCPC).
- ✓ 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. This collaboration has resulted in success not only for Revenue but for all agencies involved.
- ✓ We work in partnership with the Department of Agriculture Food and the Marine (DAFM), the Food Safety Authority of Ireland (FSAI) and the Health Service Executive (HSE) on the Geographical Indication Scheme for Irish Whiskey and Irish Poteen. Our role is to verify that the production processes of Irish Whiskey and Poteen manufactured in the Republic of Ireland are compliant with the Technical Specifications set out in the Irish Whiskey and Irish Poteen Technical files.
- ✓ We worked closely with the Department of Health to introduce traceability and security feature systems for tobacco products by May 2019, as required by EU law.
- ✓ We worked closely with the Department of Justice and Equality (DJE) on the legal and policy issues arising from the Intoxicating Liquor (Breweries and Distilleries) Act 2018. This Act allows for breweries and distilleries to obtain licences which permit, under certain limited circumstances, the sale of alcohol products during tourism related visits to these premises. The new excise licence regime to support this legislation was implemented by Revenue in September 2018.
- ✓ Revenue participated in 6 meetings of the Inter-Departmental Gambling Working Group during 2018, which was chaired by the DJE. This group was established to review the policy issues relating to proposed new legislation for the regulation of the gambling sector, covering betting, gaming, lottery, amusements and other related activities.



## International Collaboration

- ✓ We work very closely with many international bodies and agencies and participate in the EU's Customs Cooperation Working Party. We have seconded officers to EUROPOL in The Hague, the Irish Embassy in the UK and the Maritime Analysis and Operational Centre-Narcotics (MAOC-N) which is based in Lisbon. Ireland currently hold the Chair of The Executive Board at MAOC-N and is represented in this capacity by a senior Revenue official. This wide-ranging collaboration provides access to national law enforcement agencies and customs services in other Member States and further afield.
- ✓ 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 (WCO) directed towards addressing the threats posed by fraud and smuggling.
- ✓ We work cohesively with the Health Products Regulatory Authority (HPRA) and An Garda Síochána in the area of illicit medicines enforcement and, at the invitation of the WCO, gave an in-depth presentation on our interagency cooperation in this area at a Pangea (Illicit Medicines) conference in Brussels, which was attended by delegates from 48 countries and a range of law enforcement agencies.
- ✓ We work closely with the European Anti-Fraud Office (OLAF), sharing intelligence and information and investigating irregularities involving evasion of duty on imports into the EU, including common customs tariff, anti-dumping duty and countervailing duty.
- ✓ We participated in the EU Commission's expert group on the fight against illicit trade in tobacco, which was established in May 2017.
- ✓ 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), established under the Fresh Start Agreement, prioritises the area of fiscal fraud. Under this framework, we work with the Police Service of Northern Ireland (PSNI), An Garda Síochána, HMRC, the Criminal Assets Bureau (CAB), and the National Crime Agency (NCA).
- ✓ We are a key partner at the annual Cross Border Crime Conference, a collaborative event between representatives of law enforcement agencies and related organisations in the field of combatting organised crime on both sides of the border. In 2018, we hosted a workshop on VAT carousel fraud, jointly with HMRC, and presented in the main arena on the illicit cigarette factory detected in 2018 in Jenkinstown Co, Louth.
- ✓ The EU 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 worked closely with the Department of Justice and Equality (DJE) in relation to the implementation of this Directive and the establishment of the Irish Passenger Information Unit under the auspices of that Department.
- ✓ We continue to engage with the EU Commission and other Member States on the introduction of a new Traceability and Security Features systems for tobacco products by May 2019, as required by EU law. During 2018, Revenue was designated by the Government as the Competent Authority for these systems.
- ✓ As part of our international and EU commitments in the area of excise, Revenue, along with the Department of Finance, participated in EU Council Working Party discussions on a number of legislative proposals concerning the structure of alcohol taxes and the general legal framework for excise duty.

## ***Revenue's Contribution to tackling organised criminal activities***

Tackling shadow economy in all its forms continues to be a key priority. Our actions and effective collaboration aim to target and disrupt shadow economy activities including fraud, illicit trade, smuggling, including drugs, and contribute to tackling organised criminal activities.

### **International Collaboration to Combat Drugs Smuggling**

In March 2018, Revenue Officers in Dublin Port detected 66kgs of cannabis resin with an estimated value of €1.32 million addressed to a location in Northern Ireland. Revenue initiated 'Operation Skunk Tank' under the aegis of the Cross Border Joint Agency Task Force. The joint operation with the Garda National Drugs & Organised Crime Bureau, the UK National Crime Agency and the Police Service of Northern Ireland resulted in 5 arrests in Northern Ireland.

### **Counterfeit Cigarette Factory**

In March 2017, Revenue developed intelligence that indicated an illicit cigarette factory was in operation in Ireland. An operation to counter the activities of the organised crime group, suspected of operating an illegal commercial-sized cigarette factory, was initiated and over the next year the investigation resulted in the identification of the organised crime group concerned, its modus operandi and the suspected location of the illicit cigarette factory.

In March 2018, Revenue officers executed a search warrant at a location in Jenkinstown, Co. Louth which resulted in the discovery of Ireland's first counterfeit cigarette factory. The factory was producing the 'Mayfair' brand of cigarettes. At the factory, Revenue officers discovered 23.5 million cigarettes and 71 tonnes of tobacco, with which it would be possible to produce a further 71 million cigarettes. The finished product, and potential product, had an estimated retail value of €49.6 million, representing a potential loss to the Exchequer of €39.2 million.

The tobacco products, along with other non-tobacco materials such as machinery, cigarette filters, cigarette paper and counterfeit cigarette boxes, were seized at the site. There were living quarters at the factory which included bedrooms, a bathroom and a kitchen area. 11 people were arrested by An Garda Síochána at the site of the factory. 2 of the arrested persons pleaded guilty and one received a 12-month prison sentence while another received an 18-month suspended sentence. Prosecutions are pending in the cases of the remaining 9 persons.

(see photos on page 43).

### **Cash Forfeiture**

On 16 March 2018 Dublin Circuit Criminal Court ordered the forfeiture to the Exchequer of cash amounting to €582,045 which had been detained on 11 September 2015 by Revenue officers at Dublin Airport. The cash was ordered to be forfeited as the Court was satisfied that it was proven on the balance of probabilities to represent the proceeds of crime, or was intended for use in criminal conduct. This followed a detailed Revenue investigation into the source and intended use of the cash.







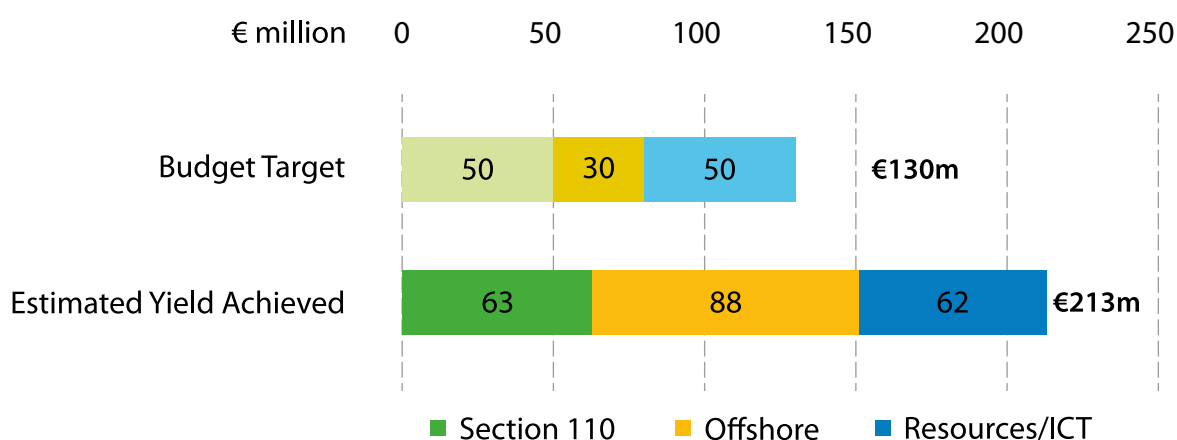
## Budget 2017 Compliance Measures Evaluation

Budget 2017 included a “compliance measures” item among the taxation policy changes. These revenue raising measures were projected at the time of the Budget (October 2016) to yield an additional €130 million to the Exchequer in 2017.

Revenue published research in 2018 evaluating the yield from these measures. While it is not possible to conclusively separate their impact from other actions taken by Revenue, behavioural changes by taxpayers and general economic activity, the analysis assesses the likely impact and indicates outcomes that it is reasonable to attribute to the measures.

This analysis shows the target of €130 million for 2017 has been exceeded. Estimates prepared on a conservative basis indicate the measures may have yielded over €210 million in the year. Analysis for individual components shows:

- a preliminary €63 million increase in payments from section 110 companies is above the Budget target of €50 million. Due to timing factors and other issues, the impact is still being analysed. The policy measure is designed to have a deterrent effect and the success of such measures is the reduction in the activity taking place rather than an increase in tax
- the €88 million in qualifying disclosures related to offshore assets around the May 2017 deadline provides a clear indicator of the success of this measure. This exceeds the Budget target of €30 million
- the yield from additional audit staff in 2017 is estimated at around €24 million. Additional yield from ICT enhancements and increased use of data and advanced analytics is estimated at an increase of €38 million compared to 2016. Combined (€62 million) these exceed the Budget target of €50 million.



A paper documenting these findings was presented to the Minister for Finance in October 2018 and published in the same month and can be accessed via the following link.

<http://www.budget.gov.ie/Budgets/2017/Documents/Summary%20of%20Budget%202017%20Taxation%20Measures%20-%20Policy%20Changes.pdf>

# Making It Work

## Staff Numbers

**6,471** Staff

Female **62.6%**



Male **37.4%**



## Recruitment & Promotion

**638** Staff Recruited

**260** Internal Revenue Promotions



## Training & Development



**42,976**  
Training Days



**176**  
Graduates



**334**  
ITI Qualifications

## Females at Management Levels

PO **44.4%**

AP **47.8%**

AO/HEO **53.1%**



## Internal I.T. Systems Certification



## International Software Testing Standards Certification:

**ISO/IEC/IEEE  
29119**

# Making it Work: Our Resources and Structure

Our effectiveness in supporting compliance and tackling non-compliance is reliant on our on-going investment in our people and our technology, a strong culture of governance and accountability along with adaptability in our structures.

We are a large organisation with more than 6,471 staff in over 32 locations nationwide, we rely 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 ensure that our staff have the opportunity to contribute to organisational development and planning and we recognise the need to continuously build capability, talent and leadership with recruitment, staff development and investment in training and in technology.

## Our Structure

We pro-actively and continually evolve our structures to ensure that we optimise the alignment of our resources with risk, and deliver a high-quality service to support taxpayer compliance. We strive to ensure our structure accommodates and reflects changes in the taxpayer base, the evolving national and international tax and customs environment, and the impacts and implications of significant changes for tax administration such as PAYE Modernisation.

Throughout 2018, we refined our organisational structure to one that is based on a nationally segmented taxpayer base. Every taxpayer is now managed, from both a service and compliance standpoint, by one of the new nationally based divisions. In line with the ethos of our Employee Engagement Charter, we engaged extensively with our staff throughout this process, including national conferences for our senior managers at Principal Officer and Assistant Principal Officer level as well as conferences and briefing sessions for all other staff.

Within the context of our Workforce Planning framework, additional resources are being assigned to manage the risks in larger cases, including high wealth individuals. Additionally, this process will allow us to maximise the benefit of our geographic spread across the country and provide opportunities for a diversity of roles and responsibilities across the organisation.

Every taxpayer is now managed, from both a service and compliance standpoint, by one of the new nationally based divisions. The only impact for the purposes of a taxpayer's engagement with us is that, in certain instances, new teams or new individuals will be looking after that engagement on the Revenue side.

Five new national Divisions have been established around the following taxpayer segments:

**Large Corporates Division** – dealing with the largest companies with Irish turnover greater than €190 million on a Group basis and/or total tax and duty payments greater than €18 million on a Group basis.

**High Wealth Individuals Division** – dealing with high wealth individuals with net assets greater than €50 million or non-residents with substantial economic activity in Ireland. This Division also deals with pensions and tax avoidance issues.

**Medium Enterprises Division** – dealing with large businesses and wealthy/high income individuals below the thresholds for Large Corporates Division and High Wealth Individuals Divisions. This includes cases with turnover in the State greater than €3 million and less than €190 million or with turnover in the State greater than €1 million and less than €3 million where the entity has more than 100 employees.



**Business Division** – dealing with business taxpayers not in, Large Corporates Division, High Wealth Individuals Division or Medium Enterprises Division.

**Personal Division** – dealing with all personal or non-trading taxpayers as well as not-for-profit organisations. This Division also has specialist responsibility for Stamp Duty and Local Property Tax.

## Our People

At the end of 2018 there were 6,471 people working in Revenue, equating to 6,111 full time equivalents.

With economic and business environments continually changing, we need to constantly anticipate emerging challenges and risks and respond to them effectively. We continually invest in our people to respond and overcome these challenges by recruiting talented people and building and retaining internal capacity, talent and leadership.

## Recruitment

During 2018, we appointed 638 staff from open recruitment, interdepartmental and TLAC competitions.

These comprised: 1 Commissioner, 2 Assistant Secretaries, 10 Principal Officers, 39 Assistant Principals, 4 Solicitors, 35 Administrative Officers, 21 Higher Executive Officers, 153 Executive Officers, 359 Clerical Officers, 9 Service Officers and 3 Services Attendants.

### ***Revenue's Internship Programme for Economics and Analytics Students***

2018 marked the tenth year of Revenue's internship programme, which has seen us work with over 25 economics and analytics students from 9 third level courses across 6 colleges in Ireland, France and the USA. This programme has involved building effective relationships with colleges, putting plans in place to host interns in a working environment and progressing their development during the internships.

The interns have been hosted in Revenue's research branches, working on projects that delivered tangible and direct benefits to both our operational work and to providing evidence to inform policy. The interns benefit from gaining experience that gives them a platform for seeking employment at the end of their studies, with a strong record of success in this regard. As well as the direct outputs from the internships themselves, the outcome builds the brand of Revenue and the Civil Service as an employer of choice for graduates in these areas, where demand for skilled staff is high and the recruitment market is competitive.

The success of the programme is evidenced primarily by the track record of high quality research products delivered by interns throughout the programme. Highlights include:

- a research report on the economics of tobacco that went to Cabinet
- papers presented to Revenue's Management Advisory Committee (MAC)
- a predictive analytical model to identify non-compliant taxpayers and
- an evaluation of revenue-raising measures that was submitted to the Minister for Finance and published with Budget 2019 documentation (see Feature Article of page 44).

The most enduring benefit from the 10 years of the programme is the network it has created which continues to prove useful with former interns now working across a range of sectors. The presence of numerous former Revenue interns now employed in the public sector, in the Irish Government Economic & Evaluation Service ('IGEES') and the Central Statistics Office in particular, proves the value of the programme in showcasing the Civil Service as an employer of choice.

## Skills Development Programmes

Against the backdrop of continually changing environments, evolving and emerging risks, as well as the loss of experience through retirement, we recognise that we need to enable our people by continuously building skills, capability and knowledge. This ensures our people, as well as our structures, are adaptable and flexible.

During 2018, Revenue Training Branch provided 42,976 training days to staff, an increase of 18% on 2017. The training included technical training programmes to support compliance and address non-compliance, as well as leadership, management and soft skills training to develop the skills, capability and professionalism of our staff (Table 32). Our investment in training in 2018 helped us meet the challenges we faced due to Brexit, PAYE Modernisation and realignment, and ensures we have sufficient trained frontline staff available to replace the significant number of experienced officials retiring.

To ensure our internal training programmes are delivered to the highest standard, we are committed to having key programmes externally accredited. We provide various programmes in partnership with the Irish Tax Institute (ITI) with 334 staff receiving awards from the ITI in 2018, an increase of 25% on 2017. We also provide third level programmes in partnership with the University of Limerick (UL). 176 staff graduated from UL in 2018, an increase of 48% on 2017.

Our customs training module is also accredited by UL and a certificate of study was awarded to successful students at the World Customs Awards ceremony in January 2018. To date, 32 students have successfully completed the programme and a further 18 students are currently enrolled on the programme. Additionally, during 2018, we trained 58 staff on our Trade Facilitation Programme. The provision of these training programmes are important steps in ensuring Revenue staff can facilitate legitimate cross-border trade with minimum disruption, while confronting non-compliance in all its forms wherever it occurs.

### ***Customs Certificate of Study (January 2019)***



In 2018, at the World Customs Organisations award ceremony, certificates of Study from the University of Limerick (UL) were presented by Tom Collins, Director of National Centre for Taxation Studies at UL, to 16 staff members following their successful completion of the Customs Technical Training Programme which was designed and developed by Revenue Training Branch.

## **WCO Awards 2019**



International Customs Day is celebrated across the world on 26 January to honour the men and women who protect our borders and help facilitate trade. It is also the day the Customs Cooperation Council (CCC) held its inaugural session in 1953.

The 2019 awards ceremony was held in Bedford Hall, Dublin Castle on 25 January and was hosted by Revenue Chairman, Niall Cody and Commissioner Gerry Harrahill. In attendance were award recipients, local managers and specially invited guests. Our guest speaker was Mr. Ray McDonagh, a former Revenue official and most recently retired from the post of Head of Administration and Personnel in the World Customs Organisation(WCO).

The theme chosen by the WCO this year was "SMART borders for seamless trade, travel and transport". SMART is an acronym for Smart, Measurable, Automated, Risk management, Technology.

WCO Certificates of Merit were presented to 1 individual and 8 teams to recognise their exceptional performance in helping to ensure seamless trade flows of legitimate trade whilst tackling threats on a risk focused basis.

### **Continuous Personal and Professional Development (CPPD) Programme**

We encourage, and understand the importance of, the continuous professional and personal development of our staff. Through CPPD, we provide a range of programmes to up-skill and enhance our staff in performing effectively and efficiently to meet the evolving and ever-changing demands of their role. The programme enables staff to take responsibility for their own development, enhancing their capability and skills through the availability of a full list of courses. This included access to a shared learning suite of courses as well as the various academic sponsorship programmes which leads to recognised professional or academic qualifications.

### **Our New Graduates**

We recognise that our effectiveness in supporting compliance and addressing non-compliance depends on the skills, capability and professionalism of our staff. The ITI and UL graduation ceremonies are an opportunity for us to celebrate and publicly acknowledge the academic achievements of our staff.



### ***ITI Graduates (November 2018)***



A further 334 staff received awards at the ITI graduation ceremony in November 2018, awards included various Certificates, Tax Technician, Diploma in Tax and Chartered Tax Adviser.

### ***UL Graduates (January 2019)***



In 2018, 176 staff graduated from UL with qualifications at certificate, diploma, BA (Hons) and Masters levels.

## Staff Profiles

### ***Alan Foley – Clerical Officer***

#### **Customs Division – Special Compliance**

My name is Alan Foley, I joined Revenue 2 years ago as a Clerical Officer and worked initially in CSD in Dublin Castle. Last year I was successful in the Dog Handler competition and I am currently based in the Dublin Mail Centre with my dog Bailey (drugs/cash detector).

While I enjoyed my time in CSD immensely the opportunity to become a Dog Handler was one I could not pass up. I travelled to Wales for 6 weeks to meet and bond with Bailey while undertaking intensive Dog Handler training. The support I received from the National Dog Programme Unit, other dog handlers and my own managers has been second to none. The role itself is hugely rewarding as I get a great buzz watching Bailey work, especially when we have a find and he gets his reward (his ball!). We can be deployed anywhere, depending on operational requirements, and to date Bailey and I have assisted in searches in Rosslare Europort, Cork Port and Airport involving passengers and vehicles as well as assisting An Garda Síochána in multi-agency operations.

In September we participated in the National Services Day event in Dublin Castle demonstrating Bailey's skills and showcasing the value he brings to the teams he works with. The event was a huge success and helped raise awareness among the public for the role played by service personnel in protecting the safety and security of citizens. It gives me a huge sense of pride knowing the contribution we all make to society.

My career in Revenue, whilst short, has been varied, rewarding and fulfilling. Revenue as an employer invests heavily in training their staff and this has benefitted me greatly to date and has given me skills that I can carry into any future roles within the organisation.



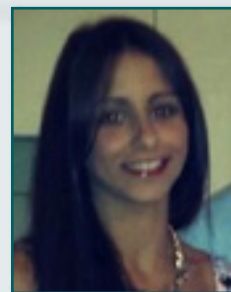
### ***Nada Ryan – Clerical Officer***

#### **Corporate Services Division – Recruitment**

Having previously worked in the retail and hospitality sectors, I joined Revenue as a Temporary Clerical Officer in 2016. I was assigned to the Recruitment Unit within the Corporate Services Division. After 11 months I secured a permanent Clerical Officer position following a competitive process conducted by the Public Appointments Service and was delighted to learn that I was retained within the Recruitment Unit.

The Recruitment Unit manages external and internal appointment processes for positions at all levels across Revenue. This includes recruitment to specialist positions in tax, internal promotions as well as assignments to customs and enforcement positions involving atypical work patterns. My own team deals with external recruitment campaigns for mainly tax specialist positions. Every day is busy as our recruitment campaigns run throughout the year. My role has provided me with excellent opportunities to interact with dedicated and professional people at all levels across Revenue.

Revenue has encouraged and supported me to further my education and build on my skills by giving me the opportunity to undertake a variety of in house training such as Excel, Outlook and Word courses. It is also supporting me in pursuing the Foundation Certificate in Human Resource Practice accredited by the Chartered Institute of Personal Development (CIPD). Once completed, I hope to continue further with my education and apply for the Diploma in Human Resource Practice.



## **Brian O'Leary – Administrative Officer**

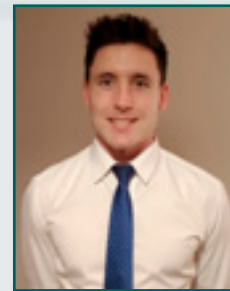
### **Medium Enterprises Division – Cork**

I joined Revenue as an Administrative Officer in 2017 and am currently working in the Accountancy Legal & HWI Branch of the Medium Enterprises Division.

I graduated from University College Cork in 2011 with a B.Sc. in Accounting. Shortly afterwards I joined the tax department of a Big 4 accounting firm where I qualified as an accountant with Chartered Accountants Ireland, and also acquired the Chartered Tax Advisor qualification with the Irish Taxation Institute. After four years working in practice as a Tax Consultant, I moved to industry working as a Financial Accountant for 2 years with a multinational company.

Upon joining Revenue in 2017, I was assigned to an audit team in the 2nd Tier District in Cork. The role was varied and interesting and involved dealing with a wide variety of taxpayers in the SME and multinational sectors. I have recently been assigned to the Accountancy Legal & HWI Branch of the Medium Enterprises Division which has afforded me the opportunity to gain further experience. My responsibilities include case selection, completion of audits and other interventions, daily interaction with taxpayers and agents, and mentoring new entrants.

I am delighted that I made the decision to join Revenue. In my short time here so far, I have already gained invaluable experience and enhanced my tax knowledge thanks to the excellent training provided by the organisation and from working with more experienced colleagues. I am excited by the many opportunities for advancement and progression that a career in Revenue offers.



## **Amy Reville - Higher Executive Officer**

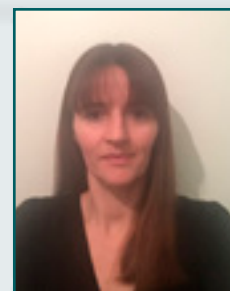
### **Planning Division – Compliance and Risk Management**

I joined Revenue in 2001 as a Tax Officer and was initially assigned to a PAYE Customer Service Unit in Mount Street. The work involved dealing with enquiries and correspondence from PAYE taxpayers. In 2003 I moved into the Business Customer Service Unit where I dealt with self-assessed taxpayers. I was provided with in-house tax training for this role which was invaluable in providing me with the skills required to successfully meet the various challenges on a day-to-day basis.

In 2008 I was promoted to Executive Officer and later that year I changed role to work as a customs enforcement officer in Dublin Port District. This was a complete change from my role in customer service and once again Revenue provided all the relevant training. My duties involved profiling cases for examination, surveillance operations, searches of premises and tackling illegal cigarette sellers. I was involved in many successful operations that resulted in seizures of drugs and cigarettes. Because of the challenging and diverse nature of this role I found it immensely rewarding work which I would recommend to anyone thinking of moving into the customs area.

In 2011 I was promoted to Higher Executive Officer and I changed role again to work as an auditor in the Meath District. As part of my audit training I commenced the degree programme with University Limerick and graduated with a BA in Applied Taxation. I returned to work in Dublin in 2015 and joined the Insolvency Unit of the Collector Generals which is responsible for Creditor's Voluntary Liquidations. In 2017 I moved to Planning Division where I am currently working in Compliance Policy Branch. This role involves developing national policy on compliance issues, responsibility for preparing the quarterly List of Tax Defaulters and as Revenue representation on the Fiscalis Project Group "Update of Compliance Risk Management Guide for Tax Administrations".

Over the last 18 years I have had the opportunity to work in a variety of different sections and in a range of diverse roles. This has been both challenging and very rewarding. There is a great team ethos in Revenue with plenty of opportunities for advancement. I was successful in a recent competition for promotion to Assistant Principal for which I am currently awaiting assignment. I thoroughly enjoy the diverse opportunities working for the Revenue Commissioners has afforded me and I look forward to the second part of my career which I can only hope can be as fulfilling as the first.





## ***James O' Mahony – Assistant Revenue Solicitor***

### **Revenue Solicitors Division**

In July 2018, I commenced employment as an Assistant Revenue Solicitor in the Revenue Solicitor's Division in Cork. After obtaining both a primary and masters degree in Law, I became a solicitor and have been qualified for over 10 years. I am a published author of a number of legal text books for law undergraduates ranging from criminal law, contract law, property law, company law, constitutional law, the law of the European Union, the law of evidence, tort law and equity and trusts.

Prior to joining Revenue, I practised as an in-house litigation solicitor with a local authority. I currently work in the Commercial and Litigation Team of the Revenue Solicitors Division. This provides me with the opportunity to manage an extensive, varied and interesting caseload. My duties include providing advice to every division within Revenue such as defending appeals to the Tax Appeals Commission, dealing with High Court litigation under the companies legislation and the prosecution and defence of civil proceedings on behalf of Revenue.

My aim is to provide solution based, clear precise legal advice to assist and support the strategic objectives and annual business plan of the organisation. I enjoy my work very much and every day presents different legal issues for consideration. It is a dynamic place to work, with no two days the same. I look forward to developing my expertise within the Revenue Solicitor's Division and the opportunity to further my career within Revenue.



## ***David Ward – Higher Executive Officer***

### **Investigations and Prosecutions Division (IPD) – Intelligence Support**

I work in the Intelligence Support Unit in Ashtowngate for all customs and excise intelligence matters, providing support to our investigation and enforcement teams. Our unit is the primary national contact point for national & international liaison on all intelligence matters.

I started as a customs officer in Dublin Port 1981 and then went to Dublin Airport as an enforcement officer.

In 1992, I worked in the customs national drug team and customs maritime units as part of Revenue's response to the emerging threat of illicit drugs in Ireland.

On promotion in 1999 I began my first stint in Revenue Training Branch delivering customs and excise technical training.

On promotion in 2002, I returned to Dublin Port enforcement managing the Vehicle Registration Tax and Mineral Oil enforcement teams and later the container examination unit. In 2006, moved to Investigations & Prosecutions working in Customs Drug Law Enforcement Unit where I was involved in international and national liaison. I represented Ireland at the Customs Co-Operation Working Party (CCWP), Pompidou Airports Group and Mar Info North and was part of the team involved in setting up Maritime Analysis Operations Centre (MAOC), Lisbon.

I then moved to alcohol investigations and was also involved in numerous cigarettes operations where I gained a level of expertise of the alcohol trade and movement of excisable products both EU and third country importations.

In 2012 I returned to Revenue Training Branch delivering customs and excise technical training i.e. customs & trade facilitation, excise for enforcement/control officers and audit, search of person, questioning & interview techniques, courtroom procedures and surveillance techniques.

I have flown with the Aer Corps, sailed with the Irish Navy, been involved in major seizures of drugs, cigarettes, alcohol, and represented Ireland & Revenue at meetings all over Europe. Revenue has provided me with great opportunities and variety of work.



## ***Barney Malone – Assistant Principal Officer***



### **Customs Division – National Profiling Centre**

Since joining Revenue in 1986, I have enjoyed a diverse career that has afforded me great opportunities to develop new skills and experience a broad range of Revenue business.

My initial assignment was at the Clerical Assistant Level within the Services Division.

I was a machine operator for 13 years. I was promoted to a Tax Officer role and I moved to Dublin Tax District.

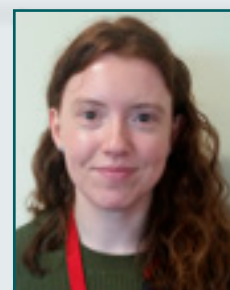
In 2001 I applied and was successful in an appointment process for the Higher Tax Officer. I benefitted from a variety of assignments in that role particularly in my capacity as a trainer to new entrants. I was involved in promoting the new Revenue Online Service.

In 2003 I moved to the Press Office. Having previously performed interesting and important operational roles, my three years in the Press Office provided me with a wonderful insight into the organisation at a macro level and I developed a better understanding of the diverse roles that existed within the organisation.

I developed a particular interest in customs and had a real desire to work in this area. Following my promotion to Higher Executive Officer in 2007, I was assigned to Customs Enforcement, Dublin Port. My role saw me manage the Intelligence Unit with responsibility for both identifying individuals involved in smuggling enterprises through Dublin Port and conducting inland covert operations on excise offenders in the Dublin geographic location. I spent six years in the Port until my promotion to Assistant Principal.

At this stage I moved to PAYE Customer Service for South City/Dun Laoghaire Rathdown. In 2015 I returned to Dublin Port where I was involved in the change management process in setting up the new National Profiling Centre (NPC). This unit has responsibility for monitoring movements of ferry passengers and freight in and out of the State. My proudest achievement to date is playing my part in the establishment of the NPC in an exciting era of new challenges and opportunities.

## ***Elaine Kelly – Assistant Principal Officer***



### **International Taxes Division – Dublin**

I am an Assistant Principal in the Transfer Pricing Branch of the International Tax Division in RLS. I am a qualified Chartered Tax Advisor and Chartered Accountant. Before joining Revenue in 2017, I worked in a Big 4 firm and in the tax departments of 2 large multinational companies.

As a member of Ireland's transfer pricing Competent Authority team, I am involved in the review of Mutual Agreement Procedures (MAPs) and Advanced Pricing Agreements (APAs) which involve negotiation of these MAPs and APAs with the Competent Authorities of other jurisdictions. I am also involved in various other projects, including providing transfer pricing (TP) technical support to other Revenue divisions, responding to TP-related parliamentary queries, and preparation of TP briefing notes for Revenue's appearances at the Public Accounts Committee. My role involves interaction with other Revenue divisions and Government Departments, particularly the Department of Finance. There is a large international dimension to transfer pricing, as it involves significant interaction with the OECD, EU and national Competent Authorities from all over the world.

Revenue supports a culture of training and constant learning. I have received significant on-the-job training and I am fortunate to work with experienced and talented colleagues, which allows me to enhance my transfer pricing knowledge. I have participated in negotiations skills and management training courses within Revenue. I also participated in a MAP training course organised by OECD and IOTA, which took place in Budapest. With support from Revenue, I obtained the Transfer Pricing Certificate in December 2018, which is part of the Advanced Diploma in International Tax awarded by the Chartered Institute of Taxation in the UK.

I hope to continue working in transfer pricing in Revenue, with a particular focus on providing transfer pricing technical support across the organisation.

## ***Claire Phelan – Administrative Officer***

### **Business Division – Compliance**

I am a qualified Chartered Accountant with Institute of Chartered Accountants Ireland since 2005, having already completed an Honours Business Degree in DCU. I was always interested in Accounting and Tax. I trained in a small practice where I gained a wealth of knowledge in both Accounting and Tax issues managing a portfolio of clients. I also gained experience in audit working as an audit manager with a Big Four firm.



In 2008 an opportunity arose to lecture Accounting and Taxation and I took it. I continued to lecture and tutor on professional accounting and degree programmes for 8 years.

All the while I retained my passion for Tax, so when I saw the opportunity to join Revenue at Administrative Office level, I took it with both hands.

I was appointed to Revenue in October 2017 and immediately started to get to grips with the systems through mentoring and on the job learning. I commenced the ITI Diploma in Advanced Tax that same month and successfully completed it in April 2018. I continually endeavour to broaden my knowledge of other areas of tax and also build on my leadership skills. I am part of the Civil Service Graduate Programme and recently presented a project on Wellbeing in the Workplace to the Department of Public Expenditure and Reform.

I work in Audit Compliance in Business Division managing a case load of audits, projects and other interventions. I have also been tasked with managing and co-ordinating a team of auditors to complete PAYE Employer (PMod) interventions and provide feedback to our Division. This also involves co-ordinating necessary training and giving guidance on how to complete the cases in a timely manner. My workload is ever changing and I enjoy the challenge.

What I love about Revenue is that it is ever changing and exciting. Every day is a learning day.

I look forward to progressing my career in Revenue and hope to take other opportunities within the organisation as they arise.

## ***Deborah Sheridan – Higher Executive Officer***

### **Personal Division – Service to Support Compliance**

I joined Revenue in 2002 as a Clerical Officer where I worked in VAT Information Exchange Systems (VIES). I dealt with VIES returns submitted by traders that declared EU supplies and in Mutual Assistance and I co-ordinated exchanges of information between Ireland and other EU member states. In 2005 I took a career break and returned to Revenue in 2009 where I was assigned to the Louth PAYE Customer Service team in Dundalk. Whilst in PAYE I was involved in various outreach visits and attended a Fiscalis Program in Austria where I met with a number of officials from other countries to exchange information and best practises on Cross Border Taxation. I also managed the implementation of PAYE Compliance in the Louth unit.



In 2013 I enrolled in the Diploma in Applied Taxation to self-develop and broaden my knowledge on taxation. I was promoted to EO in 2015 and then joined the Louth Audit team. My duties involved conducting various appraisals and interventions, leading various compliance projects and joint investigations with other Government agencies.

In December 2016 I was promoted to HEO and in 2017 I joined the PAYE Customer Service team which involved the consolidation of PAYE functions. My current role involves the management and responsibility for 20 staff. I manage the performance of the team to ensure customer service standards are met, and to ensure that a quality service is being delivered. I provide coaching, mentoring and guidance to work colleagues which enable them to expand their knowledge base, have a greater understanding of their responsibilities and in turn build their confidence. I also address their training and development needs. I have also managed change such as the introduction of PAYE Modernisation and the transitioning of my team from PAYE duties to Employer Helpline duties. I have graduated from both the Diploma and Degree in Applied Taxation.

On a personal note, I have received excellent support from both management and work colleagues during my Revenue career, which has created a very positive working environment and has also made my experience working in Revenue very enjoyable and rewarding.

## Our Culture

We are extremely proud that our culture is one of integrity, openness and accountability. We engage with taxpayers, and each other, with respect, courtesy and professionalism while encouraging innovation and embracing individuality.

## Staff Engagement

Our commitment to deepening employee engagement at all levels across the organisation continues to be a key priority. We continually work together to develop a better understanding of what we can do to improve as an organisation.

On the 28 March 2018, the results of the 2017 Civil Service Employee Engagement Survey were published. The results show that Revenue responses on Employee Engagement compare favourably with wider Civil Service responses, with Revenue responses scoring higher than the Civil Service average in 14 out of 24 categories. This reflects the positive impact of initiatives carried out by the Partnership Intensive Group on Employee Engagement and Involvement which was set up in 2016 following the first Civil Service Employee Engagement Survey in 2015.

## Equality and Human Rights

We have built a strong culture of acceptance and equality among our staff, and towards taxpayers, ensuring that human rights are respected.

## Improving Gender Balance in the Civil Service

Revenue is strongly committed to equality and is very supportive of initiatives to improve gender balance at all levels.

62.6% of all Revenue staff are female. While we still have progress to make to support gender equality, particularly given the overall proportion of female staff in Revenue, the gender balance has improved over the past 5 years.

The following table provides a percentage breakdown of female staff by grade at end 2018 and 2013.

YEAR	2018	2013
Grade	Female %	Female %
A. Secretary	20	13.3
PO	44.4	27.6
AP	47.8	36.4
AO/HEO	53.1	49.4
EO/SO	65.7	65.7
CO	70.8	73.9
SVO	9.8	14.8
Total	62.6	62.3

## **Innovation**

We develop innovative business solutions that help drive efficiency and quality through the optimum use of technology. Examples of innovation developed in 2018 include:

### **Robotics Process Automation (RPA)**

In 2018, we successfully piloted a project using Robotic Process Automation technology (RPA) which led to improved service for taxpayers, improved transaction processing and better use of our resources.

In preparation for PAYE Modernisation we took a number of initiatives to ensure that both Revenue and employer records are accurate and up to date. This ensures that PAYE taxpayers pay the right amount of tax at the right time, a key objective of PAYE Modernisation. The initiatives undertaken identified over 20,000 PAYE taxpayer records that required an update to their 'basis of assessment', following a change in marital status.

The RPA pilot automated the process of updating these 20,000 taxpayer records. The normal update process can take as many as 200 steps, depending on the circumstances and complexity of a case. The RPA pilot reduced the execution time for each case from hours to minutes. Additionally, the RPA solution can be easily reconfigured and replicated in other areas of the tax system, including similar processes for self-employed taxpayers.

### **Virtual Digital Assistant (VDA)**

In June 2018, we piloted an Artificial Intelligence project to assist with calls to our Tax Clearance helpdesk. The pilot included the development and initial training of a customer facing conversational bot (Virtual Digital Agent) targeted at automatically handling a portion of taxpayer contacts. The VDA integrates with our telephony platforms and core back-end systems, utilises smart-suggestions for the conversation flow and provides the capability to transfer the call to a Revenue officer, if needed. It leverages AI technologies provided by a number of cloud based service providers to perform Speech-to-Text, Natural Language Processing, Speech Synthesis and Machine Learning. By September, over 3,000 calls were routed through the VDA.

## **Achievements Aligned to our ICT Strategy (2017 – 2019)**

Maintaining our current IT systems is essential. We also refresh our technology infrastructure and reduce our technical debt by taking advantage of suitable new technical opportunities to further improve our services. The modernisation and redesign of the PAYE system is a critical and major focus of our ICT Strategy.

The development and support of an analytics warehouse has significantly enhanced the capabilities of our data analysts by broadening the data and toolsets they have access to for exploration, visualisation and predictive analytics and adding a previously missing context in its metadata capabilities.

Significant maintenance and enhancement (M&E) has been undertaken on our customs systems to handle increased transaction volumes as a result of Brexit and to deliver mandatory EU changes. Additionally, work has begun on the first phase of implementation of a suite of Union Customs Code (UCC) compliant services following the completion of a competitive tendering process. The UCC is a key element of the ongoing actions to modernise EU customs. It provides a comprehensive framework for customs rules and procedures in the EU customs territory adapted to modern trade realities and modern communication tools. It is spread over 9 years in line with the European Commission's timelines for deployment with the first project delivery in 2020.



In 2018, we implemented solutions to meet Ireland's obligations for the exchange of information including those under DAC4 and BEPS Action 13. We provided a facility for the filing of Country-by-Country (CbC) Reports by Multi National Enterprises (MNE), and the exchange of CbC Reports with other tax jurisdictions.

We also delivered a new system to implement the Sugar Sweetened Drinks Tax (SSDT) which involved the development of an online return, payment and repayment facility in ROS.

We continue to provide and further extend shared computing facilities to other public sector bodies from our Data Centre with over 40 different organisations availing of this service. It is estimated that this service provides savings of at least €2 million per annum in saved commercial costs to the organisations hosted. We are also continuing to provide printing and mailing services to a number of organisations (approx. 0.5 – 1 million items per month).

## **Taxpayer Confidentiality**

Safeguarding our taxpayers' confidentiality continues to be a priority. We have a legal duty to protect the confidentiality of taxpayer information. Taxpayers' personal data is treated with the highest standards of security and confidentiality.

2018 saw the introduction of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 to protect the rights and freedoms of persons in relation to their personal data and we are fully committed to fulfilling our obligations in this regard.

Revenue's internet facing sites are ISO27001 certified. Surveillance audits are carried out every 6 months with full re-certification every 3 years, most recently in 2018. Any pages that request personal information are encrypted using a 256 bit Extended Validation (EV) SSL certificate, signed by a publicly trusted certificate authority. Taxpayers can verify that the page is secure by looking for a padlock icon in their browser.

We know that taxpayers want to be certain that their information is secure when they access or transmit it on the Internet. We share this concern and have invested considerable time and expertise in ensuring the security of ROS. We can assure taxpayers that access to ROS, and the confidentiality and integrity of the data they send, is secure. The information sent to Revenue through ROS is protected by systems that meet industry standards and ensure compliance with the strictest interpretation of privacy directives.

## **Public Service Reform & Civil Service Renewal**

We play an active role in the ongoing implementation of the Civil Service Renewal Plan and in Public Service Reform.

Some achievements related to the high-level outcomes for the public service in 2018 include:

### **Increased Customer Satisfaction**

Revenue's Customer Engagement Strategy (CES) was the ultimate winner of the 'Public Sector Project of the Year' category in the 2018 National Project Management Awards. The key objectives of the CES was to improve customer service and move customers to the quickest and most efficient contact channel for their business. The strategy delivered an enhanced and extended range of online services which are accessible to all smart devices, making it easier for customers to manage their tax affairs.



## **Greater use of Digital to do Business with the Public Service**

The 'Redesign of the Revenue Website' was the winner of the 'Digital Excellence' category for 2018 in the annual Civil Service Excellence and Innovation Awards. In redesigning the website, we have improved the service for our 3.5 million customers by delivering a one-stop-shop that enables and encourages the greater use of digital to do business with the Public Service.

## **Better Government Effectiveness - collaboration in Government programmes and cross-Departmental projects**

We are actively engaged with inter-Departmental groups to advance the implementation of the Public Service ICT strategy. We have the lead role in the Build to Share initiative to move the public sector to a more integrated and shared infrastructure model. We chair the group examining options to develop a Unique Business Identifier (UBI) for all business customers in Ireland, to deliver greater efficiency in the provision of public services under the Open Data Strategy 2017-2022. We also provide IT hosting services, storage, data security and printing services to other Government Departments.

## ***National Frontline Services Day***



On 1 September 2018, Revenue Customs Service participated in the 2018 National Service Day parade. The purpose of the celebrations was to raise awareness amongst the public of the role played by service personnel in protecting the safety and security of citizens. It gave Revenue the opportunity to showcase the women and men of its frontline services and the significant contribution they make to society. It was also an opportunity for the individual services themselves to show their appreciation for the ongoing support they receive from members of the public.

Revenue was very proud to support this event and our inaugural participation saw uniformed officers, dog units and some Revenue vehicles parade from Parnell Square to Dublin Castle. Static displays and demonstrations were open to the public in Dublin Castle, presenting a range of vehicles and technical equipment as deployed by the various frontline service bodies. This included Revenue's Cutter Rib, Mobile X-ray Scanner and detector dogs.

On 8 September 2018 the Revenue Choir performed along with a number of bands and choirs at the National Concert Hall as part of the National Services Day celebrations



# 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>9</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>10</sup> in December 2016.

## Managing Corporate Risk

During 2018, 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

The Board is committed to maintaining and supporting a quality Internal Audit function. This function is carried out by the Internal Audit Unit (IAU) operating with the direct authority of the Board and under the general supervision and guidance of the Audit Committee. IAU operates in adherence to the Internal Audit Standards issued by the Department of Public Expenditure and Reform to provide independent objective assurance that the systems, processes and procedures that underpin Revenue's activities are properly and effectively managed, or otherwise to recommend corrective measures as appropriate.

The annual internal audit programme is informed by Revenue's Internal Audit Universe, Corporate Risk Register and Annual Corporate Priorities. In 2018, 22 audits, comprising 10 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 reports to the Chairman as Accounting Officer and assesses governance arrangements including those related to risk management and internal controls. The Audit Committee Chairman, Gerry Kearney, stepped down from the Committee in January 2018, and was replaced by John Murphy. The Committee met 4 times in 2018.

## Audit Committee Membership

- John Murphy, Chairman of the Audit Committee, former Secretary General of the Department of Jobs, Enterprise and Innovation.
- Barbara Flood, Professor of Accounting and Deputy Dean at Dublin City University Business School.

<sup>9</sup> [www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf](http://www.revenue.ie/en/corporate/documents/governance/governance-framework.pdf).

<sup>10</sup> [www.revenue.ie/en/corporate/documents/governance/sos-2017-2019.pdf](http://www.revenue.ie/en/corporate/documents/governance/sos-2017-2019.pdf).

- Richard Murphy, Principal Auditor, Local Government Audit Service, Department of Environment, Community and Local Government.
- Gerard Moran, Assistant Secretary, Indirect Taxes, Policy and Legislation Division, Revenue.

## Protected Disclosures Act 2014

We foster an appropriate environment for Revenue workers to raise concerns relating to wrongdoing or potential wrongdoing in the workplace and provide the necessary support for workers who raise genuine concerns. Revenue's Director of Internal Audit is a 'prescribed person' to receive external disclosures of wrongdoings relevant to Revenue. The '*Revenue Policy on Protected Disclosure Reporting in the Workplace*' is published on our website<sup>11</sup>. No protected disclosures were received during 2018.

## 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 2018, 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>12</sup>.

## Data Protection

We protect the integrity of data supplied to us by our taxpayers and third parties. In 2018 we continued to increase awareness of and improve compliance with data protection in Revenue and by the end of 2018 over 1,800 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 came into effect in May 2018.

## Freedom of Information (FOI)

In 2018, we received 328 FOI requests (Table 28) 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

Taxpayers who are dissatisfied with Revenue's handling of their tax affairs can have their case reviewed either internally by a senior Revenue officer, or by an External Reviewer. In 2018 we received 1 request for internal review, and 12 for external reviews (Table 29). The Ombudsman received and finalised 94 complaints relating to Revenue (Table 30).

<sup>11</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>12</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).



## Programme Management Office

The Programme Management Office (PMO) is responsible for ensuring that a consistent governance approach is leveraged across all IT projects. The Project Board and Steering Committee are the project level structures that have responsibility for the observance of this approach ensuring that ICT projects are monitored and reported accurately over time.

## Business Project Management

In line with Action 17 of the Civil Service Renewal Plan to improve project management capacity, our Business Project Management Unit provides advice and support on project governance and management to national Revenue Business Projects. The team reports directly to the Business Management Executive in respect of such business projects. The unit also ensures that the planned operational and business benefits from major business and ICT projects are effectively monitored.

## Oireachtas Committees

In 2018, 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 2018

- 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 31). Our Prompt Payment Returns are published on our website. 92.47% of all payments were made within 15 days.
- we provided responses to 1,003 Parliamentary Questions and responded to 452 Representations from Public Representatives.
- 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 37 of our offices and are examining the feasibility of acquiring an ISO 50001 accreditation for energy management.

## Senior Management Changes

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.

On 5 March 2018, Revenue announced the appointment of Joe Howley, to succeed Michael Gladney as Collector-General.

Also following TLAC competitions, the Minister for Finance, Mr Paschal Donohoe, appointed:

- Florance Carey, as Assistant Secretary on 29 June 2018. The Board assigned Ms Carey to Customs Division.
- Noel Brett, as Assistant Secretary on 20 August 2018. The Board assigned Mr Brett to Business Division.

# Revenue Management Committee at Assistant Secretary Level



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

Responsible for the provision of secure, reliable and quality information and communications technology services and innovation, adaptability and new advances in technology. Also responsible for the management and delivery of logistical services central to running Revenue.



**Brian Boyle**  
**Planning Division**

Responsible for overseeing the development and implementation of business policies and for monitoring and evaluating national tax compliance risks. Also responsible for performance measurement and reporting, statistics and economics research and corporate strategy.



**Philip Brennan**  
**Personal Taxes Policy and Legislation Division**

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



**Noel Brett**  
**Business Division**

Responsible for the management and development of service, compliance and audit functions for entities registered for VAT, RCT, Customs and Excise. Also responsible for excise license entities with trade or professional income, Proprietary Directors and Subsidiaries/Parent of Business Division companies.



**Florance Carey**  
**Customs Division**

Responsible for the development of Customs legislation and systems and for ensuring the implementation of customs controls. Also responsible for influencing the development of EU policy on all customs related matters, including implementation of the EU Union Customs Code and representing Revenue's and Ireland's interests at various international fora.



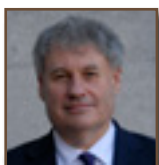
**Eugene Creighton**  
**Large Corporates Division**

Responsible for the management and development of service, compliance and audit functions for the largest business customers 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**

Responsible for Revenue's human resource management strategies, including workforce planning, recruitment, training and capability development. Also responsible for financial and information management, banking functions, corporate reform, internal audit, communications and knowledge management functions.



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

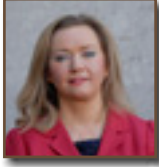
Responsible for the policy, legislation and interpretation functions for capital gains tax (CGT), Corporation Tax, incentives, financial services and other business taxes.



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

Responsible for the collection of taxes and for the implementation of debt management programmes, including appropriate interventions to maximise timely compliance. Also responsible for enforcement action against those who fail to comply.





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

Responsible for providing comprehensive legal support services for Revenue including in the conduct of litigation and appeals and in 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**

Responsible for the development of indirect tax policy at national and EU level and for ensuring the efficient and effective administration of VAT, Excise and Vehicle Registration Tax.



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

Responsible for engagement with EU and OECD on direct taxation including transfer pricing-related, case-specific, mutual agreement procedures (MAP) and advance pricing agreement (APA) negotiations with other tax authorities. Also responsible for monitoring and updating Ireland's tax treaty network.



**Charles Phelan**  
**Medium Enterprise**  
**Division**

Responsible for the management and development of service, compliance and audit functions for medium enterprises and Proprietary directors and Subsidiaries/Parent of Medium Enterprise Division companies.



**Declan Rigney**  
**Personal Division**

Responsible for the management and development of service, compliance and audit functions for individuals with PAYE income only or with self-assessed non trading/ professional income; and other entities such as trusts, charities, sporting bodies. Also responsible for the co-ordination of Irish Language services.



**Breda Ruddle**  
**Large Cases High**  
**Wealth Individuals**  
**Division**

Responsible for the management and development of service, compliance and audit functions for the wealthiest individuals in the State, Pension/Insurance schemes and Retirement funds. Also responsible for challenging tax avoidance transactions using the General Anti-Avoidance Rule.

# Financial Management

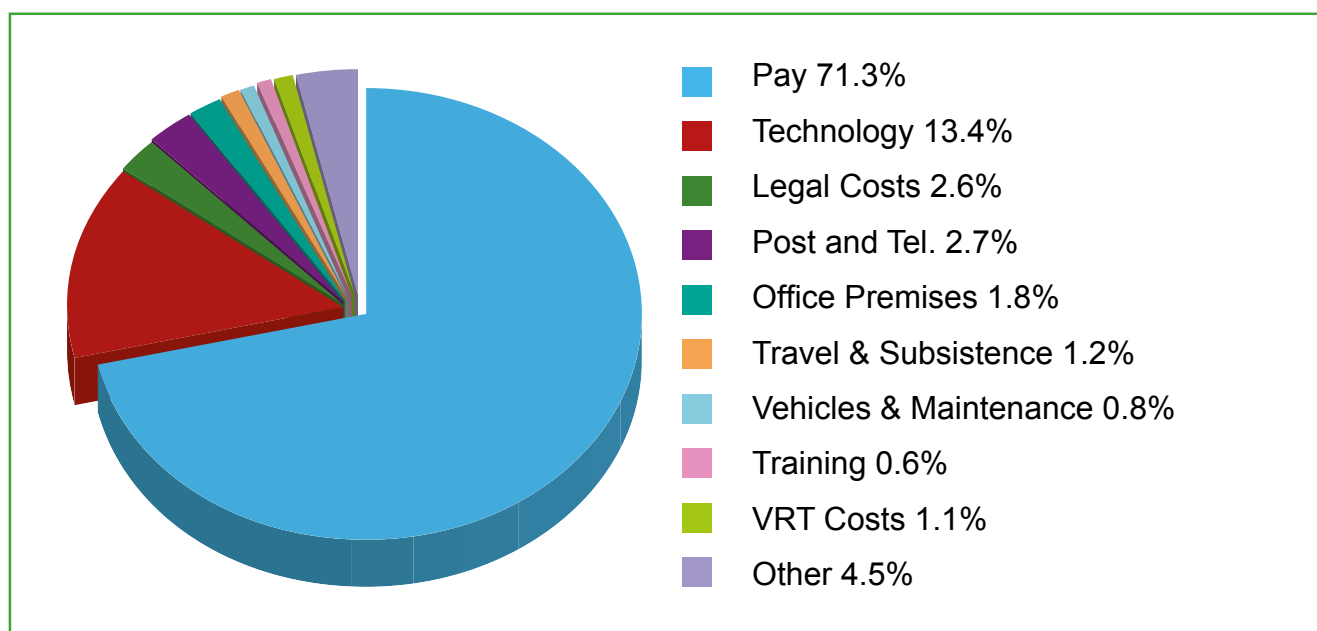
Each year Revenue prepares and submits the Account of the Receipt of Revenue of the State collected by the Revenue Commissioners and the Appropriation Account of the expenditure for the Office of the Revenue Commissioners to the Comptroller and Auditor General for audit.

The audited 'Account of the Receipt of the Revenue of the State' collected by Revenue for 2018 is presented to the Oireachtas at the same time as the Annual Report. The gross and net Exchequer and Non-Exchequer receipts 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 2018 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)**. As such, figures referred to below are provisional and will be finalised on completion of the audit of the Revenue Appropriation Account by the Comptroller and Auditor General.

## Financial Performance

In 2018 Revenue's expenditure on the administration and collection of taxes and duties and frontier management amounted to €424.8 million. Revenue received Appropriations in Aid of €71.6 million in 2018, 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 €3 million more than expected. As a result, a surplus of just over €3.7 million was surrendered to the Exchequer.



# **Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018**



**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2018**

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# **Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018**

## **Statement by Accounting Officer on Internal Financial Control**

### ***Responsibility for system of Internal Financial Control***

As Accounting Officer I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Office. This responsibility is exercised in the context of the resources available to me and my other obligations as Head of Office. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

The position in regard to the financial control environment, the framework of administrative procedures, management reporting and internal audit is as follows:

### ***Financial Control Environment***

I confirm that a control environment containing the following elements is in place:

- Financial responsibilities have been assigned at management level with corresponding accountability.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- Formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action.
- There is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

### ***Administrative Controls and Management Reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Office to identify potential risks and ensure an appropriate mitigation strategy is in place. Mitigations used to manage risk include:
  - Revenue's governance structures.
  - Environmental scanning to ensure Revenue is aware of influences that affect risk, such as Brexit.
  - Integrated strategic/business planning and Risk Management system that regularly reviews risks at Organisational, Divisional and Branch level.
  - Project management methodologies for all significant projects.
- There are systems aimed at ensuring the security of the ICT applications, particularly in relation to cyber threats and malicious attacks.

### ***Internal Audit and Audit Committee***

I confirm that the Office has an internal audit function with appropriately trained personnel, which operates in accordance with a formal written Internal Audit charter. Its work is informed by analysis of the financial risks to which the Office is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and by the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.



## Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018

### ***Risk and Control Framework***

This Office has implemented a risk management system which identifies and reports key risks and the actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing this Office and these have been identified, evaluated and graded according to their likelihood and impact. The risk register details the actions needed to mitigate risks and these actions are integrated in to Revenue's strategic and business planning process. The register is reviewed and updated on a quarterly basis by the Risk Management Committee (RMC) and noted by the Management Advisory Committee (MAC). The Committee also takes account of feedback received from Divisional management when determining whether there should be changes to the priority or ranking of a risk.

A Data Protection Unit is in place which has responsibility for the overall management and administration of data protection in Revenue. A Data Protection Officer, whose primary role is to ensure compliance with the General Data Protection Regulation (GDPR) and with Revenue data protection policies, is also in place.

### ***Ongoing Monitoring and Review***

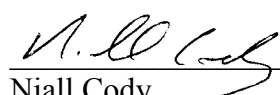
Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the MAC, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

### ***Review of Effectiveness***

I confirm that this Office has procedures to monitor the effectiveness of its risk management and control procedures. The Office's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within this Office are responsible for the development and maintenance of the internal financial control framework.

### ***Internal Financial Control Issues***

No weaknesses in internal financial control were identified in relation to 2018 that resulted in, or may result in, a material loss.



Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

16 April 2019



## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

### **Account of the receipt of revenue of the State collected by the Revenue Commissioners**

#### **Opinion on the account**

I have audited the account of the receipt of revenue of the State collected by the Revenue Commissioners for the year 2018 as required under the provisions of Section 3 (7) of the Comptroller and Auditor General (Amendment) Act 1993 (the Act). The account comprises

- the account of the receipt and disposal of revenue collected
- the statement of balances
- the related notes, including a summary of significant accounting policies.

In my opinion, the account properly presents the receipt and disposal of the revenue collected for the year ended 31 December 2018 and the residual balances at that date.

#### **Basis of opinion**

I conducted my audit of the account in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are described in the appendix to this report. I am independent of the Revenue Commissioners and I have fulfilled my other ethical responsibilities in accordance with the *Code of Ethics of the International Organisation of Supreme Audit Institutions*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. I also take assurance from my examinations of Revenue's collection systems.

#### **Report on information other than the account, and on other matters**

The Revenue Commissioners have presented certain other information together with the account. This comprises the annual report and the statement on internal financial control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
**Comptroller and Auditor General**

18 April 2019

## Appendix to the report

### Responsibilities of the Revenue Commissioners

The Revenue Commissioners are responsible for

- the preparation of the account
- ensuring that the account properly presents the receipt and disposal of the revenue collected
- ensuring the regularity of transactions, and
- such internal control as they determine is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under Section 3 (7) of the Act to audit the account of the receipt of revenue of the State collected by the Revenue Commissioners and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the account as a whole is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I evaluate the overall presentation, structure and content of the account, including the disclosures, and whether the account properly presents the underlying transactions and events.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Information other than the account

My opinion on the account does not cover the other information presented with the account, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the account, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to the management and operations of public bodies. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

### Revenue collection systems

Under Section 3 (7) of the Act, I also carry out examinations on a cyclical basis in order

- to ascertain whether the systems, procedures and practices established by the Revenue Commissioners are adequate to secure an effective check on the assessment, collection and proper allocation of the revenue of the State
- to satisfy myself that the manner in which those systems, procedures and practices are being employed and applied is adequate.

As provided under Section 3 (10) of the Act, I report each year on the results of my systems examinations in my Report on the Accounts of the Public Services.

## **Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018**

### **Accounting Policies**

1. This Account presents the collection and allocation of taxes and duties by the Revenue Commissioners and the transfer of the proceeds to the Exchequer. Customs duties are collected on an agency basis on behalf of the EU and 20% is retained as collection costs by the Exchequer except for Customs Duties collected under an EU Customs Procedure (Single Authorisation for Simplified Procedures). See Note 1 \*3. The Account has been prepared pursuant to Section 3(7) of the Comptroller and Auditor General (Amendment) Act, 1993.
2. No administration or operational costs of the Office of the Revenue Commissioners are included in this Account. Funds for this purpose are voted by the Oireachtas and accounted for in the annual Appropriation Account for Vote 9 - Office of the Revenue Commissioners.
3. Amounts received in respect of penalties and interest imposed by the Revenue Commissioners are brought to account with the related tax and duty settlements. Court fines and penalties are brought to account as Appropriations-in-Aid of Vote 9.
4. The Account also presents non exchequer receipts collected by the Revenue Commissioners for, or paid over to, other Government Departments, Agencies and EU Member States as follows:
  - Social Insurance Fund (Pay Related Social Insurance and Health Levy)
  - Department of Health (Tobacco Levy)
  - Risk Equalisation Fund (Health Insurance Levy)
  - Environment Fund (Environmental Levy on Plastic Bags)
  - Department of Jobs, Enterprise and Innovation (Employment and Training Levy)
  - Commissioners of Irish Lights (Lighthouse Dues)
  - Department of Finance (Nursing Home Support Scheme payments and Miscellaneous Revenue for Fee Stamps in respect of Registry of Deeds, Arbitration Fees and Companies' Registration Fees)
  - Insurance Compensation Fund (Insurance Compensation Fund Levy)
  - EU Member States (VAT Mini One Stop Shop scheme)
  - Department of Housing, Planning & Local Government.
5. A charge is levied by the Revenue Commissioners for the collection of PRSI Contributions, the Environmental Levy on Plastic Bags, Lighthouse Dues, Nursing Home Support Scheme payments and the Insurance Compensation Fund levy. Charges are no longer levied by the Commissioners on customers who opt to pay their tax liabilities by credit card, this was effective from 06<sup>th</sup> April 2018. Charges are levied on customers who apply for a VRT repayment under the Export Repayment Scheme. Amounts received in respect of these charges are accounted for as Appropriations-in-Aid of Vote 9.
6. Included in Excise receipts are amounts collected by other agencies on behalf of the Revenue Commissioners as follows:
  - The Courts Service (Excise Licences)
  - Applus+ Car Testing Service Ltd (Vehicle Registration Tax).A charge is levied by Applus+ Car Testing Service Ltd for the collection of Vehicle Registration Tax. The charge is funded from Voted expenditure and accounted for in the annual Appropriation Account of Vote 9.
7. Included in VAT receipts transferred to the Exchequer are retention amounts of 15% on VAT payments collected by the Revenue Commissioners for EU Member States under the VAT Mini One Stop Shop scheme (VAT MOSS) and as provided for under Article 46(3) of Council Regulation (EU) No.904/2010. The VAT MOSS scheme came into operation on 1 January 2015.

## **Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018**

### **Accounting Policies cont'd**

8. The Account has been prepared on a cash basis in accordance with the principles of Government Accounting. The Account shows the actual amounts received and paid in the year. Where further amounts are received in subsequent years or where amounts received in the current or earlier years are repaid, such items are recorded in the year of receipt or repayment. Customs and Excise payments are retained as deposits and recognised as receipts when the appropriate returns are filed, with the exception of Excise Licences which are on a cash receipts basis.
9. In order to apportion certain Income Tax receipts to the relevant taxhead, an estimated percentage is applied. This apportionment affects PAYE, PRSI, USC and LPT receipts. Once the relevant returns are filed a review of the estimate is conducted and the receipts re-apportioned as appropriate.
10. The gross receipts and repayment figures for each taxhead include offsets i.e. cases where the repayment is not directly paid to the taxpayer but offset against other outstanding taxes.
11. Taxes and Duties are paid in the first instance into accounts held by Revenue in commercial banks. In most cases full accounting instructions are known at the time of payment and payments are receipted onto a customer record and transferred to the Exchequer. If sufficient information has not been received within 5 years, the amount is recognized as a tax receipt and removed from the UTD balance. If a payment for audit and attachment is received with incomplete accounting instructions it is included as an Unallocated Tax Deposit pending receipt of accounting instructions.

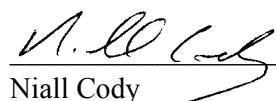


# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018


## Account of the Receipt and Disposal of Revenue collected

	Notes	2018 €000	2017 €000
<b>Gross Receipts</b>			
Exchequer Receipts	1	63,131,175	58,573,265
Non Exchequer Receipts	2	14,137,374	12,383,382
<b>Total Gross Receipts of Revenue Collected</b>		<b>77,268,549</b>	<b>70,956,647</b>
<b>Repayments</b>			
Repayment of Exchequer Receipts	3	(8,498,662)	(7,983,222)
Repayment of Non Exchequer Receipts	4	(60,133)	(40,822)
<b>Total Repayments</b>		<b>(8,558,795)</b>	<b>(8,024,044)</b>
<b>Net Receipts</b>			
Exchequer Receipts	5	54,632,513	50,590,043
Non Exchequer Receipts	7	14,077,241	12,342,560
<b>Total Net Receipts of Revenue Collected</b>		<b>68,709,754</b>	<b>62,932,603</b>
<b>Disposal of Net Receipts</b>			
Receipts transferred to the Exchequer	6	(54,580,975)	(50,736,166)
Receipts transferred to other Departments/Agencies/EU Member States	7	(14,142,494)	(12,291,672)
<b>Total Disposal of Net Receipts of Revenue Collected</b>		<b>(68,723,469)</b>	<b>(63,027,838)</b>
Net Receipts retained at year end		(13,715)	(95,235)
Opening Balance on the Account of Receipt and Disposal of Revenue at 1 January		(406,040)	(310,805)
<b>Closing Balance on the Account of Receipt and Disposal of Revenue at 31 December</b>		<b>(419,755)</b>	<b>(406,040)</b>

The Accounting Policies and Notes 1 to 11 form part of this Account.



Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners



Paul Dempsey  
Accountant General  
Office of the Revenue Commissioners

16 April 2019

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2018**

**Statement of Balances**

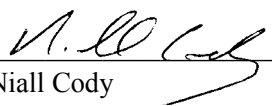
	Notes	2018 €000	2017 €000
<b>Assets</b>			
Cash at Bank and in Hand	8	68,090	67,713
Amounts due from Government Departments	9	2,614	443
<b>Total Assets</b>		<b>70,704</b>	<b>68,156</b>
<b>Liabilities</b>			
Amounts Awaiting Receipting and Allocation	10	(158,514)	(128,201)
Deposits Held	11	(331,945)	(345,995)
<b>Total Liabilities</b>		<b>(490,459)</b>	<b>(474,196)</b>
<b>Net Liabilities</b>		<b>(419,755)</b>	<b>(406,040)</b>

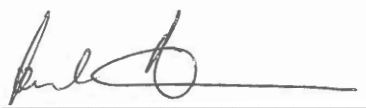
**Represented by:**

**Closing Balance on the Account of Receipt and Disposal of Revenue**

Balance owing from the Exchequer	6	(435,102)	(486,927)
Balance owing to other Departments/Agencies/EU Member States	7	15,347	80,887
		<b>(419,755)</b>	<b>(406,040)</b>

The Accounting Policies and Notes 1 to 11 form part of this Account.

  
Niall Cody  
Accounting Officer  
Office of the Revenue Commissioners

  
Paul Dempsey  
Accountant General  
Office of the Revenue Commissioners

16 April 2019

**Account of the Receipt of Revenue of the State collected by the Revenue Commissioners  
in the year ended 31 December 2018**

**Notes to the Account**

**Note 1. Exchequer Receipts collected**

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Income Tax	23,469,722	22,076,463
Value Added Tax	19,340,210 <sup>*1</sup>	17,903,353
Corporation Tax	11,442,132	9,347,444
Excise Duty	5,476,418	5,902,340
Stamp Duties	1,525,299	1,220,182
Capital Gains Tax	1,023,474	841,654
Local Property Tax	- <sup>*2</sup>	481,574
Capital Acquisitions Tax	527,387	465,507
Customs Duty	326,533 <sup>*3</sup>	334,748
	<b>63,131,175</b>	<b>58,573,265</b>

<sup>\*1</sup> This figure includes amounts relating to The VAT Mini One Stop Shop scheme which came into operation on 1 January 2015. The rate of retention amount for 2017 and 2018 was reduced to 15% from 30% in 2016. Retention amounts are scheduled to be abolished in 2019.

	<b>2018</b>	<b>2017</b>
	<b>€000</b>	<b>€000</b>
Retention amounts on VAT payments collected for EU Member States	242,245	255,520
VAT collected proper to Ireland under the scheme	3,635	2,455
VAT payments proper to Ireland collected by other Member States	54,059	39,904
	<b>299,939</b>	<b>297,879</b>

<sup>\*2</sup> Changes introduced by The Water Services Act 2017 (Section 54) provide that LPT receipts are no longer transferred to the Exchequer. Revenue now transfer LPT receipts to the Local Government Fund which is managed and administered by the Department of Housing, Planning & Local Government. As a result the current year LPT figures are presented in notes 2, 4 and 7 rather than notes 1, 3, 5 and 6. This was effective from 1 January 2018.

<sup>\*3</sup> Customs Duties collected under an EU Customs procedure (Single Authorisation for Simplified Procedures) are reported net of associated collection costs. In 2018 collection costs of €17.3m were transferred to other EU Member States and an additional separate amount of €17.3m transferred to Vote 9 and are recorded as Appropriations-in-Aid receipts.

# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018

## Notes to the Account

### Note 2. Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States

	2018 €000	2017 €000
Pay Related Social Insurance and Health Levy	11,208,354 <sup>*1</sup>	10,239,210
VAT Mini One Stop Shop Scheme	1,430,087 <sup>*2</sup>	1,184,135
Health Insurance Levy	737,603	683,756
Local Property Tax	488,244 <sup>*3</sup>	-
Tobacco Excise Receipts	167,605 <sup>*4</sup>	167,605
Insurance Compensation Fund Levy	69,040	75,837
Nursing Home Support Scheme (includes Miscellaneous receipts)	22,568	18,952
Environmental Levy on Plastic Bags	6,943	7,356
Lighthouse Dues	6,818	6,319
Employment and Training Levy	112	212
	<b>14,137,374</b>	<b>12,383,382</b>

\*1 Includes an amount of €2.6m collected for Health Levy in 2018. The equivalent figure in 2017 was €3.2m. These represent residual amounts collected following cessation of Health Levy in January 2011.

\*2 The VAT Mini One Stop Shop scheme came into operation on 1 January 2015 in line with VAT place of supply rules for businesses who make supplies of telecommunications, broadcasting or electronically supplied services to consumers. This figure represents the VAT payments collected in Ireland and payable to other EU Member States under the scheme.

\*3 The Local Property Tax (LPT) collection figure of €488m is broken down into €25m for Household Charge arrears and LPT liabilities for years 2012 to 2017 inclusive, €404m for LPT liabilities in respect of 2018 and €59m for LPT liabilities in respect of 2019.

\*4 Tobacco Excise Receipts of €167,605 are presented as non Exchequer receipts as they are paid direct to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005

# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018

## Notes to the Account

### Note 3. Repayment of Exchequer Receipts

	2018 €000	2017 €000
Income Tax	(2,172,103)	(2,104,836)
Value Added Tax	(5,132,397)	(4,624,977)
Corporation Tax	(1,055,543)	(1,146,795)
Excise Duty	(43,418)	(53,662)
Stamp Duties	(62,432)	(25,669)
Capital Gains Tax	(27,910)	(16,079)
Local Property Tax	-	(5,232)
Capital Acquisitions Tax	(4,853)	(5,855)
Customs Duty	(6)	(117)
	<b>(8,498,662)</b>	<b>(7,983,222)</b>

### Note 4. Repayment of Non Exchequer Receipts collected on behalf of other Departments/Agencies/EU Member States

	2018 €000	2017 €000
Pay Related Social Insurance and Health Levy	(53,250)	(40,122)
Local Property Tax	(5,641)	-
VAT Mini One Stop Shop Scheme	(1,116)	(638)
Nursing Home Support Scheme (includes Miscellaneous receipts)	(63)	(57)
Environmental Levy on Plastic Bags	(63)	(5)
	<b>(60,133)</b>	<b>(40,822)</b>

### Note 5. Net Exchequer Receipts

	Gross Receipts 2018 €000	Repayments 2018 €000	Net Receipts 2018 €000	Net Receipts 2017 €000
Income Tax	23,469,722	(2,172,103)	21,297,619	19,971,627
Value Added Tax	19,340,210	(5,132,397)	14,207,813	13,278,376
Corporation Tax	11,442,132	(1,055,543)	10,386,589	8,200,649
Excise Duty	5,476,418	(43,418)	5,433,000	5,848,678
Stamp Duties	1,525,299	(62,432)	1,462,867	1,194,513
Capital Gains Tax	1,023,474	(27,910)	995,564	825,575
Local Property Tax	-	-	-	476,342
Capital Acquisitions Tax	527,387	(4,853)	522,534	459,652
Customs Duty	326,533	(6)	326,527	334,631
	<b>63,131,175</b>	<b>(8,498,662)</b>	<b>54,632,513</b>	<b>50,590,043</b>



# Account of the Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018

## Notes to the Account

### Note 6. Receipts Transferred to the Exchequer

	Balance owing to/(from) Exchequer at 1.1.18 €000	Net Receipts €000	Total Transfers €000	Balance owing to/(from) Exchequer at 31.12.18 €000
Income Tax	(99,621)	21,297,619	(21,241,693)	(43,695)
Value Added Tax	(8,059)	14,207,813	(14,234,328)	(34,574)
Corporation Tax	(1,987)	10,386,589	(10,385,196)	(594)
Excise Duty	(340,304)	5,433,000	(5,417,823)	(325,127)
Stamp Duties	(32,198)	1,462,867	(1,453,305)	(22,636)
Capital Gains Tax	(5,098)	995,564	(993,506)	(3,040)
Local Property Tax	-	-	-	-
Capital Acquisitions Tax	(46)	522,534	(522,488)	-
Customs Duty	673	326,527	(332,636)	(5,436)
	<b>(486,640)</b>	<b>54,632,513</b>	<b>(54,580,975)</b>	<b>(435,102)</b>

\*1 See Note 1 \*2

### Note 7. Receipts transferred to other Departments/Agencies/EU Member States

	Balance due at 1.1.18 €000	Net Receipts €000	Total Transfers €000	Balance due at 31.12.18 €000
Pay Related Social Insurance and Health Levy	72,299	11,155,104	(11,214,284)	13,119
VAT Mini One Stop Shop Scheme	3,987	1,428,971	(1,431,288)	1,670
Health Insurance Levy	-	737,603	(737,603)	-
Local Property Tax	(287)	482,603	(482,346)	(30)
Tobacco Excise Receipts	-	167,605	(167,605)	-
Insurance Compensation Fund Levy	88	69,040	(69,128)	-
Nursing Home Support Scheme (includes Miscellaneous receipts)	4,644	22,505	(26,541)	608
Environmental Levy on Plastic Bags	9	6,880	(6,881)	8
Lighthouse Dues	-	6,818	(6,818)	-
Employment and Training Levy	(140)	112	-	(28)
	<b>80,600</b>	<b>14,077,241</b>	<b>(14,142,494)</b>	<b>15,347</b>

\*1 See Note 1 \*2

\*2 The amount of €167,605,000 which was paid from the proceeds of Tobacco Excise Receipts to the Department of Health under Section 3 of the Appropriation Act 1999 as amended by the Appropriation Act 2005.

### Note 8. Cash at Bank and in Hand

	2018 €000	2017 €000
Balance in Revenue Accounts held at Central Bank	(14,543)	18,825
Balance in Revenue Accounts held at Commercial Banks	98,291	48,587
Unpresented Cheques	(15,730)	-
Cash in Hand	72	301
	<b>68,090</b>	<b>67,713</b>

# Account of Receipt of Revenue of the State collected by the Revenue Commissioners in the year ended 31 December 2018

## Notes to the Account

### Note 9. Amounts due from Government Departments

Where a liability arises as a result of the importation of goods by Government Departments, the goods are released without immediate payment of duties or taxes and the Department is subsequently charged for the amount due.

### Note 10. Amounts Awaiting Receipting and Allocation

	2018 €000	2017 €000
Unallocated Tax Deposits	(80,730) <sup>*1</sup>	(86,934)
Tax receipts awaiting transfer and allocation	(77,632)	(41,241)
Amounts awaiting transfer to Vote 9, Office of the Revenue Commissioners	(152) <sup>*2</sup>	(26)
	<b>(158,514)</b>	<b>(128,201)</b>

\*1 Unallocated Tax Deposits (UTD) include payments made on account during tax audits and audit settlements as well as non audit payments for which accounting instructions have not been completed. UTD also includes payments transferred to the Exchequer as part of the Total Transfers in Note 6 for which customer records have yet to be updated.

\*2 These amounts were received by the Revenue Commissioners and will be brought to account as Appropriations-in-Aid of Vote 9, Office of the Revenue Commissioners.

### Note 11. Deposits Held

	2018 €000	2017 €000
Deposits held under Criminal Justice Act 1994	(2,848)	(2,780)
Deposits held with C&E Collectors	(4,727)	(3,359)
Deposits held for C&E liabilities due after 31 December	(324,370)	(339,856)
	<b>(331,945)</b>	<b>(345,995)</b>

Deposits held under Criminal Justice Act 1994 relates to money seized under the Act and held on deposit pending court proceedings. All other deposits represent amounts paid by taxpayers for Customs and Excise (C&E) liabilities falling due after 31 December and brought to account when the appropriate return is filed. These deposits have been surrendered to the Exchequer at 31 December as part of Excise Duty transfers in Note 6.

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**Table 1: Total Amount of Exchequer/Non-Exchequer Gross Receipts**

Category	2018 €m	2017 €m
<b>Income Tax, Income Levy &amp; USC</b>	23,470	22,076
<b>Value-Added Tax</b>	19,340	17,903
<b>Corporation Tax</b>	11,442	9,347
<b>Excise</b>	5,476	5,902
<b>Stamp Duties</b>	1,525	1,220
<b>Capital Gains Tax</b>	1,023	842
<b>Capital Acquisitions Tax</b>	527	466
<b>Customs</b>	327	335
<b>Local Property Tax</b>	0	482
<b>Non-Exchequer Receipts Collected on behalf of other Departments/Agencies</b>	14,137*	12,383
<b>Total</b>	<b>77,268</b>	<b>70,956</b>

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

\* Changes introduced by The Water Services Act 2017 provide that LPT receipts are no longer transferred to the Exchequer. Revenue now transfers LPT receipts to the Local Government Fund which is managed and administered by the Department of Housing, Planning & Local Government. This was effective from 1 January 2018. As a result, gross LPT receipts of €488 million are presented in Non-Exchequer receipts. Additionally, Tobacco Excise receipts of €168 million are presented as Non-Exchequer receipts as they are paid directly to the Department of Health.

**Table 2: Total Net Exchequer Receipts**

Duties Taxes & Levies	2018 Net Receipts €m	2018 Budget Estimates €m	2018 Net Receipts +/- Budget Estimates €m	2017 Net Receipts €m
<b>Taxes on Income</b>				
PAYE Income Tax	14,475	14,240	235	13,071
PAYE USC	3,197	3,143	54	3,131
<b>Total PAYE Taxes</b>	<b>17,672</b>	<b>17,384</b>	<b>289</b>	<b>16,202</b>
<b>Self-Employed Income Tax</b>	<b>1,760</b>	<b>2,114</b>	<b>-354</b>	<b>1,844</b>
Self-Employed USC	541	594	-53	593
<b>Total Self-Employed Tax</b>	<b>2,302</b>	<b>2,708</b>	<b>-407</b>	<b>2,437</b>
Life Assurance Exit Tax	165	180	-15	184
Deposit Interest Retention Tax	96	117	-21	118
Professional Services Withholding Tax	663	645	18	634
Dividend Withholding Tax	353	330	23	324
Income Levy	0	0	0	0
Other Income Taxes <sup>1</sup>	46	81	-35	73
<b>Net Yield – Taxes on Income</b>	<b>21,297</b>	<b>21,445</b>	<b>-148</b>	<b>19,972</b>
<b>VAT- On Imports</b>	<b>1,871</b>	<b>1,816</b>	<b>56</b>	<b>1,733</b>
Other VAT	12,336	12,274	62	11,545
<b>Total Value Added Tax</b>	<b>14,207</b>	<b>14,090</b>	<b>117</b>	<b>13,278</b>
<b>Excise<sup>2</sup></b>	<b>5,433</b>	<b>5,988</b>	<b>-555</b>	<b>5,848</b>
Corporation Tax	10,387	8,504	1,882	8,201
Stamp Duty on Shares	473	460	13	449
Stamp Duty on Property	660	784	-124	381
Other Stamp Duty	330	430	-100	365
<b>Total Stamp Duties</b>	<b>1,463</b>	<b>1,674</b>	<b>-211</b>	<b>1,195</b>
Capital Gains Tax	996	843	152	826
Capital Acquisitions Tax	523	472	51	460
Customs	327	343	-16	335
Local Property Tax <sup>3</sup>	0			476
<b>Total</b>	<b>54,633</b>	<b>53,359</b>	<b>1,274</b>	<b>50,591</b>

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

*1. Other Income Taxes comprises of Net Relevant Contracts Tax and Back Duty.*

*2. Tobacco Excise receipts of €168 million are presented as Non-Exchequer receipts as they are paid direct to the Department of Health.*

*3. Changes introduced by The Water Services Act 2017 provide that LPT receipts are no longer transferred to the Exchequer. Revenue now transfer LPT receipts to the Local Government Fund which is managed and administered by the Department of Housing, Planning & Local Government. This was effective from 1 January 2018. As a result, Net LPT receipts for 2018 of €483 million are presented in Receipts transferred to other Departments/Agencies/EU Member States.*



**Table 3: LPT Compliance by Liability Year**

Category	2018	2017
<b>Properties Returned (millions)</b>	1.92	1.92
<b>Compliance Rate</b>	98%	97.5%

**Table 4: Relevant Contracts Tax**

Contracts/Payments Notified to Revenue	No.	Value €bn
<b>Contracts</b>	448,275	51.25
<b>Payments</b>	1,019,570	13.84

**Table 5: Electronic Business**

Contracts/Payments Notified to Revenue	2018	2017
<b>No. of Payments</b>	2,415,613	2,273,124
<b>Value of Payments €bn</b>	64.67	57.69
<b>No. of Repayments</b>	1,099,132	973,792
<b>Value of Repayments €bn</b>	6.96	6.38
<b>No. of Returns</b>	7,526,344	5,864,416

**Table 6: Volume of Business**

Activity	Volume in 2018	% Change 2018 v 2017
<b>PAYE Employments</b>	2,960,162	9.5%
<b>Self Assessment Income Tax</b>	729,983	3.1%
<b>Companies</b>	201,223	4.32%
<b>Vat Registrations</b>	259,988	1.4%
<b>1890 Contacts</b>		
<b>1890 Telephone Calls Answered*</b>	2,244,965	-11.9%

\*Includes 284,073 calls in respect of Local Property Tax handled by an external service & 326,792 calls answered on the 1890 Business Taxes line.

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

Service	Standard	Results 2018
<b>Complaints</b>	Processed within 20 working days	81%
<b>Telephone Service: PAYE 1890 calls</b>	50% within 30 secs	26%
<b>Telephone Service: PAYE 1890 calls</b>	85% within 3 mins	54%
<b>Telephone Service: PAYE 1890 calls</b>	100% within 5 mins	68%
<b>Telephone Service: Business Taxes 1890 Calls</b>	50% within 30 secs	58%
<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	86%
<b>Telephone Service: Other* 1890 Calls</b>	50% within 30 secs	71%
<b>Telephone Service: Other* 1890 Calls</b>	85% within 3 mins	91%
<b>Telephone Service: Other* 1890 Calls</b>	100% within 5 mins	96%
<b>Registrations</b>	PAYE Customers registering for myAccount, 90% of passwords will be issued within 5 working days	93%
<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	94%
<b>Returns, Declarations, Applications</b>	AEP Immediate Response	99%
<b>Repayments - ROS</b>	100% processed within 5 working days	94%
<b>Repayments – NON-ROS**</b>	80% processed within 10 working days	77%
<b>Repayments – NON-ROS**</b>	100% processed within 20 working days	90%
<b>Correspondence, e-mail, fax</b>	50% 10 working days	60%
<b>Correspondence, e-mail, fax</b>	85% 20 working days	76%
<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	34%
<b>Applications for Standards in Public Office Tax Clearance Certificates</b>	100% processed within 5 working days	100%

\*Excludes 1890 LPT

\*\* CT, IT and PAYE only

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

Taxhead	2018
<b>PAYE/PRSI</b>	99%
<b>VAT</b>	98%
<b>Income Tax (Non PAYE)</b>	98%
<b>Capital Gains Tax</b>	93%
<b>Corporation Tax</b>	99%
<b>Relevant Contract Tax</b>	97%

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

Case Size	Due Month Compliance 2018	Due Month+1 Compliance 2018
<b>Large Cases</b>	96%	99%
<b>Medium Cases</b>	93%	98%
<b>Other Cases</b>	79%	88%

**Table 10: Collection Enforcement Programmes in 2018**

Enforcement	No. of Cases	No. of Referrals	Value of Referrals €m	Yield €m
<b>Solicitor</b>	2,955	3,438	93.7	32.8
<b>Sheriff</b>	25,454	34,373	270.7	151.9
<b>Attachment</b>	3,271	4,547	117.9	26.9
<b>Total</b>	31,680	42,358	482.3	211.6

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

Activity	2018
<b>Companies wound-up via Creditor Voluntary Liquidations</b>	555
<b>Creditor Meetings Attended</b>	398
<b>Revenue petitions to High Court for Appointment of a Liquidator</b>	29
<b>Receiverships</b>	85
<b>Examinerships</b>	33
<b>Revenue petitioned bankruptcies</b>	6

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

Category of Opinion	Number 2018
Permanent Establishment	1
Trading	5
Reconstructions and amalgamations	74
Exemption from tax in respect of gains on certain share disposals	1
Elections to Tonnage Tax Scheme	3
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	26
Stamp Duty	53
Trade benefit test/share buybacks	80
Capital Gains Tax	10*
Start-up relief	2*
Close company surcharges	6*
R&D credit	2*
Corporation Tax	19*
Miscellaneous	19
<b>Total</b>	<b>302</b>

\*These opinions were not separately identified previously and would have been included within the 'Miscellaneous' category.

**Table 13: Audit and Compliance Intervention Activity**

Type of Intervention	Completed 2018	Yield €m	Completed 2017	Yield €m
Comprehensive Audits	2,696*	119.5	2,978*	111.2
Multi Tax/Duty Audits	648	27.8	775	28.1
Single Tax/Duty/Issue/Transaction Audits	1,391	108.3	1,533	64.5
<b>Total Audit Interventions</b>	<b>4,735</b>	<b>255.6</b>	<b>5,286</b>	<b>203.8</b>
Aspect Query	83,266	278.5	87,340	247.2
Profile Interview	5,078	19.2	3,943	20.2
Appraisals (no further action)	96,704		110,320	
Assurance Checks	356,813	7.2	416,662	7.9
PAYE Checks	34,161	11.6	32,006	12.8
<b>Total Non-Audit Investigations</b>	<b>576,022</b>	<b>316.5</b>	<b>650,271</b>	<b>288.1</b>
<b>Total Interventions</b>	<b>580,757</b>	<b>572.1</b>	<b>655,557</b>	<b>491.9</b>

\* Includes investigations counted as comprehensive audits

**Table 14: Random Audits Completed 2018 v 2017**

Category	2018 Programme	2017 Programme*
<b>Sample Size</b>	1,300	400
<b>Completed</b>	958	369
<b>Total Yield</b>	€379,670	€562,157
<b>With Yield</b>	94	131
<b>Nil Yield</b>	219	238

\*Figures updated from 2017 Annual Report to include 2017 cases closed and yield during 2018

Following a redesign of the programme, all cases in the RAP 2018 received a comprehensive appraisal. The completed cases for 2018 includes 645 appraisals that did not proceed to a compliance intervention e.g. Aspect Query, Profile Interview, Audit or Investigation and will not generate a yield. This explains the 958 cases completed, drop in yield and the with/nil yield figures.

**Table 15: Summary of Selected Sectoral Intervention Results**

Sector	No. of Audits/ Investigations	Yield	Risk Management Interventions (RMIs)	Yield €m	Total Interventions	Total Yield €m
<b>Accounting</b>	52	2.64	622	3.32	674	5.96
<b>Construction</b>	556	22.87	15,603	27.74	16,156	50.61
<b>Doctors</b>	104	6.24	411	2.04	515	8.28
<b>Legal Activities</b>	72	1.69	435	3.13	507	4.82
<b>Pubs</b>	144	5.62	1,922	2.92	2,066	8.54
<b>Rental</b>	326	12.83	4,951	28.79	5,277	41.62
<b>Restaurants and Fast Food Outlets</b>	180	5.23	2,630	2.93	8,810	8.16
<b>Retailers</b>	382	13.99	7,318	31.48	7,700	45.47
<b>Wholesalers</b>	335	15.23	5,284	16.88	5,619	32.11

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

**Table 16: 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	Number greater than €1 million	Number and Total of Court determined penalties €k	
<b>Q1</b>	61	9.43	37	23	0	1	7	1,130
<b>Q2</b>	66	8.88	37	27	2	0	1	49
<b>Q3</b>	65	12.95	40	20	3	2	2	20
<b>Q4</b>	73	12.72	36	32	4	1	6	325
<b>Total</b>	<b>265</b>	<b>43.98</b>	<b>150</b>	<b>102</b>	<b>9</b>	<b>4</b>	<b>16</b>	<b>1,524</b>



**Table 17: Publications by Selected Sector**

Sector	Publications
<b>Construction &amp; Related Trades/Property Directors</b>	38
<b>Company Directors</b>	21
<b>Farmers</b>	14
<b>Hauliers</b>	11
<b>Landlords</b>	28
<b>Medical Consultants</b>	6
<b>Motor Dealers/Related Trade</b>	10
<b>Professionals</b>	13
<b>Publicans/Restaurateurs/Take Away Food Suppliers</b>	26
<b>Retailers</b>	15

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 18: Drug Seizures**

Type of Drug	No. of Seizures	Quantity (kg)	Value (€m)
<b>Cannabis (Herbal &amp; Resin)</b>	1,386	512	9.14
<b>Cocaine, Heroin</b>	153	195	16.69
<b>Amphetamines, Ecstasy &amp; other</b>	5,635	1,281	7.65
<b>Total</b>	7,174	1,988	33.48

**Table 19: Excisable Products Seized**

Product	No. of Seizures	Quantity	Value €m
<b>Cigarettes</b>	3,963	67.86m	41.29
<b>Tobacco</b>	1,376	1,915kgs	1.0
<b>Alcohol (Beer, Spirits &amp; Wine)</b>	1,756	252,105L	1.50
<b>Illicit Mineral Oil</b>	27	110,525L	-
<b>Oil Laundries</b>	2	5,660L	0.00
<b>Vehicles*</b>	1,502	-	-

\*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 20: Cash Seizures**

	2018	2017	% Change 2018 vs. 2017
<b>No. of Seizures</b>	78	78	0%
<b>Value (€m)</b>	1,050,902	1,044,929	0.5%

**Table 21: Cash Forfeiture Orders**

	2018	2017	% Change 2018 vs. 2017
<b>No. of Forfeiture Orders</b>	55	32	71%
<b>Value (€m)</b>	1,282,486	825,935	55%

**Table 22: Prosecutions for Serious Evasion**

During 2018	Total
<b>No. of ongoing investigations</b>	100
<b>No. of cases referred to DPP</b>	13
<b>No. of cases for which DPP issued directions</b>	11
<b>No. of cases before the Courts</b>	20
<b>No. of convictions obtained</b>	21

**Table 23: Summary Criminal Convictions**

Category	No. of Convictions
<b>Alcohol Smuggling</b>	2
<b>Alcohol Tax Evasion</b>	2
<b>Cigarette Smuggling</b>	16
<b>Cigarette Selling</b>	58
<b>Commercial Oil</b>	2
<b>Counterfeit Spirits</b>	2
<b>Excise Licence</b>	59
<b>Intrastat Non Compliance</b>	1
<b>Marked Mineral Oil</b>	153
<b>Non-Filing of Tax Returns</b>	361
<b>Tax Cases</b>	8
<b>VAT/P35 Prosecution Programme</b>	21
<b>VRT</b>	10
<b>Total</b>	<b>695</b>
<b>Total fines imposed €m</b>	<b>€1,757,933</b>

**Table 24: Civil Penalties for Not Filing Returns**

Non Filing Programme	Cases	Fines
<b>P35 Penalty Programme</b>	602*	€2,308,000
<b>VAT Penalty Programme</b>	105	€420,000

*\*Figure includes 100 cases where Employer failed to account for LPT – penalties of €300,000 applied*

**Table 25: Mutual Assistance Requests**

Mutual Assistance Requests	Received 2018	Received 2017	Sent 2018	Sent 2017	Closed in 2018	To Hand End 2018
<b>From/To EU Member States</b>	1,558	1,327	549	230	1,243	433
<b>From/To Other Countries</b>	82	66	25	502	337	76
<b>Total</b>	1,640	1,393	574	732	1,580	0
<b>Europol Request</b>	327	448	177	149		

**Table 26: Mutual Agreement Procedures (MAPs)**

Opening Inventory 01/01/2018	Initiated	Completed	Ending Inventory 31/12/2018
42	28	12	58

**Table 27: Advance Pricing Agreements (APAs)**

Requests received	Pre-filing applications received	APAs granted	APAs in force as of 01/01/2018	APAs in force as of 31/12/2018
9	5	3	3	4

**Table 28: FOI Requests**

Category	2018	2017
<b>Received</b>	328	342
<b>Full Release</b>	52	72
<b>Partial Release</b>	156	163
<b>Refused</b>	72	68
<b>Dealt with Outside of FOI/Withdrawn/Transferred</b>	21	39
<b>Request for Internal Review</b>	24	26
<b>Appeal to the Information Commissioner</b>	3	5

*Table 29 Internal & External Reviews*

Case Details	Internal	External	Total
Requests brought forward	1	8	9
Cases admitted in year	1	12	13
<b>Total</b>	<b>2</b>	<b>20</b>	<b>22</b>
Number finalised in year	2	15	17
Decision in favour of customer	0	1	1
Decision against customer	1	12	13
Decision revised/partly revised	0	0	0
Discontinued	1	2	3
On hands at year-end	0	5	5

*Table 30: Complaints Relating to Revenue Completed by the Ombudsman*

Total Completed and Outcome	Number of Complaints
Upheld	9
Partially upheld	0
Not upheld	21
Assistance provided	2
Discontinued/Withdrawn	14
Discontinued premature	43
Outside remit	5
<b>Total</b>	<b>94</b>

*Table 31: Compliance with Prompt Payment of Accounts Act*

Payment Made	Number	Value €	% of Total No. of Payments made
Within 15 Days	15,638	137,347,799	92.47
Within 16-30 Days	1,264	7,343,290	7.47
In Excess of 30 Days	10	11,840	0.06
<b>Total</b>	<b>16,912</b>	<b>144,702,929</b>	<b>100</b>
Additional Information	Number	Value €	
Late payment interest paid in 2018	6	16	
Compensation costs paid in 2018	6	300	
Average days taken to make payment	9		

**Table 32: Training 2018**

Training Category	Training Days Delivered
Diploma in Applied Taxation	14,034
Customer Services/Technical Taxes	13,042
Technical Customs & Excise	5,385
Leadership, Management & Soft Skills	2,975
OneLearning	2,144
UL BA (Hons) in Applied Taxation	1,881
CPPD	1,547
Computer/CBT/Systems	773
Health & Safety	739
Collection & Compliance	456
<b>Total</b>	<b>42,976</b>

**Table 33: Irish Tax Institute – Professional Qualifications**

Award Category	No. of awards 2018	No. of awards 2017
Certificates	214	176
Tax Technician	68	68
Diploma in Tax	45	19
Chartered Tax Adviser	7	4
<b>Total</b>	<b>334</b>	<b>267</b>

**Table 34: University of Limerick 3rd Level Qualifications**

Award Category	No. of awards 2018	No. of awards 2017
Diploma in Applied Taxation	135	77
BA (Hons) in Applied Taxation	23	24
Customs Certificates	16	16
MBA	2	2
<b>Total</b>	<b>176</b>	<b>119</b>

# **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 taxpayer donates certain heritage items to the national collections. The following items were donated in 2018:

- Frisby Irish Silverware Collection, valued at €2,345,900
- Kerlin Gallery Collection, valued at €1,441,800

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 taxpayer donates certain heritage property to the Irish Heritage Trust or the Commissioners of Public Works in Ireland. 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 2018.







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