



# GMS Flash Alert

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## Ireland - Revenue Urging Disclosure of Undisclosed Offshore Matters by 1 May

The Revenue Commissioners (hereinafter, "Revenue") are implementing a change in Ireland's law that restricts a taxpayer's ability to make a settlement under a qualifying disclosure (which can abate penalties and help the taxpayer avoid being disclosed as a tax defaulter) in cases where any liability in the settlement relates to "offshore matters."<sup>1</sup> This change is to take effect from 1 May 2017.

The term "offshore matters" is defined very broadly. It includes any income, gains, accounts or assets arising, held or situated outside Ireland. Therefore, this is potentially relevant to a lot of taxpayers.

In light of this, Revenue is encouraging taxpayers with undeclared liabilities to come forward and make disclosures pre-1 May 2017.

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### WHY THIS MATTERS

While Revenue's communication on this matter acknowledges that it will not be relevant to the vast majority of taxpayers whose returns are correct and complete, we note below some examples of potential instances where taxpayers could be affected:

- Assignees to Ireland who have not fully declared foreign income and gains;
- Local hires of the Irish subsidiary of a multinational company who have not declared dividends on shares that they hold in the multinational company; and
- An Irish resident who inherited an asset abroad.

Failure to come forward and make the disclosure of liabilities prior to 1 May 2017 may result in increased penalties and publication on a list of tax defaulters.

## Context and Next Steps

The Revenue in Ireland has commenced receiving information about offshore accounts and assets held by Irish residents from other jurisdictions under various exchange of information arrangements. Revenue is in the process of cross-referencing that information to other information that it holds and to tax returns.

As part of Revenue's campaign to encourage taxpayers with undeclared liabilities to come forward, Revenue recently issued letters to approximately 500,000 individuals referring to the 1 May 2017 deadline.

For a disclosure that includes a liability related to an offshore liability to be a qualifying disclosure, it must:

- be submitted to Revenue pre-1 May 2017;
- be complete and correct;
- be in writing;
- include a computation of the tax, interest, and penalties; and
- be accompanied by a payment for the computed amount.

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### KPMG NOTE

Once the 1 May 2017 deadline has passed, Revenue intends to investigate perceived discrepancies and pursue unpaid tax liabilities.

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### FOOTNOTE:

1 For the 17 February 2017 announcement on the Web site of Ireland's Revenue, click [here](#).

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional or one of the following KPMG International member firm in Ireland:



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**The information contained in this newsletter was submitted by the KPMG International member firm in Ireland.**

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