



Cathaoirleach
Chairman

CRMS Ref: 100448-17

Date: 5 October 2017

Mr. Paschal Donohoe TD,
Minister for Finance,
Government Offices,
Government Buildings,
Upper Merrion Street,
Dublin 2.

Dear Minister Donohoe,

I am writing to you in relation to the compliance measures item included among the taxation policy changes in Budget 2016. These measures were projected at the time of the Budget (October 2015) to yield an additional €75 million to the Exchequer in 2016.

I append a paper that evaluates the yield from these measures. This analysis confirms that the estimates of yield by Revenue for the measures have been delivered and the target of €75 million exceeded. Conservative estimates show the measures in total yielded between €120 million and €150 million in the year. More detail and analysis for individual components of the measures are contained in the paper.

As you are aware, Revenue received an additional funding allocation of €3 million in 2016 to increase staff resources and assist in the delivery of the compliance measures in the Budget. Notwithstanding the success of the measures, the loss of expertise and experience remains a serious challenge for Revenue in the years ahead. The investment in the training and development of a Revenue auditor or investigator can take up to three years, depending on previous relevant experience. The capacity to recruit and develop Revenue staff needs to be addressed in a coordinated fashion. The recruitment of staff and their training and development is addressed as part of an overall workforce planning process within Revenue. This analysis proves Revenue's strategy in this regard is delivering tangible results.

It has only been possible to undertake this analysis of the Budget 2016 measures in recent months, as complete data for 2016 are now available. As you will be aware, Budget 2017 also specified a number of compliance measures: amendments in relation to Section 110 and fund changes (projected yield of €50 million), tackling offshore tax evasion (€30 million) and increased resources for Revenue to confront non-compliance (€50 million). It is too early to accurately assess the impact of, or collection under, these headings for 2017. This will not be possible until after the end of the year. However, based on evidence to date, I expect the target will be exceeded. This includes €79 million collected from disclosures in relation to offshore assets. Revenue will undertake detailed analysis of the Budget 2017 measures when data are available.

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs



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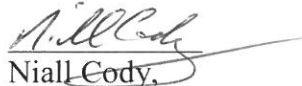
Office of the Revenue Commissioners
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It is our intention to publish this paper on our website on the evening of 10 October 2017 following the Budget.

My officials engage with your Department over the course of the year in relation to these compliance issues and this will continue. We are available to discuss the analysis in the paper if required.

Yours sincerely,


Niall CODY,
Chairman.