



Office of the Revenue Commissioners
Underlying Tax Project Office
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Lower Mount Street
Dublin 2

Oifig na gCoimisinéirí Ioncaim
Iniúchadh CCÚT
1 Cúirt Chlann Uilliam
Sráid an Mhóta Íochtarach
Baile Átha Cliath 2

Ms Cora O'Brien
Irish Taxation Institute
South Block
Longboat Quay
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Dublin 2

Phone 01 647 4818

26 May 2009

Re: SPIP Investigation - Phase 2

Dear Cora,

Thank you for your letter dated 22 May 2009.

As you aware the investigation into SPIP products was launched in 2005 and at that time Revenue launched a voluntary disclosure initiative for persons who had invested at least €20,000 in single premium policies and had tax issues associated with the underlying funds. In the follow-through investigation in the initial applications to the High Court Revenue sought details relating to policies where the sum invested was €50,000 or more. This part of the investigation is nearing completion. In the current phase of the investigation applications are now being made to the High Court to seek details of policies between €20,000 and €50,000. This will conclude the investigation.

In relation to the specific points addressed in your letter:

1. I am fully conscious that the vast majority of policy holders do not have tax issues and I will ensure that any correspondence addressed to policy holders will be measured and should not be a cause of concern to compliant taxpayers.
2. The issue of the scope of the "Nil" declaration was the subject of considerable discussion when the initial applications were made to the High Court. In Revenue's view it would be wholly inappropriate if persons who were delinquent in their tax affairs were permitted to submit a "Nil" declaration on the basis that the delinquency did not attach to the particular funds invested in these policies. Accordingly, it is not intended that, in the current investigation, the scope of the declaration will be confined to the specific policies under enquiry.



In relation to the initial investigation I can advise that over 50,000 "Nil" declarations were received and in only a small fraction of these cases was the declaration examined to test its bona fides. The submission of a "Nil" declaration by compliant taxpayers, for which it was intended, did not cause difficulty for the vast majority of policy holders.

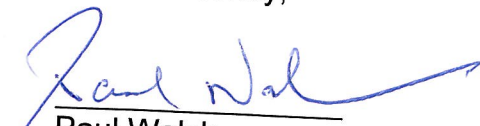
3. I can confirm that, as in previous investigations, Revenue will be taking a reasonable approach where there are practical difficulties in accessing information due to the passage of time.
4. I note you say that in the previous investigation Revenue contacted policy holders where the sum invested was less than €50,000. It is not clear to me how this could have occurred as any information on policies would have been submitted to Revenue under the terms of a High Court order and the order would have been confined to policies in excess of €50,000. It may be the case that individuals supplied details of additional policies to Revenue where policies in excess of €50,000 were already the subject of investigation.

I can also confirm that Revenue will not be conducting an investigation into policies where the sum invested was less than €20,000. Where individuals have already submitted a "Nil" declaration for policies in excess of €50,000 these individuals will also be required to submit the declaration where additional policies are disclosed under the current investigation.

It is intended that the original "Nil" declaration form will be used in this current investigation.

I trust I have dealt with your queries. However, if you require clarification on any issue please do not hesitate to contact me.

Yours sincerely,


Paul Walsh
District Manager