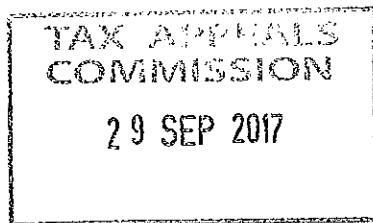


DR/PH

27 September 2017

Public Consultation
Tax Appeals Commission
Floor 8
Fitzwilson House
Wilton Terrace
Dublin 2.



Re: Public Consultation

Dear Sirs,

This firm was established in the 1930s and acts as accountants and tax advisors to a wide ranging client base involved in a variety of industries and based throughout the Island of Ireland. On an annual basis we calculate that our clients contribute very substantial taxes across all tax heads.

In the 25 years since the principals of this firm commenced working in this field, there have been significant changes in the way Revenue Commissioners have engaged with tax practitioners. In the past, our experience was that problems arising in relation to taxpayer's affairs could readily be resolved with the Revenue Commissioners by way of meetings, discussions and negotiations. Senior Revenue Officials had the expertise and the authority to settle tax cases and this had the added advantage of bringing forward the payment of any outstanding taxes, providing certainty to the taxpayer and finally reducing the cost and delay of cases being referred to the Appeal Commissioners, for ultimate determination.

In the experience of senior practitioners in this firm there has been a marked change in Revenue's approach to dealing with contentious or disputed matters within the last 10 years. Our experience is that Revenue seldom, if ever, concedes any point during the course of discussions or negotiations in relation to a disputed matter. Where the matter is referred either to an outside Adjudicator such as a Property Arbitrator or to the Taxation Appeals Commission, it is our experience that Revenue wait until the very last minute to provide documentation and then only provide the bare minimum as required to comply with the legislation. In our experience, meetings where they do happen are not for the purposes of seeking resolution to the disputed item but merely as a fact finding exercise for the benefit of Revenue Commissioners.

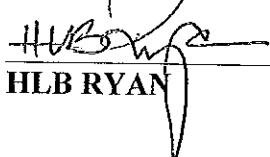
Given that the Taxes Acts are heavily weighted in favour of the Revenue Commissioners when it comes to the issue of disputed tax matters, any delay in bringing such matters to a conclusion and the costs of same are inequitably borne by taxpayers and their advisors. Where Revenue Commissioners do concede an argument or point, our experience is that invariably it is conceded at the very last moment i.e. the day before an appeal is scheduled to be heard or at the 11th hour. Such concession is invariably by way of a one line letter.

This firm can only speculate as to the reasons for such a change in the approach to settling contentious tax matters with taxpayers and their agents. Perhaps it is a function of a modern organisation where decision making on major issues is centralised and authority to make commercial decisions at local level has been reduced over the years. Whatever the reasons, a disproportionate number of tax disputes are now held up over a prolonged period and seem incapable of being resolved without the outside intervention of the Taxation Appeals Commission. On the basis that there is taxation to pay on these cases, but the quantum of same is in dispute, it follows that many billions of Euro are held up pending the determination of the issues outstanding between taxpayers and Revenue. Clearly, this is unsatisfactory both from the perspective of the taxpayer but also from the perspective of the Exchequer.

The Taxation Appeals Commission in its consultation paper dated 4th September 2017 asks for suggestions from stakeholders as to potential changes to procedures. The first suggested change asks "Is there more scope for mediation, in the process?" It is the opinion of the principals of this firm that there is a huge opportunity to address contentious tax issues between taxpayers and the Revenue Commissioners using a compulsory mediation process. In our opinion such a mediation service should be set up under the auspices of the Taxation Appeals Commission so that it is seen to be independent of the Revenue Commissioners, in particular. In our opinion such a process should be confidential, non binding and primarily driven by way of written submission regarding relevant legislation and facts. The mediator would have the option of engaging with both parties in a short hearing but predominantly evidence should be adduced by way of written documentation. In particular, both sides should be encouraged to put forward proposals as to what they would accept by way of a resolution to the disputed tax issue.

While the negotiated solution based on compromise is likely to produce less on an individual case by case basis than a "winner takes all" approach, in the long run it is likely to produce the same overall level of taxes collected for the Exchequer in a much more efficient manner. When costs of dealing with disputed tax matters both in terms of taxpayer cost and Revenue cost are fully computed and a proper commercial assessment is taken of both, it is obvious that a mediated compromise solution to the resolution of contentious tax issues would be more cost beneficial.

Yours sincerely,


HLB RYAN