



Submission on the development of a new Statement of Strategy 2025-2028

Revenue Commissioners

27 March 2025

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About the Law Society

The Law Society of Ireland (the **Law Society**) is the educational, representative and professional body of the solicitors' profession in Ireland.

The Law Society's main statutory functions in relation to the education, admission, enrolment, and discipline of the solicitors' profession are provided by the *Solicitors Acts 1954 to 2015*. These statutory functions are exercised by the Council of the Law Society or by the various committees, task forces and working groups to which the Council may delegate certain statutory functions.

The Law Society delivers high-quality legal education and training and also places significant emphasis on civic engagement, supporting local community initiatives and driving diversity and inclusion. The Law Society is committed to participating in discussion and advocacy on the administration of justice and the effective implementation of public policy.

Introduction

The Law Society wishes to respond to the invitation by the Revenue Commissioners (**Revenue**) to provide views on the development of its new Statement of Strategy for 2025-2028 (the new **Statement of Strategy**). In making this submission, the Law Society has not had sight of any draft of the proposed Strategy.

We have highlighted a number of areas below which the Law Society hopes to see expressly reflected in the text of the new Statement of Strategy and/or in the practical implementation of the new Statement of Strategy.

As an initial observation, we note that Revenue plays a key role in the international perception of Ireland as a jurisdiction to do business in. A trusted, reliable and effective tax administration is an important part of a country's offering as an investment location. We recommend that this be referred to in the new Statement of Strategy.

Executive Summary

We urge Revenue to include and reflect the following in the new Statement of Strategy:

1. An express acknowledgement that Revenue will respect taxpayers' rights.
2. A stated aim of ensuring close, early and on-going engagement with stakeholders and representative bodies acting for taxpayers in order to facilitate the successful integration of taxation into daily life and business processes.
3. Accuracy as a specific focus under the core value of professionalism.
4. Specific reference to the need for simplification and streamlining of tax systems.
5. A stated aim of ensuring appropriate resourcing at all levels, and sector specific staff training.
6. A key focus on resourcing state of the art IT solutions.

Observations on new Statement of Strategy

1. Taxpayer Rights

The Law Society appreciates the reference to respect that is contained in the current Statement of Strategy, which is framed as follows:

"We presume honesty on the part of taxpayers in their dealings with us. When we have reason to believe otherwise, we act on that. We treat people with dignity. We respect differences and encourage diversity."

The Law Society would welcome a specific reference to taxpayers' rights and to Revenue respecting and upholding these rights in the new Statement of Strategy. Such an explicit statement is important to underpin the policy of treating taxpayers fairly and efficiently and will help to foster a culture of trust and voluntary compliance. We believe that the proposed new Statement of Strategy should not be silent on an issue as fundamental as this and we cannot envisage any sustainable objection to incorporating the concept of respecting taxpayers' rights.

There are many examples where such a concept of respecting taxpayers' rights will be important. One such example is in relation to Artificial intelligence (AI). We appreciate the increasing use of AI is necessary, but it is vitally important that any innovations are undertaken with due respect to the rights of the taxpayer. The benefits of AI lie in increased efficiency for Revenue in reducing the cost of tax collection and driving tax compliance, and greater ease of interaction between the taxpayer and Revenue. However, embedding AI in tax administration must reflect values of fairness, transparency and, of course, legality.

The emphasis on efficiency must also honour taxpayers' rights in a process where the detail of how taxpayers are dealt with becomes more technologically complex and opaque. Inclusion of explicit reference to respecting taxpayers' rights in the Statement of Strategy would serve as an essential confidence building measure, particularly in the current climate of fast-paced technological innovation.

Another example of where Revenue can show respect for taxpayer rights is by ensuring that due consideration is given to the confidentiality/data protection rights of taxpayers. In the case of Revenue interventions, we would emphasise that care should be taken to ensure that the information Revenue requests from taxpayers is appropriate and relevant to the particular intervention and does not exceed what Revenue could reasonably require. We would also emphasise that where the taxpayer provides information to Revenue (or the information is otherwise provided to Revenue in respect of a taxpayer), Revenue deal with that the information in an appropriate manner (and at all times in accordance with relevant data protection laws).

We also propose that the new Statement of Strategy should make explicit reference to Revenue's adherence to the State Litigation Principles¹, which taxpayers have a legitimate expectation will apply in contentious matters. We believe the new Statement of Strategy should make that clear.

In conclusion, we submit that the new Statement of Strategy should include **specific reference to taxpayers' rights and to Revenue's commitment to respecting those rights**. If there is no express commitment to respecting taxpayers' rights at the macro level in

¹ <https://www.gov.ie/en/publication/81bb6-state-litigation-principles/>

Revenue's strategy, it becomes difficult to engender trust, partnership and co-operation with taxpayers further down the chain of engagement.

2. Engagement with Stakeholders

We submit that close and timely engagement with stakeholders and representative bodies acting for taxpayers (including the Law Society) is important to achieve Revenue's stated aims of fairly and efficiently collecting taxes. References to engaging with stakeholders in the new Statement of Strategy should be enhanced and made more explicit.

We note the reference in the current Statement of Strategy to Revenue "*liaising closely with the Department of Finance to develop the policy and legislation that is needed to define and implement EU and international agreements*". While we appreciate that policy is primarily a matter for the Department of Finance, we note the important supporting role of Revenue. We consider that Revenue has a key role and would welcome a reference to early and effective engagement with industry bodies and other stakeholders (including the Law Society) on such policy and legislative matters.

In the current Statement of Strategy we also note the references to "*integrating compliance obligations into business and economic activity in ways that align with business processes*" and to integrating "*taxation into daily life and business processes*". In addition to engagement on new tax legislation, the Law Society would welcome engagement on matters such as changes to Revenue processes or systems, that may impact the taxpayer in ways that are not envisaged by Revenue. We submit that ongoing engagement of this nature is essential before and after any new processes have been implemented to monitor and improve them, even in cases where this may result in suggestions for legislative change. The experience of practitioners suggests that the successful administration of the tax system cannot always be neatly uncoupled from the legislation upon which it is based. Engagement with stakeholders is vital to ensure seamless integration into business and economic activity, as is the stated aim.

The Law Society notes and is supportive of the reference in Revenue's Corporate Priorities for 2024² to achieving the successful implementation of new taxes through "*a proactive process of engagement with taxpayers and their agents on the administrative framework to deliver the new rules, the provision of clear and comprehensive guidance on how the new rules will work, the implementation of a self-assessment based pay and file system, and the development of the technical and other skills needed to deliver the new rules.*"

We welcome the inclusion of such statements in the Corporate Priorities but propose more explicit recognition in the new Statement of Strategy itself of the importance of early and ongoing engagement with taxpayers and their agents to help ensure smooth administration of the taxation system. We agree that clear and comprehensive guidance on new rules is key but would also emphasise the fundamental importance of timely guidance, given that many new tax rules may have significant impacts on a business and its systems/processes and there is often a lead in time required to be prepared to meet the required compliance obligations. The Law Society's view is that detailed guidance should be issued significantly in advance of when new legislation is implemented, with as much advance notice as is possible. Early consultation with the Law Society and other tax professionals would be important when framing such guidance in order to ensure appropriate and detailed information issues to provide clarity and certainty to the taxpayer in a timely manner and to best integrate taxation into daily life and business processes.

² <https://www.revenue.ie/en/corporate/documents/governance/rcp-2024.pdf>

In conclusion, we submit that **close and early engagement with stakeholders and representative bodies** acting for taxpayers (including the Law Society) is essential to deliver on the Revenue's stated aims. On that basis we request that references to engaging with stakeholders in the new Statement of Strategy be enhanced and made more explicit, referencing a commitment to engaging early and on an on-going basis.

3. Professionalism

The Law Society appreciates the Revenue "Core Value of professionalism" as articulated in the current Statement of Strategy. The focus on quality, timeliness and consistency is crucial. We note that in the 2021- 2023 Statement of Strategy, there was also a reference to a focus on "accuracy" and we would emphasise the vital importance of **reinstating accuracy** as a Revenue focus in the new Statement of Strategy.

On the topic of timeliness as a focus, one way this could be advanced is through further efforts to keep Revenue interventions as streamlined as possible. A Revenue intervention can be a source of much disruption for a business and while we appreciate Revenue's role in ensuring the correct collection of tax, a streamlined process would help minimise the disruption for the taxpayer. We submit that the **simplification and streamlining of tax systems** should also be explicitly referenced as an aim in the new Statement of Strategy.

4. Resources

We welcome the commitment in the current Statement of Strategy that Revenue "*will develop and enhance the technical, management and leadership skills of our people to meet the needs of an everchanging environment.*"

We submit that additional detail could be added to the new Statement of Strategy regarding staff resources. We suggest that **appropriate resourcing and sector specific staff training at all levels** should be a priority, ensuring that training encompasses an understanding of the particular sector staff may be working in, as well as the tax issues involved.

We suggest the stated aim of ensuring appropriate staff resources are available at all levels, including at senior levels of the organisation (to ensure appropriate training and supervision of more junior team members and timely consideration of complex issues when escalated).

We fully support the aim of **investment in technology** reflected in the current Statement of Strategy and submit this aim should be re-stated and further detailed and strengthened in the new strategy, given the vital importance of state-of-the-art IT solutions to the successful operation of the tax system.

5. Corporate Priorities

It is noted that each year the Revenue publish their corporate priorities for that year, arising from its Statement of Strategy. In the months and years ahead we would hope to see corporate priorities which reflect the issues raised in this submission. In addition, we set out below some specific examples of areas which should be considered corporate priorities as part of Revenue's implementation of the new Statement of Strategy:

- Reduction in response time for RTS (Revenue Technical Service) and more consistent adherence to the 20 working days response time.
- A comprehensive and current published precedent system would be a significant benefit to all stakeholders (i.e. Revenue, taxpayers and tax advisors). It would provide a much higher level of certainty and trust for taxpayers/tax advisors in the system, create consistency and transparency in the overall tax system, while simultaneously

reducing the number of taxpayer/tax advisor interactions/queries with Revenue via the RTS system and otherwise.

- Improvements to MyEnquiries should continue.³

Conclusion

The Law Society appreciates the opportunity to provide observations on the matters that we believe ought to be reflected in the proposed new Statement of Strategy that is being developed. We remain committed to further engagement with Revenue, particularly through our Taxation Committee, on any aspect of this submission and also on an ongoing basis in respect of other matters, as needed.

For further information on any aspect of this submission, please contact the Policy Department of the Law Society of Ireland at: PolicyTeam@LawSociety.ie

³ By way of example, the Revenue status of an enquiry is very limited and provides little comfort to the taxpayer/tax advisor as to whether a query is being dealt with and, if so, by whom. It is important that tax agents/taxpayers have visibility on the status of requests and that queries are not left unaddressed for a significant period of time. Currently, the taxpayer/tax advisors only recourse is to follow up on the original MyEnquiries email (with no certainty that the follow-up email is being received). Finally, we suggest that the "Response Time if available" field should be a mandatory field.