

## **Changes in the Code of Practice for Revenue Audits.**

Through consultation with industry bodies, regulatory bodies and practitioners, the Revenue Commissioners have published a new Code of Practice for Revenue Audits which is en-force since the 1<sup>st</sup> of October this year.

The main changes in the current code and how they affect individuals, sole traders, partnerships and companies are as follows;

1. Flexibility, if required, in arranging a payment arrangement following an audit settlement.

Given the current economic strain on individuals and businesses, the new code gives a flexibility for repayment options that previously never existed. If the taxpayer needs more time or has difficulties in paying the full liability due the new code outlines the options available to bring the audit to a successful conclusion.

2. The idea of “no loss of revenue” listed in previous codes has been updated.

If it can be shown, during an audit, that any short fall in a tax due to Revenue was collected under a different tax heading then Revenue will not look to collect this tax but may look to impose interest and penalties depending on a number of factors, such as cooperation and the history of the taxpayer in question.

3. The scheduling and conclusion of audits has been clarified.

On occasion certain audits seem to run and run, the new code now outlines that once all relevant information has been supplied to the Revenue within a reasonable timeframe and the audit is still open after 3 months, the Revenue will advise, if possible, of an estimated time for completion.

4. Clarity on the different correspondence from Revenue on what constitute an “audit” under the Code.

The new code also outlines how Revenue treats each query it has in relation to a taxpayers affairs and what it considers a full “audit”. It also outlines how cooperation by the taxpayer at different stages will mitigate the penalties that can be imposed upon completion of the audit.

This new code of practice was released by the Revenue on the 1<sup>st</sup> of October, 2010, and all future audits will be conducted under the guidelines set out therein. Also contained within the new code is the possibility for taxpayers currently in the middle of an audit to avail of the amendment included within the new code.

While all audits are different, some of the above changes to the code of practice may enable you to bring your audit to a successful conclusion. If you require any assistance in relation to a Revenue query please don't hesitate to contact our office.

### **Disclaimer:**

The object of this article is to provide useful tips in relation to Irish Tax Regulations, accordingly it cannot be regarded as a definitive guide and no liability can be accepted in respect of decisions taken in reliance on the information herein contained.

