



Tax and legal update

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Introduction of fisher tax credit from 1 January 2017

This annual tax credit of €1,270 is available to both sole traders and employees satisfying the conditions of the relief.

Conditions of fisher tax credit

Both full-time and part-time fishers may claim the credit provided the fishers satisfy the following conditions:

- Irish tax resident;
- at least 80 days spent at sea actively engaged in sea-fishing including crustaceans and molluscs; and
- assessable to income tax under Schedule D or Schedule E.

In addition, the vessel on which an individual fishes must be licensed by an EU member state and registered on the EU community fishing fleet.

Restrictions of fisher tax credit

An individual involved in fishing for salmon, fresh water eels or engaged in aquaculture may not claim the credit. An individual may not claim both the seafarer tax credit and the fisher tax credit in the same year of assessment.

Landlords of residential property – did you know that the Non Principal Private Residence (NPPR) charge is deductible for tax purposes?

The High Court has determined that the NPPR annual charge of €200 in place from 2009-2013 can be taken as a deduction against rental income for tax purposes.

Due to statutory time limits, the claim can only be made for the 2013 tax year by amending the relevant tax returns.

Tax exemption for Irish resident non-executive directors from 1 January 2017

Prior to 2014, it was common practice to treat the reimbursement of travel and subsistence expenses incurred by non-executive directors, in attending company meetings as tax free. In July 2014, Revenue issued eBrief No. 61/14 stating the view that such expenses were taxable.

Following concerns expressed by stakeholders, the Department of Finance launched a consultation process in mid-2015. Subsequent to this process Finance Act 2015 introduced an exemption for non-resident, non-executive directors for travel and subsistence expenses in attending company meetings. The provision attracted criticism for not applying to resident directors.

Finance Act 2016 now provides that the exemption will apply to Irish resident non-executive directors. For the exemption to apply, the meetings must be held in Ireland and the earnings from the directorship must not exceed €5,000 per annum. These requirements are restrictive and do not apply to the exemption for non-resident directors. Accordingly it appears that the exemption for Irish residents will have limited application.

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Increase in the farmer's flat-rate addition

With effect from 1 January 2017, the flat-rate addition paid to unregistered farmers was increased from 5.2% to 5.4%. The purpose of the farmer's flat-rate addition scheme is to compensate unregistered farmers (i.e. farmers who have not elected to register for VAT and are not otherwise obliged to register for VAT) for VAT charged to them on purchases of goods and services. Such farmers remain outside of the normal VAT system thereby avoiding the administrative burden of registering for VAT and filing VAT returns.

The flat-rate addition is the percentage amount paid to farmers for VAT incurred on costs, which they are prohibited from recovering as they are not VAT registered. It is applied to their prices on sales to VAT registered businesses e.g. co-ops and is treated as a normal input credit in the periodic VAT return of the VAT registered business.

Finance Act 2016 amendments also provides the Minister for Finance with the power to make an order excluding certain agricultural produce or agricultural services, as specified in that order, from the flat-rate addition scheme. This power may be exercised where a Revenue review identifies a systemic or potential systemic over compensation of flat-rate farmers in a particular sector.

Where such an order is in force, an invoice, settlement voucher or other document showing the flat-rate addition cannot be issued by or on behalf of a flat-rate farmer in respect of supplies of the agricultural produce or agricultural services specified in the order. A person

who issues such an invoice or document may be subject to a penalty of €4,000. The flat-rate addition for livestock remains unchanged at 4.8%.

OECD Common Reporting Standard (CRS) – first filings to be made to Revenue by 30 June 2017

Regulations requiring the return of certain information under the OECD CRS came into force on 31 December 2015. As a result, financial institutions are required to report various information to Revenue relating to account holders, whom are tax resident in jurisdictions with whom Revenue have signed bilateral exchange agreements.

Individuals and entities opening new accounts from 1 January 2016 must self-certify their tax residence status. Financial institutions are obliged to carry out due diligence procedures on both new and pre-existing accounts. First filings should be made to Revenue by 30 June 2017 with the transfer of information between reportable jurisdictions taking place in September 2017.

Register of beneficial ownership of Irish companies

Ireland recently implemented the European Union's Fourth Anti-Money Laundering (AML) Directive by way of statutory instrument. This is the first step in creating a central register of the beneficial owners of Irish incorporated entities, which is expected to be maintained and made publicly available by the Companies Registration Office (CRO).

All Irish companies are now required to create and maintain a register of its'

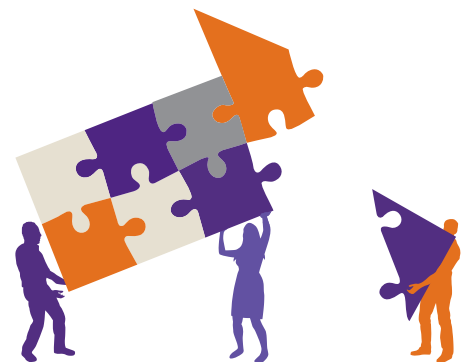
beneficial owners, i.e. all individuals who own more than 25% of a company's voting shares, either directly or indirectly.

The register is required to record the name, date of birth, nationality, residential address, the nature and the extent of the interest held by each beneficial owner along with the dates on which they became and ceased being a beneficial owner.

You can read more information on this subject [here](#).

CRO – mandatory electronic filing

Statutory Instrument 458 of 2016 - Companies Act 2014 (Section 897) Order 2016 has been signed into law by the Minister of Jobs, Enterprise and Innovation. Under this instrument, annual returns, financial statements and other CRO forms (B2, B10 and B73) are required to be filed and paid for online from 1 June 2017. From this date, the CRO will no longer accept paper versions of such filings. Please contact us for more information or if you are currently filing paper forms with the CRO.



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