



Ms Úna Maguire
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Dear Úna

I refer to your submission to Revenue on our consultation document on mandatory e-filing. I appreciate the time taken and the consideration given to this issue.

Your general comments in relation to mandatory e-filing and e-paying are noted. As is acknowledged in your letter, Revenue's proposals cover phases 1 and 2 and there are no plans to extend mandatory e-filing/e-paying beyond that. As set out in the initial press release in September 2007 Revenue accepts that there will always be small businesses where mandatory electronic filing and payment would be inappropriate. In relation to your comments on the availability of broadband and the acceptability of carrying out Revenue business online, the proposals are aimed at computerised and sophisticated larger businesses that are capable of but have not (or not fully) adapted to doing their business with us online. Revenue will be contacting the taxpayers affected and will be providing information about ROS and relevant help/contact details. You will be aware that Revenue is happy to provide ROS training resources, presentations, etc. or to have ROS staff attend conferences/seminars for advisers.

Your comments about ROS enhancements and your suggestions about the carry forward of information (names, addresses, PPSNs and basic tax credits), an online Form 12, e-Registration and e-RCT are noted. As you have acknowledged work is being done in relation to developing proposals for e-Registration and e-RCT (following the introduction of e-Stamping which is a very significant development). The development of an online Form 12 is being considered as is the suggestion for the carry forward of information. While Revenue will continue to develop our IT systems, including ROS, the proposals for mandatory e-filing/e-paying refer to returns/payments that are already available on ROS and to companies that are already registered on Revenue's records. Revenue has shown its willingness to take account of taxpayer/practitioner feedback in the development of ROS to date and will continue to respond to such constructive feedback.

The proposed incentives for e-filing and e-paying would be available to all ROS filers/payers – not just those in phases 1 and 2. The proposed extension reflects a balance of Exchequer and taxpayer interests and an extension to end-month would not be feasible.

Regarding your comment about sanctions, the legislation provides for a civil penalty, however, Revenue's focus will be on helping taxpayers to use ROS for filing and paying. The main likely cost for those who don't e-file and/or e-pay will be that they don't get the incentives proposed. There will be safeguards for taxpayers in the event of systems failure. Taxpayers in phase 1 will be able to contact their LCD case manager or the ROS help facilities. Additionally, should there be any problem on Revenue's side, Revenue staff will be able to see when a taxpayer has tried but hasn't been able to finalise a transaction.

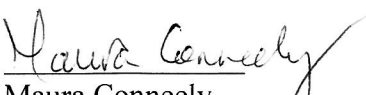
Regarding your request for further information about Revenue's approach that once a taxpayer is deemed to be an e-payer/e-filer, they continue to be so even if the turnover falls below the definition used for "large"; Revenue's position (and anecdotal experience and surveys have borne this out) is that once a taxpayer makes a decision to get set-up on ROS and use it, they will continue to do so. Very few companies have moved away from using ROS once they have made the decision to use it. Furthermore, if a company's turnover falls marginally below the "large" definition, it is still a significant business that has the capacity to e-file and e-pay.

Regarding the concerns of the Members in Industry Committee, ROS is a very secure system and uses the highest level of encryption. In addition to using Public Key Infrastructure cryptography to secure the submission of returns on ROS, the ROS application itself secures the retrieval and viewing of customer data with its own Access Control system. This is designed to not only ensure that a customer's data will not be seen by another customer, but also to restrict which users within a company are allowed to see what data. Additionally, all traffic to and from the ROS website is encrypted via 128-bit SSL (Secure Sockets Layer) encryption. This secures the network connection from the user's PC to the ROS servers and prevents the customer's data from being intercepted en-route. Your concerns regarding the transmission of third party information are noted and understood, and I hope the above summary of the security and access control underpinning ROS demonstrates the robustness of the system.

I hope I have adequately addressed the wide range of issues that you raised in your submission. Please feel free to revert to me if there is anything further that you wish to raise or if there are other issues that come to your attention in relation to this matter.

I appreciate the time and consideration that you have given to this matter and I am happy to follow-up further with you. If you would like to meet me, or Norman Gillanders, to discuss any of these issues in further detail, please contact me at mauconn@revenue.ie.

Yours sincerely


Maura Conneely
Customer Service Policy