

Revenue Chairman, Niall Cody
Office of the Revenue Commissioners
Dublin Castle
Dublin 2
DO2 F342
Ireland



American Chamber of Commerce Ireland
6 Wilton Place, Dublin 2, Ireland
T: +353 1 661 6201
F: +353 1 661 6217
E: info@amcham.ie
www.amcham.ie

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Re: Revenue Statement of Strategy 2020-22

Dear Niall,

The American Chamber of Commerce Ireland supports a whole of government approach to improving the quality of legislative and regulatory processes and hence warmly welcomes the opportunities to input into strategic reviews such as Revenue's new Statement of Strategy for 2020-2022. Our membership includes many of the world's leading brand names in consumer goods, nutritionals, technology, life-sciences and internationally traded services. Our member's value their reputation, as they are considered among the best places to work and operate in compliance with national law in the jurisdictions in which they operate, contribute and thrive.

The American Chamber is supportive of Revenue's ambition to seek to be recognised as best-in-class by reference to international benchmarks and achieving that reputation in a manner that is acknowledged as fair, transparent, proportionate, risk-based and effective in the administration of tax and customs implementation. Furthermore, our members are appreciative that positive progress has been made in Revenue's ongoing modernisation, talent development as well as improved guidance and new consultation initiatives¹ to maximise voluntary compliance amongst the enterprise sector.

To continue the positive progress in the development of Revenue's mission, the American Chamber wish to underline a number of principle-led approaches that our members wish to continue to see reflected in the organisation's next strategic statement including sustained commitments to certainty of process, consistency of approach, a culture of respect and professionalism and furthering innovation and expertise development.

Certainty of Process: Revenue's ability to issue guidance, administer and conclude audits is an important contribution to Ireland's pro-business reputation. While outcomes are to be determined based on the facts of the cases themselves, certainty as to time horizons allows for the management of risk in financial reporting requirements and for business planning. As

¹ Noting Revenue's Business Taxes Policy and Legislation Division establishing a client-based 'R&D Discussion Group' to examine sectoral guidance for R&D tax credit users. Similarly, the continuance of the Customs Consultative Committee (CCC) is an important conduit of two-way dialogue between Revenue officials and those engaged in the management and compliance of customs and export controls.

a key stakeholder in the operation of the appeals process, Revenue will appreciate the importance of these principles equally applying to colleagues in the Appeals Commission.

Consistency of Approach: Revenue's reputation for cohesion in its approach to clients is supported when there is consistency across the organisation on due process, rulings and timelines. Outcomes that minimise inconsistencies between Divisions, including domestic alignment of reasoning and approaches used in interjurisdictional conflicts, should continue to be a priority. Given the importance of the reporting of material information to financial markets for many of our members, outcomes that suggest a retrospective application of rules would be unhelpful to Ireland's reputation for certainty in tax policy and administration.

Culture of Respect: It is right that Revenue articulates and promotes its values as foundation stones for its Statement of Strategy. The presumption of honesty, giving clients respect and courtesy are reflected in the organisation's ambition to continue to have a reputation of professionalism regarding client interactions, meetings and client communications. The American Chamber strongly supports the continuance of this approach as it aligns well with the values of our members and is an important pillar in Ireland's reputation as a pro-business location from which to operate an international business. The American Chamber continues to support Revenue's focus on investing in promoting guidelines and guidance to relevant parties and encourages wording in the Statement that is principle/value-led and avoids unnecessarily confrontational language.

Further Innovation and Expertise: The American Chamber supports continued strategic investment in digital technology to ease information access, document filing and manage on-going client relationships. While sustaining confidentiality and security, building on the excellence achieved with existing advanced digital platforms in use will enhance Revenue's reputation of leadership in administration in the areas of real time and automated programmes. The American Chamber has been consistently of the view that Revenue, as the Irish Competent Authority for taxation, continues to be adequately resourced to deal with increased tax administration and dispute resolution that will inevitably arise as a result of greater complexity of taxation allocation rules and conflicting interpretations as to jurisdictional taxation rights. The American Chamber has seen more cases of contested jurisdiction regarding taxing rights internationally. In situations where the positions taken are unreasonable, it is critical that the Irish Competent Authority has the relevant resources to challenge such positions taken and seek to protect the domestic tax base. This includes the attraction, development and retention of talent with the required technical, linguistic and interpersonal skills to effectively carry out these responsibilities.

In addition, the American Chamber wish to highlight three areas of leadership that remain important to our members including:

Developing Ireland's Tax Treaty Network: The American Chamber continues to stress the importance of continuing to develop Ireland's Tax Treaty network. Ireland has made positive steps in this area and the American Chamber urges Revenue's continued support of the

Department of Finance's efforts in these matters with priority countries such as China and Japan in particular.

Insights on International Corporate Tax Policy: Globalisation of trade and investment, new business models and rapid digitalisation is inducing a quickening pace to international tax reform initiatives. The American Chamber supports Revenue's role in the provision of expert insight and analysis in working with the Department of Finance and others in developing the evolving international tax policy framework and influencing the design of international tax and duty administration at the EU, OECD and the World Customs Organisation (WCO). Revenue's unique perspective on customs and the protection of the EU internal market is critical to contingency planning and responses to the implications of Brexit.

Maximise Business Continuance: Revenue's ability to carry out its administrative mandate, including the scheduling of audits, is conducted in a pro-enterprise manner when the potential disruption to the operation of a business is minimised. This risk rises if multiple audits overlap at the same organisation in a manner that causes an impactful burden. In such circumstances, the American Chamber encourages a risk-based approach to prioritising audits so long as the integrity of Revenue's mandate is not compromised.

The American Chamber appreciates the opportunity to inform the new Statement of Strategy and welcome any opportunity to assist further in this process.

Yours sincerely,



Mark Gantly

President, American Chamber of Commerce Ireland