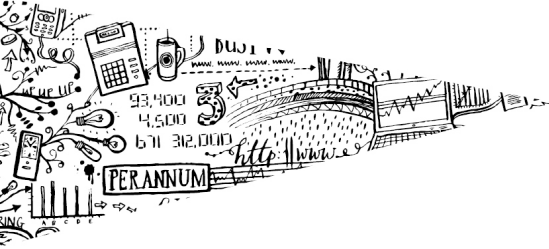


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Tax alert Ireland

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Mandatory electronic filing - phase 3 - 1 June 2011

Contacts

If you require further information, please call your regular contact in Ernst & Young or contact any of the following:

Dublin

Kevin McLoughlin, Partner
E: kevin.mcloughlin@ie.ey.com
T: +353 1 2212478
F: +353 1 4750599

Cork

Frank O'Neill (Partner)
E: frank.oneill@ie.ey.com
T: +353 21 4805700
F: +353 21 4272465

Limerick

John Heffernan (Partner)
E: john.heffernan@ie.ey.com
T: +353 61 319988
F: +353 61 319865

Waterford

Paul Dillon (Senior Manager)
E: paul.dillon@ie.ey.com
T: +353 51 872094
F: +353 51 872392

New York (Irish Tax Desk)

Paul Fleming (Director)
E: paul.fleming@ey.com
T: +1 212 7738744
F: +1 212 7736672

Throughout the past number of years the Revenue has been introducing cumulative Regulations that have obliged an increasing number of individuals, corporates and other entities to file an expanding number of tax returns through Revenue Online Services (ROS). Phases 1 and 2 of these regulations were introduced on 1 January 2009 and 1 January 2010, respectively. Phase 3 will commence on **1 June 2011** and will see mandatory electronic filing in Ireland extending to a much wider base. Penalties of up to €1,520 may apply where returns are not filed electronically. We therefore recommend that you consider the impact of this electronic filing extension on you and your business to ensure that, if you are affected by the new rules, you are ready to both electronically file and electronically pay all of the specified returns and related payments via ROS.

The new Regulations, coming into effect on 1 June 2011, will require certain categories of taxpayers to make all specified returns and payments associated with those returns electronically. Revenue's definitive list is reproduced at the end of this Alert. However, the term "specified returns" now covers almost all the major taxes and return forms. One notable exception is in relation to the employer forms P30, P35, P45 and P46, where the new Regulations only apply to returns and associated payments due on or after 1 October 2011 and then only where the employer has more than 10 employees.

The Revenue has indicated that the persons/entities covered by Phase 3 regulations include;

- ▶ All companies, partnerships, trusts, collective investment undertakings and European Economic Interest Groupings (EEIGs). (Some of these bodies are already required to e-file under Phases 1 and 2.)
- ▶ Individuals who are subject to the restriction of reliefs on certain high income individuals (Chapter 2A of Part 15 of the Taxes Consolidation Act 1997) for the tax year 2009 and subsequent tax years
- ▶ Individuals who are in receipt of payments from foreign life policies, offshore funds, or other offshore products, or who are claiming relief under any of the area-based and property tax incentive schemes for the tax year 2009 or for any subsequent tax year

- ▶ Individuals who are required to submit a “third party return” at any time on or after 1 June 2011 to Revenue. The obligation to submit all returns electronically commences with effect from the date the third party return is made.
- ▶ Individuals filing stamp duty returns in respect of instruments executed on or after 1 June 2011.

Persons may apply to Revenue to be excluded from the requirement to pay and file electronically on the grounds of a lack of capacity to fulfill their obligations. In this context “capacity” means access to the technology, both hardware and software by which the return or the payment can be made electronically and in the case of an individual this means that they are not prevented by reason of age or physical or mental infirmity from doing so. A refusal by Revenue to exclude a person from the e-filing obligations can be appealed to the Appeal Commissioners.

What you need to do

If you are impacted on by these new regulations, but are not yet registered for ROS, you will need to do so as soon as possible. Registration is done via the Revenue website www.revenue.ie. To make payments you may also need to set up a ROS Debit Instruction (RDI). While Revenue is currently considering representations on the matter, currently all RDIs must use an Irish bank account. If you do not have an Irish bank account one will need to be set up. In relation to ROS registration there are a number of physical mailings involved. You should allow ten working days for ROS registration and setting up the RDI. If you need more information please talk to your usual EY contact.

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Ernst & Young,
Ernst & Young Building,
Harcourt Centre, Harcourt Street,
Dublin 2, Ireland.

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Specified Returns and Specified Tax Liabilities that must be paid and filed on ROS if you are a person or entity covered by the regulations

Corporation Tax	Form CT1	Preliminary tax and balance due
Partnership	Form 1 (Firms)	-
Trusts	Form 1	Preliminary tax and balance due
Income Tax	Form 11	Preliminary tax and balance due
High Earner Restriction	Form RRI	-
Employer PAYE/PRSI	Form P30 Form P35 Forms P45 and P46	All PAYE/PRSI due
Value Added Tax	Form VAT 3 Annual Return of Trading Details (RTD)	VAT due
	VAT on e-services Quarterly Return	Quarterly VAT due on e-services
VIES	Monthly/quarterly/annual statement of intra-Community supplies	
Relevant Contracts Tax	Form RCT30 Form RCT35	All RCT due
Vehicle Registration Tax	Form VRT40 Vehicle Reg. Form Vehicle Birth cert.	Monthly VRT due (current payment method remains unchanged)
Betting Duty	Quarterly Return	Quarterly payment
Dividend Withholding Tax (DWT)	Monthly Return	Payment of DWT deducted from relevant distributions in previous month
Deposit Interest Retention Tax (DIRT)	Annual Return	Interim payment and balance due
Life Assurance Exit Tax (LAET)	Biannual Return	Biannual payment
Investment Undertaking Exit Tax (IUT)	Biannual Return	Biannual payment
EU Savings Directive	Annual Return	-
Environmental Levy	Quarterly/Annual Return	All Payments due
Gift and Inheritance Tax	Annual Return	Annual payment
Transit declaration and notifications	Monthly Return	-
3rd Party Payments Return (46G/46G company)	Annual Return	-
Intrastat	Monthly Return	-
CAP Export Trader Refunds	Monthly Return	-
Air Travel Tax	Annual Return	Monthly payment