



IRELAND TO INTRODUCE A TAX REPRESENTATIVE REQUIREMENT FOR NON-EU ESTABLISHED PERSONS

What has changed?

Ireland's Finance Bill 2020, published 22 October, contains provisions which grant the Irish Tax Authorities the power to serve a notice on non-EU established businesses (registered for Irish VAT) to appoint an Irish or EU established Tax Representative.

This new system is similar to the fiscal representative requirement operated by other EU member states. It will act as a protective measure to provide increased powers to the Irish tax Authorities in the context of the end of the Brexit Transition period on 31 December 2020, after which UK businesses will trade with Ireland as non-EU members.

Details of the change

Under these changes, the Irish Tax Authorities will be permitted to serve notice to a taxable person to furnish details of the appointment of the tax representative within 21 days of receipt of the notice. The appointed tax representative will have joint and several liability for VAT liabilities.

This new requirement will only apply where the Irish VAT registered trader is established in a non-EU jurisdiction which does not have a legal instrument relating to mutual assistance for the collection of taxes similar to that which operates between EU member states.

This requirement will not apply to businesses registered under the Mini-One Stop Shop (MOSS) scheme.

A person who fails to comply with a notice served under this legislation shall be liable to a fixed penalty of €4,000.

Next steps

The Bill is due to be enacted in late December. Guidance is required from the Irish tax authorities on the implementation of these new provisions and alongside this, businesses will need to consider their requirement to appoint a representative. Please contact your usual contact at RSM or our contacts below for further information.

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