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Number 18 *of* 2016

FINANCE ACT 2016

An Act to provide for the imposition, repeal, remission, alteration and regulation of taxation, of stamp duties and of duties relating to excise and otherwise to make further provision in connection with finance including the regulation of customs.

[25*th December*, 2016]

Be it enacted by the Oireachtas as follows:

PART 1

Universal Social Charge, Income Tax, Corporation Tax and Capital Gains Tax

Chapter 1

Interpretation

Interpretation (*Part 1*)

1. In this Part "Principal Act" means the Taxes Consolidation Act 1997.

Chapter 2

Universal Social Charge

Amendment of section 531AN of Principal Act (rate of charge)

2. (1) Section 531AN of the Principal Act is amended—

(a) in subsection (3)—

(i) by substituting "€18,772" for "€18,668", and

(ii) by substituting "2.5 per cent" for "3 per cent",

(b) in subsection (3A)(a) by substituting "2.5 per cent" for "3 per cent",

(c) in subsection (5) by substituting "increased by the greater of" for "increased by",

(d) in subsection (6) by substituting "increased by the greater of" for "increased by", and

(e) by substituting the following Table for the Table to that section:

"TABLE

PART 1

Part of aggregate income (1)	Rate of universal social charge (2)
The first €12,012	0.5 per cent
The next €6,760	2.5 per cent
The next €51,272	5 per cent
The remainder	8 per cent

PART 2

Part of aggregate income (1)	Rate of universal social charge (2)
The first €12,012	0.5 per cent
The remainder	2.5 per cent

".

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

CHAPTER 3

Income Tax

Exemption in respect of certain expense payments for resident relevant directors

3. The Principal Act is amended by inserting the following section after section 195C:

"Exemption in respect of certain expense payments for resident relevant directors

195D. (1) In this section—

'civil servant' has the meaning assigned to it by the Civil Service Regulation Act 1956;

'company' has the same meaning as it has in section 4;

'director' has the same meaning as it has in section 770;

'relevant director', in relation to a company, means a person holding office as a non-executive director of that company

(a) who is resident in the State, and

(b) whose annualised amount of the emoluments from the office for the year of assessment 2017 and for each subsequent year in which the person is a relevant director of the company, other than payments to which this section applies, does not exceed €5,000;

‘relevant meeting’ means a meeting in the State attended by a relevant director in his or her capacity as a director for the purposes of the conduct of the affairs of the company;

‘travel’ means travel by car, motorcycle, taxi, bus, rail or aircraft.

(2) This section applies to payments made by a company to or on behalf of a relevant director of that company in respect of expenses of travel and subsistence incurred by the relevant director, on and from 1 January 2017, solely for the purpose of the attendance by him or her at a relevant meeting.

(3) So much of a payment to which this section applies, as does not exceed the upper of any relevant rate or rates laid down from time to time by the Minister for Public Expenditure and Reform in relation to the payment of expenses of travel and subsistence of a civil servant, shall be exempt from income tax and shall not be reckoned in computing income for the purposes of the Income Tax Acts.”.

Amendment of section 472AB of Principal Act (earned income tax credit)

4. (1) Section 472AB of the Principal Act is amended in subsection (2)—

(a) in paragraph (a), by substituting “€950” for “€550”, and

(b) in paragraph (b), by substituting “€950” for “€550”.

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Amendment of section 466A of Principal Act (home carer tax credit)

5. (1) Section 466A of the Principal Act is amended in subsection (2) by substituting “€1,100” for “€1,000”.

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Fisher tax credit

6. (1) The Principal Act is amended by inserting the following after section 472B:

“Fisher tax credit

472BA. (1) In this section—

‘aquaculture animal’ means an aquatic animal at all its life stages, including eggs, sperm and gametes, reared in a farm or mollusc farming area, including an aquatic animal from the wild intended for a farm or mollusc farming area;

‘day at sea’ means a cumulative period of 8 hours within any 24 hour period during which the fisher undertakes fishing voyages;

'fisher' means any person engaging in fishing on board a fishing vessel;

'fishing vessel' means a vessel which is—

(a) registered on the European Community Fishing Fleet Register in accordance with Commission Regulation (EC) No. 26/2004 of 30 December 2003[1], and

(b) is used solely for the purposes of sea-fishing,

but does not include a vessel that is engaged in fishing or dredging solely for scientific, research or training purposes;

'fishing voyage' means a fishing trip commencing with a departure from a port for the purpose of fishing, and ending with the first return to a port thereafter upon the conclusion of the trip, but a return due to distress only shall not be deemed to be a return if it is followed by a resumption of the trip;

'sea-fish' means fish of any kind found in the sea, whether fresh or in other condition, including crustaceans and molluscs, but does not include salmon, fresh water eels or aquaculture animals;

'sea-fishing' means fishing for or taking sea-fish.

(2) Where for a year of assessment an individual to whom this section applies has spent not less than 80 days at sea actively engaged in sea-fishing, he or she shall be entitled to a tax credit (to be known as the 'fisher tax credit') of €1,270.

(3) Where for a year of assessment an individual makes a claim under this section, relief shall not be given under section 472B for that year of assessment.

(4) This section applies to an individual, resident in the State—

(a) the profits or gains of whom in relation to their trade as a fisher are charged to tax under Schedule D, or

(b) the emoluments of whom in relation to their employment as a fisher are charged to tax under Schedule E.".

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Amendment of section 480A of Principal Act (relief on retirement for certain income of certain sportspersons)

7. (1) Section 480A of the Principal Act is amended in subsection (9) by substituting "(within the meaning of section 787 or 787B)" for "(within the meaning of section 787)".

1 OJ No. L5, 9.1.2004, p.25

(2) *Subsection (1)* applies for the year of assessment 2017 and each subsequent year of assessment.

Amendment of section 477B of Principal Act (home renovation incentive)

8. Section 477B of the Principal Act is amended—

(a) in subsection (1)—

(i) by inserting the following definition:

" 'housing authority' has the same meaning as it has in the Housing (Miscellaneous Provisions) Act 1992;",

and

(ii) in the definition of "qualifying residence"—

(I) in paragraph (c), by substituting "by the individual," for "by the individual, or",

(II) in paragraph (d), by substituting "of the qualifying work, or" for "of the qualifying work;", and

(III) by inserting the following after paragraph (d):

"(e) which is owned by a housing authority and for which the housing authority is charging rent pursuant to section 58 of the Housing Act 1966 for the tenancy or occupation thereof by the individual and where the housing authority has given its prior written consent to the individual to qualifying work being carried out on the residential premises.",

(b) in subsection (2)—

(i) in paragraph (a)—

(I) in subparagraph (i)—

(A) by substituting "2018" for "2016", and

(B) by substituting "in subsection (1) refers," for "in subsection (1) refers, and",

(II) in subparagraph (ii)—

(A) by substituting "2018" for "2016", and

(B) by substituting "in subsection (1) refers, and" for "in subsection (1) refers.",

and

(III) by inserting the following after subparagraph (ii):

"(iii) during the period from 1 January 2017 to 31 December 2018 in the case of a qualifying residence to which paragraph (e) of the

definition of 'qualifying residence' in subsection (1) refers.",

and

(ii) in paragraph (d)—

(I) by substituting "2018" for "2016" in each place where it occurs, and

(II) by substituting "2019" for "2017" in each place where it occurs,

(c) in subsection (6)(b)(vi)(I), by substituting "(a), (b) or (e)" for "(a) or (b)",

(d) in subsection (8), by inserting the following after paragraph (b):

"(c) Subparagraph (i) of paragraph (a) shall not apply in the case of a residential premises referred to in paragraph (e) of the definition of 'qualifying residence' in subsection (1).",

and

(e) in subsection (12), by substituting "(a), (b) or (e)" for "(a) or (b)".

Help to Buy

9. (1) The Principal Act is amended by inserting the following section after section 477B:

"Help to Buy

477C.(1) In this section—

'appropriate payment' shall be construed in accordance with subsection (4);

'appropriate tax' has the meaning assigned to it by section 256;

'approved valuation', in relation to a self-build qualifying residence, means the valuation of the residence that, at the time the qualifying loan is entered into, is approved by the qualifying lender as being the valuation of the residence;

'first-time purchaser' means an individual who, at the time of a claim under subsection (3) has not, either individually or jointly with any other person, previously purchased or previously built, directly or indirectly, on his or her own behalf a dwelling;

'income tax payable' has the meaning assigned to it by section 3;

'loan' means any loan or advance, or any other arrangement whatever, by virtue of which interest is paid or payable;

'loan-to-value ratio' means the amount of the qualifying loan as a proportion of the purchase value of the qualifying residence or the self-build qualifying residence;

'PPS number', in relation to an individual, means the individual's personal public service number within the meaning of section 262 of the Social Welfare Consolidation Act 2005;

'purchase value' means—

(a) in the case of a qualifying residence, the price paid for the qualifying residence, being a price that is not less than its market value, or

(b) in the case of a self-build qualifying residence, the approved valuation;

'qualifying contractor' has the meaning assigned to it by subsection (2);

'qualifying lender' has the meaning assigned to it by section 244A(3);

'qualifying loan', means a loan, which—

(a) is used by the first-time purchaser wholly and exclusively for the purpose of defraying money employed in—

(i) the purchase of a qualifying residence, or

(ii) the provision of a self-build qualifying residence (including, in a case where such acquisition is required for its construction, the acquisition of land on which the residence is constructed),

(b) is entered into solely between a first-time purchaser and a qualifying lender (but this does not exclude a loan to which a guarantor is a party), and

(c) is secured by the mortgage of a freehold or leasehold estate or interest in, or a charge on, a qualifying residence or a self-build qualifying residence;

'qualifying period' means the period commencing on 19 July 2016 and ending on 31 December 2019;

'qualifying residence' means—

(a) a new building which was not, at any time, used, or suitable for use, as a dwelling, or

(b) a building which was not, at any time, in whole or in part, used, or suitable for use, as a dwelling and which has been converted for use as a dwelling,

and—

(i) which is occupied as the sole or main residence of a first-time purchaser,

(ii) in respect of which the construction work is subject to the rate of tax specified in section 46(1)(c) of the Value-Added Tax Consolidation Act 2010, and

(iii) where the purchase value is not greater than—

(I) where in the period commencing on 19 July 2016 and ending on 31 December 2016, a contract referred to in subsection (3)(a) is entered into between a claimant and a qualifying contractor or the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by a claimant, €600,000, or

(II) in all other cases, €500,000;

'relevant tax year' means a year of assessment, within the 4 tax years immediately preceding the year in which an application is made under this section, in respect of which a claim for an appropriate payment, or part of such appropriate payment, is made by an individual;

'Revenue officer' means an officer of the Revenue Commissioners;

'self-build qualifying residence' means a qualifying residence which is built, directly or indirectly, by a first-time purchaser on his or her own behalf;

'tax reference number' means in the case of an individual, the individual's PPS number or in the case of a company, the reference number stated on any return of income form or notice of assessment issued to that company by the Revenue Commissioners;

'tax year' means a year of assessment within the meaning of the Tax Acts;

'VAT registration number', in relation to a person, means the registration number assigned to the person under section 65 of the Value-Added Tax Consolidation Act 2010.

(2) In this section, a 'qualifying contractor' means a person who applies to the Revenue Commissioners for registration as a qualifying contractor (pursuant to arrangements for such registration that are put in place by the Revenue Commissioners) and in respect of whom the Revenue Commissioners are satisfied is entitled to be so registered and—

(a) who—

(i) complies with the obligations referred to in section 530G or 530H, or

(ii) in the case of a contractor who is not a subcontractor to whom Chapter 2 of Part 18 applies, complies with the obligations referred to in subparagraph (i), other than the obligations referred to in paragraphs (a) and (b) of subsection (1) of section 530G or 530H,

(b) who has been issued with a tax clearance certificate in accordance with section 1095 and such tax clearance certificate has not been rescinded under subsection (3A) of that section, and

(c) who provides to the Revenue Commissioners—

(i) details of qualifying residences which the contractor offers, or proposes to offer, for sale within the qualifying period,

(ii) details of any planning permission under the Planning and Development Acts 2000 to 2015 in respect of the qualifying residences referred to in subparagraph (i),

(iii) details of the freehold or leasehold estate or interest in the land on which the qualifying residences referred to in subparagraph (i) are constructed or to be constructed, and

(iv) any other relevant information that may be required by the Revenue Commissioners for the purposes of registration of a person as a qualifying contractor.

(3) Where an individual has, in the qualifying period, either—

(a) entered into a contract with a qualifying contractor for the purchase by that individual of a qualifying residence, that is not a self-build qualifying residence, or

(b) drawn down the first tranche of a qualifying loan in respect of that individual's self-build qualifying residence,

that individual may make a claim for an appropriate payment.

(4) On the making of a claim by an individual referred to in subsection (3), a payment (in this section referred to as an 'appropriate payment') shall, subject to the provisions of this section, be made in accordance with subsection (16).

(5) (a) An appropriate payment in relation to a qualifying residence or a self-build qualifying residence under this section shall not be greater than whichever of the amounts referred to in the following subparagraphs is the lesser, namely:

(i) the amount of €20,000,

(ii) the amount of income tax payable and paid by the claimant in respect of the 4 tax years immediately preceding the year in which an application is made under subsection (6), or

(iii) the amount equal to 5 per cent of the purchase value of the qualifying residence or self-build qualifying residence, as the case may be.

(b) In paragraph (a)(ii), income tax paid shall include any amount of appropriate tax which has, in accordance with sections 257 and 267AA, been deducted from payments of relevant interest made to the claimant in the 4 tax years immediately preceding the year in which an application is made under subsection (6).

(c) The amount of appropriate tax referred to in paragraph (b) shall be reduced by the amount of any appropriate tax repaid to the claimant under section 266A.

(d) Notwithstanding Chapter 1 of Parts 44 and 44A, where section 1017 or 1031C applied in respect of a tax year, the amount of income tax paid by a claimant, for the purposes of paragraph (a)(ii) shall be determined by the following formula—

$$\frac{A \times C}{B}$$

where—

A is the amount of the total income (if any) of the claimant for the tax year,

B is the sum of the amount of the total income (if any) of the claimant and the amount of the total income (if any) of the claimant's spouse or civil partner, and

C is the amount of income tax paid for the tax year.

(e) An appropriate payment under this section shall be made—

(i) in the first instance as a refund of income tax paid by the claimant in respect of the earliest relevant tax year and followed by each succeeding relevant tax year, and

(ii) thereafter as a refund of the amount of appropriate tax paid by the claimant in respect of the earliest relevant tax year and followed by each succeeding relevant tax year.

(6) (a) Prior to submitting a claim under subsection (3), an individual shall make an application to the Revenue Commissioners which shall include—

(i) an indication that he or she intends to make a claim under this section,

(ii) his or her name and PPS number, and

(iii) confirmation by the individual, where such is the case, that the conditions specified in paragraph (b) have been met.

(b) The conditions referred to in paragraph (a)(iii) are that—

(i) he or she is a first-time purchaser,

(ii) where the individual is a chargeable person within the meaning of Part 41A or, as appropriate, Part 41 for a tax year within the 4 tax years immediately preceding the year in which the application is made, he or she has complied with the requirements of that Part or, as appropriate, those Parts and has paid the amount of income tax payable and of universal social

charge (within the meaning of Part 18D) which he or she is liable to pay, in respect of each such tax year,

(iii) where the individual is not a chargeable person within the meaning of Part 41A or, as appropriate, Part 41 for a relevant tax year, he or she has made a return of income, in such form as the Revenue Commissioners may require, and has paid the amount of income tax payable and of universal social charge which he or she is liable to pay, in respect of each such relevant tax year, and

(iv) in the case of an individual to which subparagraph (ii) refers, he or she has been issued with a tax clearance certificate in accordance with section 1095 and such tax clearance certificate has not been rescinded under subsection (3A) of that section.

(c) Where section 1017 or 1031C applied in respect of a tax year, the individual who must meet the conditions referred to in subparagraphs (ii) and (iii) of paragraph (b) shall be the person assessed to tax under section 1017 or the nominated civil partner within the meaning of section 1031A.

(7) For the purposes of subsections (5)(a)(ii) and (6)(b)(ii) and (iii)—

(a) (i) an individual may elect to be deemed to have made his or her application under subsection (6) in the tax year 2016 where, in the period commencing on 19 July 2016 and ending on 31 December 2016, a contract referred to in subsection (3)(a) is entered into between the applicant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the applicant, provided the application is made on or before 31 March 2017, or

(ii) an individual may elect to be deemed to have made his or her application under subsection (6) in the tax year 2016 where, in the period commencing on 1 January 2017 and ending on 31 March 2017, a contract referred to in subsection (3)(a) is entered into between the applicant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the applicant, provided the application is made on or before 31 May 2017,

and where an individual so elects, the application shall be deemed to have been made in the tax year 2016 and the corresponding claim under subsection (3), where it is made in the tax year 2017, shall be deemed to have been made in the tax year 2016,

(b) notwithstanding the obligation on an individual under paragraph (a)(i) to, as appropriate, make an application on or before 31 March 2017, where such an individual makes an application under subsection (6) in 2018 or 2019, the application shall be deemed to

have been made in the tax year 2017, and the corresponding claim under subsection (3) shall be deemed to have been made in the tax year 2017.

(8) (a) An application made in any tax year shall cease to be valid on the earlier of the following events:

(i) failure by the applicant to satisfy the conditions specified in subsection (6)(b);

(ii) on the rescission of the applicant's tax clearance certificate in accordance with subsection (3A) of section 1095; or

(iii) on the falling of 31 December in the tax year in which the application is made.

(b) Notwithstanding paragraph (a) and subsection (25), where an application is made under this section in the period commencing on 1 October and ending on 31 December in any of the tax years 2017, 2018 or 2019 (hereafter in this paragraph referred to as the 'first-mentioned period'), and the corresponding claim is made under subsection (3) in the period commencing on 1 January and ending on 31 March of the following year, the applicant shall be deemed to have made his or her claim in the first-mentioned period.

(c) No claim may be made on foot of an application which ceases to be valid in accordance with paragraph (a).

(9) Where an application is made under this section and more than one individual is a party to the application, each such individual shall—

(a) confirm that he or she is a first-time purchaser,

(b) satisfy the conditions specified in subsection (6)(b),

(c) consent to provide to the other parties his or her name, address and PPS number, and

(d) agree with each of the other parties as to the allocation between the parties of the amount of the appropriate payment and notify the Revenue Commissioners of such allocation.

(10) Subject to the conditions specified in subsection (6)(b) being satisfied, the Revenue Commissioners shall notify the applicant of the maximum appropriate payment that would, following the making of a claim under this section, be available to or in respect of the applicant.

(11) The loan-to-value ratio in respect of a claim under this section shall not be less than 70 per cent.

(12) (a) On making a claim under subsection (3), where the qualifying residence is other than a self-build qualifying residence, the claimant shall provide to the Revenue Commissioners—

(i) his or her name and PPS number,

(ii) the address of the qualifying residence,

(iii) the purchase value of the qualifying residence,

(iv) details of the qualifying lender,

(v) confirmation that a qualifying loan has been entered into,

(vi) the qualifying loan application number or reference number used by the qualifying lender,

(vii) the amount of the qualifying loan,

(viii) evidence of the qualifying loan entered into,

(ix) evidence of the contract entered into with a qualifying contractor,

(x) the amount of deposit payable by the claimant to the qualifying contractor,

(xi) the amount, if any, of deposit paid by the claimant to the qualifying contractor,

(xii) confirmation that, on its completion, the qualifying residence will be occupied by the claimant as his or her only or main residence, and

(xiii) in the case of a claimant referred to in subsection (16)(a)(i), details of the claimant's bank account to which the appropriate payment shall, subject to the qualifying contractor having satisfied the requirements of subsection (13), be made.

(b) A claimant shall satisfy himself or herself that the contractor is a qualifying contractor.

(13) Following the making of a claim in accordance with subsection (12), the qualifying contractor shall provide to the Revenue Commissioners—

(a) the contractor's name,

(b) the contractor's tax reference number and VAT registration number,

(c) the name of the claimant,

(d) the address of the qualifying residence,

(e) the purchase value of the qualifying residence,

(f) the amount of deposit payable by the claimant to the qualifying contractor,

(g) the amount, if any, of deposit paid by the claimant to the qualifying contractor, and

(h) in the case of a contract to which subsection (16)(a)(ii) applies, details of the qualifying contractor's bank account.

(14) On making a claim under subsection (3) in the case of a self-build qualifying residence, the claimant shall provide to the Revenue Commissioners—

(a) his or her name and PPS number,

(b) the address of the self-build qualifying residence,

(c) the purchase value of the self-build qualifying residence,

(d) details of the qualifying lender,

(e) confirmation that a qualifying loan has been entered into,

(f) the amount of the qualifying loan,

(g) confirmation that, on its completion, the self-build qualifying residence will be occupied by the claimant as his or her only or main residence, and

(h) details of the qualifying loan bank account to which the appropriate payment shall, subject to a solicitor, acting on behalf of the claimant, having satisfied the requirements of subsection (15), be made.

(15) Following the making of a claim in accordance with subsection (14), a solicitor, acting on behalf of the claimant, shall provide to the Revenue Commissioners—

(a) the name of the claimant,

(b) the address of the self-build qualifying residence,

(c) evidence of the qualifying loan entered into between the claimant and the qualifying lender,

(d) evidence of the drawdown of the first tranche of the qualifying loan, and

(e) confirmation of the purchase value of the self-build qualifying residence.

(16) (a) Subject to the provisions of this section, the appropriate payment shall be made by the Revenue Commissioners—

(i) where in the period commencing on 19 July 2016 and ending on 31 December 2016, a contract referred to in subsection (3)(a) is entered into between the claimant and a qualifying contractor or, as appropriate, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the claimant, to the claimant's bank account,

(ii) where in the period commencing on 1 January 2017 and ending

on 31 December 2019, a contract referred to in subsection (3)(a) is entered into between the claimant and a qualifying contractor, to the qualifying contractor's bank account, or

(iii) where in the period commencing on 1 January 2017 and ending on 31 December 2019, the first tranche of a qualifying loan referred to in subsection (3)(b) is drawn down by the claimant, to the claimant's qualifying loan bank account.

(b) Where the appropriate payment is made in respect of a claimant to a qualifying contractor referred to in paragraph (a)(ii), the contractor shall treat the appropriate payment as a credit against the purchase price of the qualifying residence.

(c) Where paragraph (a)(ii) applies, the claimant shall consent to the appropriate payment in respect of him or her being paid by the Revenue Commissioners to the qualifying contractor.

(17) (a) On its completion, a qualifying residence or a self-build qualifying residence shall be occupied by the claimant as his or her only or main residence.

(b) (i) Where an appropriate payment is made on foot of a claim under this section, and the qualifying residence or self-build qualifying residence ceases to be occupied—

(I) by the claimant, or

(II) where more than one individual is a party to the claim, by all of those individuals,

within 5 years from occupation of the residence, the claimant shall notify the Revenue Commissioners and, in accordance with subparagraph (ii), pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment, or the lesser percentage there specified of the amount of the appropriate payment.

(ii) Where the residence ceases to be occupied as mentioned in subparagraph (i)—

(I) within the first year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment,

(II) within the second year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 80 per cent of the amount of the appropriate payment,

(III) within the third year from occupation, the claimant shall,

within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 60 per cent of the amount of the appropriate payment,

(IV) within the fourth year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 40 per cent of the amount of the appropriate payment, or

(V) within the fifth year from occupation, the claimant shall, within 3 months from the residence ceasing to be so occupied, pay to the Revenue Commissioners an amount equal to 20 per cent of the amount of the appropriate payment.

(18) (a) Where—

(i) arising from a claim under this section, an appropriate payment is made to, or in respect of, a claimant, and

(ii) any condition that imposes a qualification, as respects the claimant, in relation to the making of an appropriate payment under this section is not satisfied by the claimant,

the claimant shall, within 3 months from the date on which the appropriate payment is made, pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment, or part of such an amount, as appropriate.

(b) (i) Where, arising from a claim under this section in respect of a self-build qualifying residence, an appropriate payment is made to an individual, the individual shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment—

(I) where the self-build qualifying residence is not completed within 2 years from the date on which the appropriate payment was made by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the self-build qualifying residence will not be completed within that period.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the individual to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(c) (i) Where arising from a claim under this section, other than a claim to which paragraph (b) refers, an appropriate payment is made directly to an individual (who is not a qualifying contractor), the individual shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment—

(I) if the qualifying residence is not subsequently purchased by the individual within 2 years from the date on which the appropriate payment was made by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within that period.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the individual to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(d) (i) Where, arising from a claim under this section, an appropriate payment claimed by an individual is made to a qualifying contractor under subsection (16)(a)(ii), and—

(I) the qualifying residence is not subsequently purchased by the individual within 2 years from the date of the making of the appropriate payment by the Revenue Commissioners, or

(II) if within that 2 year period, there are, in the opinion of the Revenue Commissioners, reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within that period,

the qualifying contractor shall pay to the Revenue Commissioners an amount equal to the amount of the appropriate payment.

(ii) Payment to the Revenue Commissioners under subparagraph (i) shall be made within 3 months from the end of the 2 year period referred to in clause (I) of that subparagraph or, as appropriate, within 3 months from the Revenue Commissioners issuing notice to the qualifying contractor to the effect that they had formed an opinion in accordance with clause (II) of that subparagraph.

(e) For the purposes of paragraph (d), an individual referred to in that paragraph may notify the Revenue Commissioners where he or she

has reasonable grounds to believe that the purchase of the qualifying residence by the individual will not be completed within the 2 year period referred to in that paragraph.

(f) Where the Revenue Commissioners are satisfied that a qualifying residence or self-build qualifying residence—

(i) is substantially complete at the end of the 2 year period referred to in paragraph (b), (c) or (d), and

(ii) is likely to be completed thereafter within a period of time that, in the opinion of the Revenue Commissioners, is a reasonable one (and such opinion shall be communicated to the person concerned),

the aforementioned 2 year period shall, for the purposes of those paragraphs, stand extended by the period referred to in subparagraph (ii).

(19) Where more than one individual is a party to a claim under this section and a liability arises under subsection (17) or (18) in respect of payment to the Revenue Commissioners of an amount equal to the amount of the appropriate payment, or part of such an amount, each party to the claim shall be liable jointly and severally.

(20) (a) Where a person who is liable to pay to the Revenue Commissioners an amount referred to in subsection (17)(b) or paragraph (a), (b), (c) or (d) of subsection (18) fails to pay that amount, a Revenue officer may, at any time, make an assessment or an amended assessment on that person for a year of assessment or accounting period, as the case may be, in an amount that, according to the best of that officer's judgement, ought to be charged on that person.

(b) A person aggrieved by an assessment or an amended assessment made on that person under this subsection may appeal the assessment or the amended assessment to the Appeal Commissioners, in accordance with section 949I, within the period of 30 days after the date of the notice of assessment or amended assessment.

(c) Where in accordance with paragraph (a), a Revenue officer makes an assessment or an amended assessment on a person in an amount that, according to the best of that officer's judgement, ought to be charged on that person, the amount so charged shall, for the purposes of paragraph (a) and Part 42, be deemed to be tax due and payable in respect of the tax year in which the person is liable to pay the amount involved and shall carry interest as determined in accordance with subsection (2) of section 1080 as if a reference in that subsection to the date when the tax became due and payable were a reference to the date the amount so charged is, under this section, payable to the Revenue Commissioners.

(d) Any liability to pay an amount to which paragraph (a) applies, including any interest thereon, which is due and unpaid by a qualifying contractor under this section shall be and remain a charge on the freehold or leasehold estate or interest in the land on which the qualifying residence was to be constructed, where the contractor retains such estate or interest in the land.

(e) Notwithstanding section 36 of the Statute of Limitations 1957, the charge referred to in paragraph (d) shall continue to apply, without limit as to time, until such time as it is paid in full.

(21) An individual aggrieved by a decision by the Revenue Commissioners to refuse a claim under this section may appeal the decision to the Appeal Commissioners, in accordance with section 949I, within the period of 30 days of the notice of that decision.

(22) Anything required to be done by or under this section by the Revenue Commissioners may be done by any Revenue officer.

(23) Any application, claim, information, confirmation, declaration or documentation required by this section shall be given by electronic means and through such electronic systems as the Revenue Commissioners may make available for the time being for any such purpose, and the relevant provisions of Chapter 6 of Part 38 shall apply.

(24) Section 1021 shall not apply where an appropriate payment is made under this section.

(25) No application or claim may be made under this section after 31 December 2019.".

(2) Schedule 29 to the Principal Act is amended by inserting the following after "section 477B" in column 3:

"section 477C".

(3) Section 266A of the Principal Act is amended by inserting the following after subsection (2):

"(3) A claimant under section 477C to, or in respect of, whom an appropriated payment is made under that section shall not be entitled to relief under this section in respect of the same dwelling.".

Amendment of section 825C of Principal Act (special assignee relief programme)

10. Section 825C of the Principal Act is amended—

(a) in subsection (2A) by substituting "2015 to 2020," for "2015, 2016 or 2017,", and

(b) in subsection (4)(b) by substituting "any of the tax years 2015 to 2020" for "2015, 2016 or 2017".

Amendment of section 823A of Principal Act (deduction for income earned in certain foreign states)

11. (1) Section 823A of the Principal Act is amended—

(a) in subsection (1) by substituting the following for the definition of "relevant state":

" 'relevant state' means, as regards the years of assessment 2012 to 2020, the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China or the Republic of South Africa, and includes—

(a) as regards the years of assessment 2013 to 2020, the Arab Republic of Egypt, the People's Democratic Republic of Algeria, the Republic of Senegal, the United Republic of Tanzania, the Republic of Kenya, the Federal Republic of Nigeria, the Republic of Ghana and the Democratic Republic of the Congo,

(b) as regards the years of assessment 2015 to 2020, Japan, the Republic of Singapore, the Republic of Korea, the Kingdom of Saudi Arabia, the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain, the Republic of Indonesia, the Socialist Republic of Vietnam, the Kingdom of Thailand, the Republic of Chile, the Sultanate of Oman, the State of Kuwait, the United Mexican States and Malaysia, and

(c) as regards the years of assessment 2017 to 2020, the Republic of Colombia and the Islamic Republic of Pakistan;",

(b) in subsection (3) by substituting "30 days" for "40 days", and

(c) in subsection (6) by substituting "2015 to 2020" for "2015, 2016 and 2017".

(2) *Paragraph (b)* of *subsection (1)* shall have effect for the years of assessment 2017, 2018, 2019 and 2020.

Amendment of section 472AA of Principal Act (relief for long-term unemployed starting a business)

12. Section 472AA of the Principal Act is amended in subsection (1) by substituting "31 December 2018" for "31 December 2016" in the definition of "new business".

Amendment of section 216A of Principal Act (rent-a-room relief)

13. As respects the year of assessment 2017 and subsequent years of assessment, section 216A of the Principal Act is amended, in subsection (5), by substituting "€14,000" for "€12,000".

Retirement benefits

14. (1) Part 30 of the Principal Act is amended—

(a) in section 784—

(i) by inserting the following after subsection (2E):

"(2F) Notwithstanding any other provision of this Chapter, a retirement annuity contract shall not cease to be an annuity contract for the time being approved by the Revenue Commissioners where, notwithstanding anything contained in the contract as approved—

(a) the person with whom the contract is made—

(i) on or before 31 March 2017—

(I) commences payment of an annuity to the individual,

(II) pays a lump sum of a kind referred to in subsection (2)(b) to the individual, or

(III) transfers the value of the individual's accrued rights under the contract in accordance with subsection (2A),

or

(ii) in priority to any payment or transfer referred to in subparagraph (i), makes available from the cash and other assets representing the value of the individual's accrued rights under the contract, to such extent as may be necessary, an amount for the purposes of discharging a tax liability in relation to the individual under the provisions of Chapter 2C of this Part in respect of the contract,

(b) insofar as subparagraph (i) of paragraph (a) is concerned, the annuity contract is deemed to be a vested RAC in accordance with section 787O(6), and

(c) insofar as subparagraph (ii) of paragraph (a) is concerned, the annuity contract is a vested RAC within the meaning of section 787O(1).",

and

(ii) by inserting the following after subsection (7):

"(8) Where an annuity contract is a vested RAC within the meaning of section 787O(1), the provisions of section 784A(4) shall apply to the cash and other assets representing the individual's accrued rights under the contract at the time of death of the individual as if that cash and those other assets were assets of an approved retirement fund.",

(b) in section 787G—

(i) by inserting the following after subsection (4A):

"(4B) For the purposes of subsection (6), the administrator of a vested PRSA of a kind referred to in paragraph (c) of the definition of 'vested

PRSA' in section 790D(1) shall be treated as making the assets of the PRSA available to the PRSA contributor on the date the contributor attains the age of 75 years or, where the contributor attained the age of 75 years prior to the date of passing of the *Finance Act 2016*, on the date of passing of that Act.",

and

(ii) in subsection (6), by substituting "where assets of a PRSA are treated under subsection (4) or subsection (4B)" for "where assets of a PRSA are treated under subsection (4)",

(c) in section 787K, by inserting the following after subsection (2C):

"(2D) A PRSA product (within the meaning of Part X of the Pensions Act 1990) approved under section 94 of that Act, shall not cease to be an approved product where, notwithstanding anything contained in the terms of the product as approved—

(a) the PRSA administrator—

(i) on or before 31 March 2017—

(I) commences payment of an annuity to the PRSA contributor,

(II) pays a lump sum to the PRSA contributor, in accordance with section 787G(3)(a),

(III) makes assets of the PRSA available to the PRSA contributor, or

(IV) transfers assets of the PRSA to an approved retirement fund in accordance with section 787H(1),

or

(ii) in priority to any payment, making of assets available or transfer referred to in subparagraph (i), makes available from the PRSA assets, to such extent as may be necessary, an amount for the purposes of discharging a tax liability in relation to the PRSA contributor under the provisions of Chapter 2C of this Part in respect of the PRSA,

(b) insofar as subparagraph (i) of paragraph (a) is concerned, the PRSA is deemed to be a vested PRSA in accordance with section 790D(1A), and

(c) insofar as subparagraph (ii) of paragraph (a) is concerned, the PRSA is a vested PRSA within the meaning of paragraph (c) of the definition of 'vested PRSA' in section 790D(1).",

(d) in section 787O—

(i) in subsection (1)—

(I) in the definition of "uncrystallised pension rights", by substituting "on that date;" for "on that date.", and

(II) by inserting the following definition:

" 'vested RAC' means a relevant pension arrangement of a kind referred to in paragraph (b) of the definition of that term in this subsection in respect of which—

(a) payment of the annuity to the individual entitled to the annuity under the contract has not commenced, or

(b) a transfer has not been made under section 784(2A),

on or before the date on which the individual attains the age of 75 years.",

and

(ii) by inserting the following after subsection (5):

"(6) Where an individual of a kind referred to in the definition of 'vested RAC' attains the age of 75 years prior to the date of passing of the *Finance Act 2016*, the relevant pension arrangement is deemed to become a vested RAC on the date of passing of that Act.",

(e) in section 787R—

(i) in subsection (5), by substituting the following for paragraph (b):

"(b) where the benefit crystallisation event is an event of a kind described at subparagraph (b), (ba) or (c) of paragraph 2 of Schedule 23B, refuse to transfer an amount to the individual, or to any of the funds referred to in the said subparagraph (b), refuse to make assets of the PRSA referred to in the said subparagraph (ba) available to the PRSA contributor or, as the case may be, refuse to make a payment or transfer referred to in the said subparagraph (c),",

(ii) by inserting the following after subsection (5):

"(5A) (a) In this subsection—

'relevant administrator' means—

(i) in the case of a vested PRSA of a kind referred to in paragraph (c) of the definition of 'vested PRSA' in section 790D(1), the administrator of that vested PRSA, and

(ii) in the case of a vested RAC within the meaning of section 787O(1), the person with whom the individual (referred to in the definition of 'vested RAC' in that section) made the annuity contract;

'relevant person' means—

(i) in the case of a vested PRSA of a kind referred to in paragraph

(c) of the definition of 'vested PRSA' in section 790D(1), a PRSA contributor of a kind referred to in that paragraph, and

(ii) in the case of a vested RAC within the meaning of section 787O(1), an individual of a kind referred to in the definition of 'vested RAC' in that section;

'date of the benefit crystallisation event' means, as the case may be, the date the relevant person attains the age of 75 years or, where the relevant person attains that age prior to the date of passing of the *Finance Act 2016*, the date of passing of that Act.

(b) Notwithstanding subsection (4), where a benefit crystallisation event of a kind referred to in subparagraph (bb) or (bc), as the case may be, of paragraph 2 of Schedule 23B occurs in relation to a relevant person, the relevant person shall, within the period of 30 days from the date of the benefit crystallisation event, provide a declaration containing the details referred to in subsection (4) to the relevant administrator.

(c) Where a relevant person fails to comply with paragraph (b), section 787Q shall apply to the benefit crystallisation event referred to in that paragraph as if the condition referred to in subsection (2)(b) of that section is met.",

and

(iii) in subsection (6), by substituting "subsections (4), (5) and (5A)" for "subsections (4) and (5)",

(f) in section 787S, by substituting the following for subsection (5):

"(5) Where any item—

(a) has been incorrectly included in a return as a chargeable excess, or

(b) has been included in a return as a chargeable excess in accordance with the application of paragraph (c) of subsection (5A) of section 787R in circumstances where, if a declaration referred to in paragraph (b) of that subsection had been provided to the relevant administrator (within the meaning of that subsection), no chargeable excess or a lesser chargeable excess would have arisen in respect of the benefit crystallisation event concerned,

then, on a case being made, an officer of the Revenue Commissioners may make such assessments, adjustments or set-offs as may in his or her judgement be required for securing that the resulting liabilities to tax, including interest on unpaid tax, whether of the administrator of a relevant pension arrangement or the individual or, where the provisions of section 787R(2A) apply, whether of the subsequent administrator, fund administrator, relevant member or non-member, as the case may be, are, so far as possible, the same as they would have

been if the item had not been so included.",

and

(g) in section 790D—

(i) in subsection (1), by substituting the following for the definition of "vested PRSA":

" 'vested PRSA' means—

(a) a PRSA in respect of which assets of the PRSA have been made available to, or paid to, the PRSA contributor or to any other person, by the PRSA administrator on or after 7 November 2002, other than assets of a kind referred to in paragraphs (b), (c) and (d) of section 787G(3), and for the purposes of this definition the provisions of subsections (4) and (4A) of section 787G shall apply,

(b) in the case of a PRSA that is a PRSA to which an individual is or was the contributor of additional voluntary PRSA contributions, such a PRSA where benefits become payable to the individual under the main scheme on or after 7 November 2002, or

(c) a PRSA in respect of which the PRSA contributor has attained the age of 75 years where, up to and including the date on which the contributor attained that age, no assets of the PRSA have been made available to, or paid to, the PRSA contributor or to any other person, other than a transfer of part of the assets to another PRSA to which the contributor to the first mentioned PRSA is the contributor;",

and

(ii) by inserting the following after subsection (1):

"(1A) Where a PRSA contributor of a kind referred to in paragraph (c) of the definition of 'vested PRSA' attains the age of 75 years in the circumstances referred to in that paragraph prior to the date of passing of the *Finance Act 2016*, the PRSA is deemed to become a vested PRSA on the date of passing of that Act.".

(2) Schedule 23B to the Principal Act is amended—

(a) in paragraph 2, by inserting the following after subparagraph (ba):

"(bb) the individual is a PRSA contributor and the PRSA becomes a vested PRSA of a kind referred to in paragraph (c) of the definition of 'vested PRSA' in section 790D(1),

(bc) the relevant pension arrangement becomes a vested RAC within the meaning of section 787O(1),",

and

(b) in paragraph 3, by inserting the following after subparagraph (da):

"(db) where the benefit crystallisation event is an event of a kind referred to in paragraph 2(bb), the aggregate of the amount of any cash sums and the market value of the assets in the PRSA at the date the individual attains the age of 75 years or, where the individual attained the age of 75 years prior to the date of passing of the *Finance Act 2016*, on the date of passing of that Act,

(dc) where the benefit crystallisation event is an event of a kind referred to in paragraph 2(bc), the aggregate of so much of the cash sums and the market value of such of the other assets representing the individual's rights under the relevant pension arrangement at the date the individual attains the age of 75 years or, where the individual attained the age of 75 years prior to the date of passing of the *Finance Act 2016*, on the date of passing of that Act,".

(3) This section comes into operation on the passing of this Act.

Chapter 4

Income Tax, Corporation Tax and Capital Gains Tax

Living City Initiative

15. The Principal Act is amended—

(a) in section 372AAA, in the definition of "relevant house", by deleting "for use as a dwelling",

(b) in section 372AAB—

(i) in subsection (1)—

(I) in the definition of "letter of certification", by deleting paragraph (b),

(II) in the definition of "relevant local authority", by substituting "situated." for "situated;", and

(III) by deleting the definition of "total floor area",

and

(ii) in subsection (9), by substituting "€5,000." for "10 per cent of the market value of the building, structure or house immediately before that expenditure was incurred.",

(c) in section 372AAC—

(i) in subsection (1), by substituting the following for the definition of "qualifying expenditure":

" 'qualifying expenditure', in relation to capital expenditure incurred in the qualifying period on the conversion or the refurbishment of a qualifying premises and subject to subsection (1A), means, notwithstanding section 279, the lesser of—

(a) the aggregate of all such capital expenditure, and

(b) (i) where the person who incurred the capital expenditure is a company carrying on a trade from the qualifying premises, €1,600,000,

(ii) where the person who incurred the capital expenditure is a company who is letting the qualifying premises, €800,000, or

(iii) where the person who incurred the capital expenditure is an individual, €400,000,

and for the purposes of giving relief under this section, any reference to expenditure being incurred shall include a reference to expenditure deemed under any provision of Part 9 to be incurred;",

(ii) in subsection (1A), by inserting the following after "does not exceed €200,000,":

"or

where a company or companies are in receipt of rental income from letting the qualifying premises the qualifying expenditure incurred by each person for the purposes of this section, shall, if necessary and notwithstanding section 279, be reduced, such that the amount determined by the formula—

(A x 50 per cent) + (B x 25 per cent)

does not exceed €200,000,",

(iii) in subsection (6), by substituting "€5,000." for "10 per cent of the market value of the building, structure or house immediately before that expenditure was incurred.",

(iv) by substituting the following for subsection (8):

"(8) Notwithstanding any other provision of this section, this section shall not apply in respect of qualifying expenditure incurred on a qualifying premises where—

(a) a property developer, or a person who is connected (within the meaning of section 10) with the property developer is entitled to the relevant interest, within the meaning of section 269, in relation to that expenditure, and

(b) either of the persons referred to in paragraph (a) incurred the qualifying expenditure on that qualifying premises, or such expenditure was incurred by any other person connected (within the meaning of section 10) with the property developer.",

(v) by inserting the following after subsection (8):

"(8A) Where any part of qualifying expenditure has been or is to be met, directly or indirectly, by grant assistance or any other assistance which

is granted by or through the State, any board established by statute, any public or local authority or any other agency of the State, then that qualifying expenditure shall be reduced by an amount equal to 3 times the sum received or receivable.",

and

(vi) by inserting the following after subsection (9):

"(10) A person shall not be entitled to allowances under this section while that person is regarded as an undertaking in difficulty for the purposes of the Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty[2].",

(d) by inserting the following after section 372AAC:

"Residential accommodation: capital allowances to lessors in respect of eligible expenditure incurred on the conversion and refurbishment of relevant houses

372AAD. (1) In this section—

'conversion' in relation to a building, structure or house, has the meaning given to it in section 372AAB;

'eligible expenditure', in relation to capital expenditure incurred in the relevant qualifying period on the conversion or the refurbishment of a special qualifying premises, and subject to subsection (2), means, notwithstanding section 279, the lesser of—

(a) the aggregate of all such capital expenditure, and

(b) (i) where the person who incurred the capital expenditure is a company, €800,000, or

(ii) where the person who incurred the capital expenditure is an individual, €400,000,

and, for the purposes of giving relief under this section, any reference to expenditure being incurred shall include a reference to expenditure deemed under any provision of Part 9 to be incurred;

'house' has the meaning given to it in section 372AAB;

'letter of certification' has the meaning given to it in section 372AAB;

'property developer' has the meaning given to it in section 372AAC;

'relevant qualifying period' means the period commencing on the date of coming into operation of this section and ending on 4 May 2020;

'special qualifying premises' means a relevant house—

(a) the site of which is wholly within a special regeneration area,

(b) which is used solely as a dwelling,

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(c) in respect of which a letter of certification has issued, and

(d) is let on *bona fide* commercial terms for such consideration as might be expected to be paid in a letting of the relevant house negotiated on an arm's length basis.

(2) Notwithstanding the definition of eligible expenditure in subsection (1), where capital expenditure is incurred in the relevant qualifying period on a special qualifying premises by 2 or more persons, being either individuals or companies or individuals and companies, the amount of expenditure which is to be treated as eligible expenditure incurred by each person for the purposes of this section, shall, if necessary and notwithstanding section 279, be reduced, such that the amount determined by the formula—

(A x 50 per cent) + (B x 25 per cent)

does not exceed €200,000,

where—

A is the aggregate of all eligible expenditure incurred by the individual or individuals, and

B is the aggregate of all eligible expenditure incurred by the company or companies.

(3) (a) Subject to paragraph (b) and subsections (4) to (10), the provisions of the Tax Acts relating to the making of allowances or charges in respect of capital expenditure incurred on the construction or refurbishment of an industrial building or structure shall, notwithstanding anything to the contrary in those provisions, apply in relation to eligible expenditure on a special qualifying premises as if the special qualifying premises were, at all times at which it is a special qualifying premises, an industrial building or structure in respect of which an allowance is to be made for the purposes of income tax or corporation tax, as the case may be, under Chapter 1 of Part 9 by reason of its use for the purpose specified in section 268(1)(a).

(b) An allowance shall be given by virtue of this subsection in relation to any eligible expenditure on a special qualifying premises only in so far as that expenditure is incurred in the relevant qualifying period.

(4) In relation to eligible expenditure incurred in the relevant qualifying period on a special qualifying premises, section 272 shall apply as if—

(a) in subsection (3)(a)(ii) of that section the reference to 4 per cent were a reference to 15 per cent, and

(b) in subsection (4)(a) of that section the following were substituted for subparagraph (ii):

‘(ii) where capital expenditure on the conversion or refurbishment of the building or structure is incurred, 7 years beginning with the time when the building or structure was first used subsequent to the incurring of that expenditure.’.

(5) Relief under this section shall not be given unless the following information is provided to the Revenue Commissioners as part of the first claim made by the person in accordance with subsection (3):

(a) the name and PPS number or tax reference number of the person making the claim;

(b) the address of the special qualifying premises in respect of which the eligible expenditure was incurred;

(c) the unique identification number (if any) assigned to the special qualifying premises under section 27 of the Finance (Local Property Tax) Act 2012; and

(d) details of the aggregate of all eligible expenditure incurred by the person in respect of the special qualifying premises.

(6) Any claim made, or information required to be provided, to the Revenue Commissioners under this section, shall be made or provided by electronic means and through such electronic systems as the Revenue Commissioners may make available for the time being for any such purpose.

(7) Notwithstanding section 274(1), no balancing allowance or balancing charge shall be made in relation to a special qualifying premises by reason of any event referred to in that section which occurs more than 7 years after the special qualifying premises was first used subsequent to the incurring of the eligible expenditure on the conversion or refurbishment of the special qualifying premises.

(8) This section shall not apply where eligible expenditure incurred does not exceed €5,000.

(9) For the purposes only of determining, in relation to a claim for an allowance by virtue of subsection (3), whether and to what extent eligible expenditure incurred on the conversion or refurbishment of a special qualifying premises is incurred or not incurred in the relevant qualifying period, only such an amount of that eligible expenditure as is properly attributable to work on the conversion or refurbishment of the premises actually carried out during the relevant qualifying period shall (notwithstanding any other provision of the Tax Acts as to the time when any capital expenditure is or is to be treated as incurred) be treated as having been incurred in that period.

(10) Notwithstanding any other provision of this section, this section shall not apply in respect of eligible expenditure incurred on a special

qualifying premises where—

(a) a property developer, or a person who is connected (within the meaning of section 10) with the property developer is entitled to the relevant interest, within the meaning of section 269, in relation to that expenditure, and

(b) either of the persons referred to in paragraph (a) incurred the eligible expenditure on that special qualifying premises, or such expenditure was incurred by any other person connected (within the meaning of section 10) with the property developer.

(11) Where any part of eligible expenditure has been or is to be met, directly or indirectly, by grant assistance or any other assistance which is granted by or through the State, any board established by statute, any public or local authority or any other agency of the State, then that eligible expenditure shall be reduced by an amount equal to 3 times the sum received or receivable.

(12) Expenditure in respect of which a person is entitled to relief under this section shall not include any expenditure in respect of which that person is entitled to a deduction, relief or allowance under any other provision of the Tax Acts.

(13) A person shall not be entitled to allowances under this section while that person is regarded as an undertaking in difficulty for the purposes of the Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty.",

(e) in section 409F(2), in paragraph (a) of the definition of "area-based capital allowance", by substituting "372AC, 372AD, 372AAC or 372AAD" for "372AC, 372AD or 372AAC", and

(f) in Schedule 25B by inserting the following after the matter set out opposite Reference Number 38A:

"

38B.	Section 372AAB (residential accommodation: allowance to owner-occupiers in respect of qualifying expenditure incurred on the conversion and refurbishment of Georgian houses)	The amount the individual deducts from his or her total income for a year of assessment under section 372AAB(2) in respect of qualifying expenditure incurred on the conversion or refurbishment of a qualifying premises.

38C.	Section 372AAD (residential accommodation: capital allowances to lessors in respect of eligible expenditure incurred on the conversion and refurbishment of relevant houses)	An amount equal to— (a) the aggregate amount of allowances (including balancing allowances) made to the individual under Chapter 1 of Part 9 as that Chapter is applied by section 372AAD, including any such allowance or part of any allowances made to the individual for a previous tax year and carried forward from that previous tax year in accordance with Part 9, or (b) where full effect has not been given in respect of that aggregate for that tax year, the part of that aggregate to which full effect has been given for that tax year in accordance with section 278 and section 304 or 305, as the case may be, or any of those sections as applied or modified by any other provision of the Tax Acts.

".

Amendment of section 97 of Principal Act (computational rules and allowable deductions)

16. (1) Section 97 of the Principal Act is amended by substituting the following for subsection (2J):

"(2J) (a) Notwithstanding subsection (2), but subject to the other provisions of this section (including paragraphs (b) and (c) of this subsection), the deduction authorised by subsection (2)(e) shall not exceed—

(i) 75 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 7 April 2009 up to and including 31 December 2016,

(ii) 80 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2017 up to and including 31 December 2017,

(iii) 85 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2018 up to and including 31 December 2018,

(iv) 90 per cent of the deduction that would, but for this subsection,

be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2019 up to and including 31 December 2019, and

(v) 95 per cent of the deduction that would, but for this subsection, be authorised by subsection (2)(e) in respect of interest accrued on or after 1 January 2020 up to and including 31 December 2020,

on borrowed money employed in the purchase, improvement or repair of a premises which, at the time the interest accrues, is a residential premises.

(b) For the purposes of paragraph (a)—

(i) borrowed money employed on the construction of a residential premises on land in which the person chargeable has an estate or interest shall, together with any borrowed money which that person employed in the acquisition of such land, be deemed to be borrowed money employed in the purchase of a residential premises,

(ii) where a premises consists in part of residential premises and in part of premises which are not residential premises, paragraph (a) shall apply to the interest accrued on the part of the borrowed money employed in the purchase, improvement or repair of the premises that is attributable, on a just and reasonable basis, to residential premises, and

(iii) the interest on borrowed money referred to in paragraph (a) shall be treated as accruing from day to day.

(c) This subsection shall not apply in respect of interest accrued on or after 1 January 2021.".

(2) *Subsection (1)* shall come into operation on 1 January 2017.

Amendment of section 285A of Principal Act (acceleration of wear and tear allowances for certain energy-efficient equipment)

17. Section 285A of the Principal Act is amended—

(a) in subsection (2), by substituting "person" for "company" in both places where it occurs,

(b) by substituting the following for subsection (5):

"Subsection (2) shall not apply where the energy-efficient equipment is leased, let or hired to any person.",

and

(c) in subsection (8), by substituting "person" for "company".

Amendment of section 657 of Principal Act (averaging of farm profits)

18. (1) Section 657 of the Principal Act is amended—

(a) by inserting the following definitions in subsection (1):

" 'deferred tax' means the amount of income tax determined by the formula—

$$A - B$$

where—

A is the amount of income tax which would, apart from subsection (6A), be charged on an individual by virtue of subsection (6) in accordance with subsection (5) in respect of a year of assessment, and

B is the amount of income tax which would, apart from this section, be chargeable in accordance with Chapter 3 of Part 4 in respect of a year of assessment;

'specified return date for the chargeable period' has the same meaning as in section 959A;",

(b) by inserting the following after subsection (6)—

"(6A) (a) Where for a year of assessment an individual is by virtue of subsection (6) chargeable to income tax in respect of profits or gains from farming in accordance with subsection (5), that individual may, on including a claim in that behalf with the return required under Chapter 3 of Part 41A for the year of assessment, elect to defer payment of the deferred tax for that year of assessment.

(b) Where an individual duly elects in accordance with paragraph (a) in respect of a year of assessment, the deferred tax in respect of the year of assessment shall be payable in 4 equal instalments.

(c) The first instalment of the 4 instalments referred to in paragraph (b) shall be due and payable on or before the specified return date for the chargeable period of the year of assessment following the year of assessment in which the election, referred to in paragraph (a), is made and the remaining 3 instalments shall be due and payable respectively on or before each of the following 3 anniversaries of the date on which the first instalment was due and payable.

(d) An individual shall only be entitled to make an election in accordance with this subsection in a year of assessment provided an election has not been made in any of the 4 years of assessment immediately preceding such year of assessment.",

and

(c) in subsection (8) by—

(i) deleting "and" in paragraph (c),

(ii) substituting "assessment, and" for "assessment." in paragraph (d), and

(iii) inserting the following after paragraph (d):

"(e) notwithstanding section 959AA, there shall be made such assessment or assessments, if any, as may be necessary to secure the payment of any deferred tax which remains due and payable.".

(2) *Subsection (1)* shall apply for the year of assessment 2016 and subsequent years of assessment.

Amendment of section 288 of Principal Act (balancing allowances and balancing charges)

19. (1) Section 288(6A) of the Principal Act is amended in paragraph (a)(i) by substituting "the Minister for Agriculture, Food and the Marine in accordance with Council Regulation (EU) No. 508/2014 of the European Parliament and of the Council of 15 May 2014[3]" for "the Minister for Agriculture, Fisheries and Food in accordance with Council Regulation (EC) No. 1198/2006 of 27 July 2006".

(2) This section shall come into operation on such day as the Minister for Finance, with the consent of the Minister for Agriculture, Food and the Marine, may, by order, appoint.

Employment and investment incentive and seed capital scheme

20. (1) The Principal Act is amended—

(a) in section 502(7)(d)(i), by substituting "31st day of December" for "5th day of April",

(b) in section 507—

(i) in subsection (1), by substituting for "the annual reports required in accordance with Article 11 of Commission Regulation (EU) No. 651/2014 of 17 June 2014" the following:

"(a) the annual reports required in accordance with Article 11 of Commission Regulation (EU) No. 651/2014 of 17 June 2014[4], and

(b) publishing the following information in relation to all qualifying companies:

(i) the name of the company;

(ii) the address of the company;

(iii) the Companies Registration Office number of the company;

(iv) the amount of finance raised;

(v) the date of share issue and type of relief.",

3 OJ No. L149, 20.5.2014, p.1
4 OJ No. L 187, 26.6.2014, p.1

(ii) in subsection (2), by substituting "Notwithstanding section 851A" for "Notwithstanding any obligation as to secrecy imposed on them by the Tax Acts or the Official Secrets Act 1963", and

(iii) in subsection (4), by substituting "section 851A" for "statute or otherwise",

and

(c) in Schedule 25B, by deleting Reference Number 47A and the matter set out opposite that reference number.

(2) The amendments to section 507 of the Principal Act effected by *subsection (1)(b)* of this section shall apply to shares issued on or after 13 October 2015.

(3) *Subsection (1)(c)* applies as respects a subscription for eligible shares made on or after 1 January 2017.

Amendment of Part 8 of Principal Act (annual payments, charges and interest)

21. (1) Part 8 of the Principal Act is amended—

(a) in section 256(1) by substituting the following for the definition of "appropriate tax":

" 'appropriate tax', in relation to a payment of relevant interest, means—

(a) as respects the year of assessment 2017, a sum representing income tax on the amount of the payment at the rate of 39 per cent,

(b) as respects the year of assessment 2018, a sum representing income tax on the amount of the payment at the rate of 37 per cent,

(c) as respects the year of assessment 2019, a sum representing income tax on the amount of the payment at the rate of 35 per cent, and

(d) as respects the year of assessment 2020 and each subsequent year of assessment, a sum representing income tax on the amount of the payment at the rate of 33 per cent;",

and

(b) in section 267M by substituting the following for subsection (2):

"(2) (a) Notwithstanding section 15 and subject to paragraph (aa), where the taxable income of an individual includes—

(i) specified interest, the part of taxable income, equal to that specified interest, shall be chargeable to tax at the rate specified in the definition of 'appropriate tax' in section 256(1), or

(ii) foreign deposit interest, so much of the part of taxable income, equal to that foreign deposit interest, as would otherwise be chargeable to tax at the standard rate, shall instead be chargeable to tax at the rate specified in the definition of

'appropriate tax' in section 256(1).

(aa) Notwithstanding paragraph (a), where any liability of the individual for a year of assessment in respect of the specified interest or foreign deposit interest, as the case may be, has not been discharged on or before the specified return date for the chargeable period (within the meaning of section 959A) for that year, then the part of taxable income, equal to that specified interest or that foreign deposit interest, shall be chargeable to tax at the rate of tax described in the Table to section 15 as the higher rate.".

(2) *Subsection (1)* applies to relevant interest, specified interest or foreign deposit interest, as the case may be, received or paid on or after 1 January 2017.

Amendment of section 110 of Principal Act (securitisation)

22. Section 110 of the Principal Act is amended—

(a) in subsection (1) in the definition of "qualifying company" by—

(i) substituting the following for paragraph (f):

"(f) which has notified in writing the authorised officer in a form prescribed by the Revenue Commissioners that it is or intends to be a company to which paragraphs (a) to (e) apply and has supplied such other particulars relating to the company as may be specified on the prescribed form including details concerning the—

(i) type of transaction,

(ii) assets acquired,

(iii) originator,

(iv) intra-group transactions, and

(v) connected parties,

not later than 8 weeks from—

(I) 1 January 2017 where the day referred to in paragraph (e) predates 1 January 2017 and the company has not yet made the notification in writing to the authorised officer in the form prescribed by the Revenue Commissioners as required to be made by the specified return date (within the meaning of section 959A) for the first accounting period in relation to which it is such a company, or

(II) the day referred to in paragraph (e),

and where information required is not available at the time the written notification is provided to the authorised officer, that information should be provided without undue delay upon becoming available,",

and

(ii) substituting "(4A), (5) and (5A)" for "(4A) and (5)",

(b) in subsection (4) by substituting "(4A), (5) and (5A)" for "(4A) and (5)", and

(c) by inserting the following after subsection (5):

"(5A) (a) In this subsection—

'arrangement' includes any agreement, understanding, scheme, transaction or series of transactions;

'CLO transaction' means a securitisation transaction entered into by a qualifying company which is carried out in conformity with—

(a) a prospectus, within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003[5],

(b) listing particulars, where any securities issued by the qualifying company are listed on an exchange, other than the main exchange, of the State or a relevant Member State, or

(c) where the securities issued by the qualifying company will not be listed on an exchange in the State or a relevant Member State, legally binding documents,

that—

(i) may provide for a warehousing period, which for the purposes of this subsection means a period not exceeding 3 years during which time the qualifying company is preparing to issue securities, and

(ii) provide for investment eligibility criteria that govern the type and quality of assets to be acquired,

and where, based on the documents referred to in paragraphs (a) to (c) and the activities of the qualifying company, it would not be reasonable to consider that the main purpose, or one of the main purposes, of the qualifying company was to acquire specified mortgages;

'CMBS/RMBS transaction' means a securitisation transaction entered into by the qualifying company where—

(a) the originator (within the meaning of paragraph (a) of the definition of 'originator' in Article 4 of the CRR) retains a net economic interest in the credit risk of the securitisation position in accordance with Article 405 of the CRR, or

(b) an originator (within the meaning of paragraph (b) of the definition of 'originator' in Article 4 of the CRR) retains a net economic interest in the credit risk of the securitisation position

5 OJ No. L354, 31.12.2003, p.64

in accordance with Article 405 of the CRR and is a financial institution (within the meaning of the CRR) or credit institution (within the meaning of the CRR) regulated by a competent authority in a relevant Member State or the State or is authorised by a third country authority, recognised by the European Commission as having supervisory and regulatory arrangements at least equivalent to those applied in a relevant Member State or the State, to carry out similar activities;

'CRR' means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013[6];

'EEA state' means a state, not being a Member State or the State, which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993;

'loan origination business' means the making of an advance, other than a specified security to a borrower that has a specified property business—

(a) in respect of which the qualifying company is the original creditor, or

(b) that is acquired by the qualifying company on or about the date on which it was advanced,

provided that such advance is not made as a result of a novation or refinancing of a specified mortgage, other than for *bona fide* commercial reasons and did not form part of an arrangement the main purpose, or one of the main purposes, of which was to avoid the application of this subsection;

'relevant Member State' means a Member State, other than the State, or not being such a Member State, an EEA state;

'securitisation' means a securitisation within the meaning of the CRR;

'specified mortgage' means—

(a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, land in the State,

(b) a specified agreement which derives all of its value, or the greater part of its value, directly or indirectly, from land in the State or a loan to which paragraph (a) applies, other than a loan or a specified agreement which derives its value or the greater part of its value from a CLO transaction, a CMBS/RMBS transaction, a loan origination business or a sub-participation

6 OJ No. L176, 27.6.2013, p.1

transaction,

(c) the portion of a specified security treated as attributable to the specified property business in accordance with paragraph (c)(ii), or

(d) units in an IREF (within the meaning of Chapter 1B of Part 27);

'specified property business', in relation to a qualifying company, means the whole, or part, of the business of the qualifying company that involves the holding, managing or both the holding and managing of specified mortgages, and shall not include—

(a) a CLO transaction,

(b) a CMBS/RMBS transaction,

(c) a loan origination business,

(d) a sub-participation transaction, or

(e) activities which are preparatory to the transactions or business mentioned in paragraphs (a) to (d),

where the qualifying company, in respect of paragraphs (a) or (b), apart from activities incidental or preparatory to that transaction or business, carries on no other activities;

'specified security' means a security where subsection (4) would, or would but for this subsection, apply to any interest or other distribution payable thereon;

'sub-participation transaction' means a transaction which involves the acquisition of an economic interest in a loan by the qualifying company in the ordinary course of a *bona fide* syndication of such loan to one or more lenders where the originator of the loan—

(a) is a financial institution (within the meaning of CRR) or credit institution (within the meaning of CRR)—

(i) regulated by a competent authority in a relevant Member State or the State, or

(ii) authorised by a third country authority, recognised by the European Commission as having supervisory and regulatory arrangements at least equivalent to those applied in a relevant Member State or the State, to carry out similar activities,

(b) remains a lender of record, and

(c) retains a material net economic interest in the credit risk of the loan of not less than 5 per cent.

(b) (i) In calculating the portion of the value of a loan or specified

agreement attributable directly or indirectly to land in the State for the purposes of paragraph (a), account shall not be taken of any arrangement that—

(I) involves a transfer of assets, other than a specified mortgage, from a person connected with the qualifying company, and

(II) the main purpose, or one of the main purposes, of which is the avoidance of tax.

(ii) In calculating the portion of the value of each loan or specified agreement attributable directly or indirectly to land in the State for the purposes of paragraph (a), regard shall be had to the gross value of the assets from which the specified mortgage derives its value of which the land in the State is part.

(c) (i) Notwithstanding the generality of section 70(1), the profits arising to a qualifying company from its specified property business shall be treated for the purposes of the Tax Acts, other than any provision relating to the commencement or cessation of a trade, as a separate business which is distinct from any other business or part of a business carried on by the qualifying company.

(ii) For the purposes of treating the specified property business of a qualifying company as a separate business, in accordance with subparagraph (i), any necessary apportionment shall be made so that expenses laid out or expended in earning the profits of that separate business shall be attributed to the separate business on a just and reasonable basis and the amount of the expenses so apportioned shall be an amount which would be attributed to a distinct and separate company, engaged in the same activities, if it were independent of, and dealing at arm's length with, the qualifying company.

(d) Subject to subsections (4A) and (5), subsection (4) shall only apply to the calculation of the profits of a specified property business of a qualifying company in respect of so much of any interest or other distribution payable in respect of a specified security—

(i) as is paid by a qualifying company to—

(I) a person—

(A) being an individual who is resident in the State and within the charge to income tax, or

(B) in any other case, who is or will be within the charge to corporation tax,

in the State in respect of that interest or other distribution,

(II) a fund approved under section 774, 784(4) or 785(5), a PRSA within the meaning of section 787A, a person exempt from

income tax under section 790B or a fund authorised by a Member State or an EEA state and subject to supervisory and regulatory arrangements at least equivalent to the supervisory and regulatory arrangements applied to those funds in the State,

(III) a person (referred to in this clause as the 'non-resident person') who—

(A) being an individual is a national of a relevant Member State, or

(B) being a company, is formed under the laws of, and is registered in, a relevant Member State,

where under the laws of any relevant Member State the interest or other distribution is subject, without any reduction computed by reference to the amount of such interest or other distribution, in respect of any interest or other distribution which is to any extent dependent on the interest or other distribution payable on the specified security, or in respect of any imputed, deemed or notional expenses calculated by reference to an amount of debt, equity or hybrid financing, including instruments which are neither debt nor equity financing to a tax which generally applies to income or profits (other than gains), received in that state, by persons, from sources outside that state where it would be reasonable to consider that—

(AA) the holding of the specified security by the non-resident person does not form part of any arrangement or scheme the main purpose, or one of the main purposes, of which is the avoidance of a liability to tax, and

(AB) where the non-resident person is a company, genuine economic activities, relevant to the holding of the specified security, are carried on by the non-resident person in any relevant Member State,

(IV) an IREF (within the meaning of Chapter 1B of Part 27), or

(V) an investment undertaking, other than an investment undertaking which would be a personal portfolio IREF (within the meaning of section 739M) if all references in that section to IREFs were references to investment undertakings, and references to IREF assets and IREF business were references to the assets and activities of that investment undertaking,

(ii) as on the creation of the specified security, would represent no more than a reasonable commercial return which is not dependent on the results of the qualifying company for the use of that

principal, or

(iii) from which tax has been properly deducted at the standard rate in force at the time of the payment in accordance with section 246(2) and such tax which has been properly deducted is not refundable.

(e) (i) Subject to subparagraph (ii), this subsection shall apply to accounting periods commencing on or after 6 September 2016.

(ii) Where the accounting period of a company begins before 6 September 2016 and ends after that date, for the purposes of this subsection, that accounting period shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 5 September 2016 and the other beginning on 6 September 2016 and ending on the date on which the accounting period ends.".

Amendment of Part 27 of Principal Act (unit trusts and offshore funds)

23. Part 27 of the Principal Act is amended—

(a) in section 739B(1) by substituting "In this Chapter, in Chapter 1B and in Schedules 2B and 2C" for "In this Chapter and in Schedule 2B",

(b) by inserting after Chapter 1A the following:

"CHAPTER 1B

Irish real estate funds

Interpretation

739K.(1) In this Chapter—

'accounting period' means the period for which an investment undertaking or sub-fund, as the case may be, makes up its accounts and subsections (2) and (3) of section 27 shall have application for the purposes of determining the accounting period of an investment undertaking or sub-fund;

'accrued IREF profits' means the IREF profits, including any retained IREF profits, that have arisen and accrued to a unit since that unit was acquired by the person who, on the happening of an IREF taxable event, is the unit holder;

'arrangement' includes any agreement, understanding, scheme, course of action, course of conduct, transaction or series of transactions;

'connected' has the meaning assigned to it in section 10;

'EEA state' means a state, not being a Member State or the State, which is a contracting party to the Agreement on the European Economic Area signed at Oporto on 2 May 1992 as adjusted by the Protocol signed at Brussels on 17 March 1993;

'income statement' means the profit and loss account, income statement or equivalent prepared in respect of an investment undertaking or sub-fund, as the case may be, in accordance with international accounting standards or alternatively in accordance with the generally accepted accounting practice specified in the investment undertaking's prospectus;

'IREF' means an investment undertaking or, where that investment undertaking is an umbrella scheme, a sub-fund of an investment undertaking—

(a) in which 25 per cent or more of the value of the assets at the end of the immediately preceding accounting period is derived directly or indirectly from IREF assets, or

(b) where paragraph (a) does not apply, it would be reasonable to consider that the main purpose, or one of the main purposes, of the investment undertaking or the sub-fund, as the case may be, was to acquire IREF assets or to carry on an IREF business,

other than an investment undertaking within the meaning of paragraph (b) of the definition of 'investment undertaking' in section 739B, and where this Chapter applies to a sub-fund of an umbrella scheme, for the purposes of the calculation, assessment and collection of any tax due under this Chapter, each sub-fund of such umbrella scheme shall be treated as a separate legal person;

'IREF assets' means one or more of the following held by an IREF:

(a) relevant assets (within the meaning of section 29(1A));

(b) shares in a REIT (within the meaning of Part 25A);

(c) shares deriving their value or the greater part of their value directly or indirectly from the assets referred to in paragraph (a) or (b), other than shares quoted on a stock exchange except as provided for in paragraph (b) of this definition;

(d) specified mortgages, other than those which—

(i) are issued by a qualifying company as part of a CLO transaction, a CMBS/RMBS transaction or a loan origination business (each within the meaning of section 110), or

(ii) form part of a loan origination business of the IREF, and any necessary amendments to the definition of 'loan origination' shall be made so that it applies to a business carried on by an IREF rather than a qualifying company;

(e) units in an IREF;

'IREF business' means activities involving IREF assets, the profits or gains of which, apart from section 739C, would be chargeable to

income tax, corporation tax or capital gains tax, including, but without limitation to the generality of the preceding words, activities which would be regarded as—

(a) dealing in or developing land, or

(b) a property rental business;

'IREF excluded profits' means—

(a) in relation to a unit holder in respect of which an IREF is not a personal portfolio IREF having regard to the IREF assets concerned (other than those referred to in paragraphs (b) to (e) of the definition of 'IREF assets')—

(i) any profits or gains as shown in the income statement of the IREF in relation to the disposal of those assets where—

(I) such asset was held by the IREF, or an investment undertaking of which the IREF is a sub-fund, for a period of at least 5 years from the date on which it was acquired, and

(II) the disposal of such asset would be a disposal of a chargeable asset for the purposes of capital gains tax or corporation tax on chargeable gains and would otherwise form part of relevant profits of the IREF which are not chargeable to tax under section 739C,

and

(ii) any unrealised profits or gains as shown in the income statement of the IREF in relation to those assets where the disposal of such asset would be a disposal of a chargeable asset for the purposes of capital gains tax or corporation tax on chargeable gains and would otherwise form part of relevant profits of the IREF which are not chargeable to tax under section 739C,

and where such asset was acquired through a transaction in respect of which relief was availed of under section 615 or 617, excluded profits shall be calculated with reference to the market value of the asset on its acquisition,

(b) in relation to shares, within the meaning of paragraph (c) of the definition of 'IREF assets', any distribution made in relation to those shares, and

(c) in relation to shares, within the meaning of paragraph (b) of the definition of 'IREF assets', any profits or gains other than property income dividends in relation to those shares;

'IREF profits' means the profits and gains of an IREF business as shown in the income statement of the IREF, any amount of the profits and gains realised on the disposal of an IREF asset (other than those

referred to in paragraphs (b) to (e) of the definition of 'IREF assets') not otherwise shown in the income statement and excluding IREF excluded profits;

'IREF taxable amount', in relation to an IREF taxable event and a unit holder, means an amount calculated in accordance with section 739L;

'IREF taxable event' in respect of a unit holder means—

(a) the making of a relevant payment,

(b) the cancellation, redemption or repurchase of units from a unit holder, including on a liquidation,

(c) any exchange by a unit holder of units in a sub-fund of an investment undertaking for units in another sub-fund of that investment undertaking,

(d) the issuing of units as paid-up, otherwise than by the receipt of new consideration,

(e) an IREF ceasing to be an IREF including on it ceasing to be an investment undertaking or on it ceasing to have 25 per cent of its value derived from IREF assets,

(f) the disposal of a unit by a unit holder, other than in circumstances that would give rise to an IREF taxable event under paragraph (b) or (c), or

(g) the sale or transfer of the right to receive any of the accrued IREF profit without the sale or transfer of the unit to which the accrued IREF profit relates or where the accrued IREF profit in respect of the unit becomes receivable otherwise than by the unit holder;

'IREF withholding tax', in relation to an IREF taxable event, means a sum representing income tax at a rate of 20 per cent on the IREF taxable amount;

'purchased IREF profits' means the IREF profits, including any retained IREF profits, which have arisen and accrued to a unit prior to that unit being acquired by the unit holder;

'relevant payment', means a payment including a distribution, whether in cash or non-cash, made to a unit holder by an IREF by reason of the rights conferred to the unit holder as a result of holding a unit or units in the IREF, other than a payment made in respect of the cancellation, redemption or repurchase of a unit;

'retained IREF profits' means the portion of the retained profits of the investment undertaking attributable to the IREF profits, and where those profits arose in an accounting period which commenced prior to 1 January 2017 or 20 October 2016, as the case may be, those profits shall be the profits which would be IREF profits if they arose in an

accounting period which commenced on or after that date;

'specified person' means a unit holder in respect of which a gain is not treated as arising to an investment undertaking on the happening of a chargeable event under subsection (6) (other than paragraphs (cc), (e), and (kb)), (7), (7A) (as it applies to a declaration made under subsection (6) or (7)), (7B) (as it applies to a declaration made under subsection (7) or (9)), (8), (8A), (8D), (8E), (9) or (9A) of section 739D, but shall not, subject to section 739M, include—

(a) a fund approved under section 774, 784(4) or 785(5), a PRSA within the meaning of section 787A, or a person exempt from income tax under section 790B,

(b) an investment undertaking,

(c) a company carrying on life business (within the meaning of section 706),

(d) a person who is exempt from—

(i) income tax under Schedule D by virtue of section 207(1)(b), or

(ii) corporation tax by virtue of section 207(1)(b) as it applies for the purposes of corporation tax under section 76(6),

(e) a credit union,

(f) a scheme, undertaking or company equivalent to those referred to in paragraphs (a) to (c), authorised by a Member State or an EEA state and subject to supervisory and regulatory arrangements at least equivalent to those applied to those schemes, undertakings or companies, as the case may be, in the State, or

(g) a qualifying company, within the meaning of section 110,

where the IREF is in possession of a valid declaration, in accordance with Schedule 2C, immediately before the IREF taxable event;

'TIN' has the meaning assigned to it in section 891F and includes a tax reference number as defined in section 891B;

'umbrella scheme' has the meaning given to it in section 739B.

(2) In calculating the portion of the value of assets of an investment undertaking or sub-fund attributable to IREF assets for the purposes of determining whether or not an investment undertaking or sub-fund is an IREF—

(a) account shall not be taken of any arrangement that—

(i) involves a transfer of assets, other than IREF assets, from a person connected with—

(I) the investment undertaking or sub-fund, as the case may be,

or

(II) a unit holder in the investment undertaking or sub-fund,

and

(ii) the main purpose or one of the main purposes of which is the avoidance of tax under this Chapter,

and

(b) regard shall be had to the gross value of the assets of which the IREF asset is part.

Calculating the IREF taxable amount

739L. The IREF taxable amount in relation to an IREF taxable event shall be calculated as:

$$A \times \frac{B}{C} - D$$

where—

A is the portion of the IREF taxable event which is attributable to the retained profits of the IREF,

B is the retained IREF profits,

C is the retained profits of the IREF, and

D is the purchased IREF profits not previously distributed by the IREF.

Anti-avoidance: multiple funds

739M.(1) In this Chapter—

'personal portfolio IREF' means an IREF under the terms of which some or all of the IREF assets or IREF business may be, or was, selected or influenced by—

(a) the unit holder,

(b) a person acting on behalf of the unit holder,

(c) a person connected with the unit holder,

(d) a person connected with a person acting on behalf of the unit holder,

(e) the unit holder and a person connected with the unit holder, or

(f) a person acting on behalf of both the unit holder and a person connected with the unit holder.

(2) For the purposes of subsection (1) and without prejudice to the application of that subsection, the terms of an IREF shall be treated as permitting the selection referred to in that subsection where—

(a) the terms of that IREF or any other agreement between any person

referred to in that subsection and that IREF—

(i) allow the exercise of an option by any person referred to in that subsection to make the selection referred to in that subsection,

(ii) gives that IREF discretion to offer any person referred to in that subsection the right to make the selection referred to in that subsection, or

(iii) allow any of the persons referred to in that subsection the right to request, subject to the agreement of that IREF, a change in those terms such that the selection referred to in that subsection may be made by any of those persons,

or

(b) the unit holder or any person connected with the unit holder has or had the option of requiring that IREF to appoint an investment advisor (regardless how such a person is described) in relation to the selection of IREF assets or business, or the conduct of the IREF business.

(3) A scheme, undertaking or company, as referred to in paragraphs (a) to (c) or (f) of the definition of 'specified person' in section 739K, shall be a specified person where—

(a) subject to section 739N, the IREF is a personal portfolio IREF in respect of the unit holder, or

(b) (i) that scheme, undertaking or company, as the case may be, would, if it was an IREF and if the holding of the units in the IREF was part of its IREF business, be regarded as a personal portfolio IREF in respect of any of its unit holders, and

(ii) it would be reasonable to consider that the investment in the IREF by the scheme, undertaking or company was part of a scheme or arrangement the main purpose, or one of the main purposes, of which was the avoidance of tax under this Chapter.

Anti-avoidance: multiple funds further measures

739N.(1) Where—

(a) an IREF would otherwise be a personal portfolio IREF in accordance with section 739M(3)(a), and

(b) the scheme, undertaking or company, as the case may be, in respect of which it is a personal portfolio IREF would not be a personal portfolio IREF under section 739M(3)(b)(i),

then the IREF shall not be considered to be a personal portfolio IREF in respect of the unit holder concerned.

(2) Where an IREF would only be a personal portfolio IREF of a unit holder in accordance with section 739M(3)(a) because of a scheme of

amalgamation to which section 739D(8C) applied, the IREF shall not be considered to be a personal portfolio IREF in respect of the unit holder concerned.

(3) Where an IREF would be a personal portfolio IREF of a unit holder in accordance with section 739M(3)(a) solely because a person connected with the unit holder may select or influence the IREF assets or IREF business where that connected person can not—

(a) be influenced by that unit holder in the exercise of their duties, or

(b) show any preference, or give any consideration, to that unit holder over and above any other unit holder,

then that IREF shall not be considered to be a personal portfolio IREF in respect of the unit holder concerned.

Tax arising on IREF taxable event

739O.(1) In this section a 'holder of excessive rights' means a person who is beneficially entitled, directly or indirectly, to at least 10 per cent of the units in an IREF.

(2) Notwithstanding any other provision of the Tax Acts—

(a) for the purposes of affording relief under an arrangement made with the government of a territory outside the State having the force of law under the procedures set out in section 826(1), the IREF taxable amount in respect of an IREF taxable event and a unit holder—

(i) who is a holder of excessive rights, is income from immovable property, and

(ii) who is not a holder of excessive rights, shall be treated as a dividend,

(b) in respect of a unit holder, the IREF taxable amount shall be chargeable to income tax under Case V of Schedule D and shall be treated as income—

(i) arising in the year of assessment in which the IREF taxable event occurs, and

(ii) against which no loss, deficit, expense or allowance may be set off,

(c) to the extent to which profits or gains of a basis period for a year of assessment consist of profits or gains to which paragraph (b) applies, those profits or gains—

(i) shall be chargeable to income tax for that year, subject to section 739Q, at the rate of 20 per cent, and

(ii) shall not be reckoned in computing total income for that year for

the purposes of the Income Tax Acts,

and

(d) the provisions of section 188, and the reductions specified in Part 2 of the Table to section 458 shall not apply as regards income tax so charged.

Withholding tax arising on IREF taxable event

739P. (1) On the happening of an event mentioned in paragraphs (a) to (e) of the definition of 'IREF taxable event' in respect of a specified person—

(a) the IREF shall deduct IREF withholding tax out of the IREF taxable amount,

(b) the specified person shall allow such deduction referred to in paragraph (a) on the receipt of the residue of the IREF taxable amount, and

(c) the IREF shall be acquitted and discharged of so much money as is represented by the deduction referred to in paragraph (a) as if that amount of money had actually been paid to the specified person.

(2) On the happening of an event mentioned in paragraph (d) of the definition of 'IREF taxable event' in respect of a specified person, to satisfy the requirements of paragraphs (a) and (b) of subsection (1), the IREF shall reduce the amount of the additional units to be issued to the specified person by such amount as will secure that the value at that time of the additional units issued to the specified person does not exceed an amount equal to the amount which the person would have received, after deduction of IREF withholding tax, if the person had received the value of the IREF taxable event in cash instead of in the form of additional units in the IREF.

(3) Where the IREF taxable event consists of a non-cash amount, the IREF—

(a) shall be liable to pay to the Collector-General an amount (which shall be treated for the purposes of this Chapter as if it were a deduction of IREF withholding tax in relation to an IREF taxable event) equal to the IREF withholding tax which, but for this subsection, would have been required to be deducted from the amount of the IREF taxable amount,

(b) shall be liable to pay that amount in the same manner in all respects as if it were the IREF withholding tax which, but for this subsection, would have been required to be deducted from the IREF taxable amount, and

(c) shall be entitled to recover a sum equal to that amount from the specified person as a simple contract debt in any court of competent jurisdiction.

(4) (a) Subject to paragraph (b), the amount of IREF withholding tax deducted in respect of a unit holder in accordance with this section shall be treated as a payment on account of the income tax chargeable on that unit holder on that IREF taxable event for that year of assessment and where that payment on account equals the income tax payable under section 739O, that unit holder shall not, in respect of the IREF taxable event, be regarded as a chargeable person within the meaning of Part 41A.

(b) Where IREF withholding tax is paid in accordance with subsection (3), the unit holder shall not be entitled to treat the IREF withholding tax as a payment on account until such time as the debt to the IREF is repaid.

(5) Other than as provided for in section 739Q, no repayment of any IREF withholding tax shall be made to any person receiving or entitled to the IREF taxable amount.

Repayment of IREF withholding tax

739Q.(1) In this section, 'relevant person' means a specified person, who during an accounting period was subject to withholding tax on an IREF taxable event and would but for section 739P be entitled to a repayment of tax.

(2) Notwithstanding section 739P(5) and subject to section 739T, repayment of withholding tax in respect of an IREF taxable event shall be made to a relevant person to the extent provided for in an arrangement made with the government of a territory outside the State having the force of law under the procedures set out in section 826(1) and the rate of tax specified in section 739O(2)(c) shall be the rate applicable pursuant to the relevant arrangement.

(3) Notwithstanding section 739P(5), where a scheme, undertaking or company, as referred to in paragraphs (a) to (c) or (f) of the definition of 'specified person', can prove—

(a) that it has indirectly invested in units of an IREF,

(b) that the IREF would not be regarded as a personal portfolio IREF of that scheme, undertaking or company, and

(c) that an amount of withholding tax was operated on an IREF taxable event to which it is indirectly entitled which is not otherwise repayable,

then that scheme, undertaking or company, as the case may be, shall be entitled to a refund of withholding tax as if the units concerned were directly held and to make a claim to the Revenue Commissioners for repayment of that withholding tax in the form prescribed by the Revenue Commissioners and the rate of tax specified in section 739O(2)(c) shall be reduced accordingly.

(4) For the purposes of section 865(2) the return made by the IREF under section 739R shall be deemed to be a return made by the unit holder for the purposes of an assessment to tax.

Returns, payment and collection of IREF withholding tax

739R.(1) Notwithstanding any other provision of the Tax Acts, this section shall apply for the purposes of regulating the time and manner in which IREF withholding tax shall be accounted for and paid.

(2) An IREF shall for each accounting period make to the Collector-General a return, in accordance with subsections (3) and (4), of the IREF withholding tax in connection with an accounting period—

(a) which ends on or before 30 June in a financial year, within 30 days of 31 December of that year, and

(b) which ends between 1 July and 31 December, within 30 days of 30 June of the following year.

(3) The IREF withholding tax which is required to be included in a return referred to in subsection (2) shall be due at the time by which the return is to be made and shall be paid by the IREF to the Collector-General and subsections (3) to (9) of section 739F shall apply to IREF withholding tax, with any required modifications, as they apply to the appropriate tax.

(4) The return referred to in subsection (2) shall contain the following details:

(a) the name and tax reference number of the IREF in respect of which the IREF taxable event occurred;

(b) the name, address, TIN and unit holding of each unit holder in respect of whom the IREF taxable event happened;

(c) the date on which the IREF taxable event occurred;

(d) the amount of the IREF taxable event for each unit holder;

(e) the amount of IREF withholding tax (if any) in relation to the IREF taxable event deducted by the IREF in respect of each unit holder.

Statement to be given to recipients on the making of an IREF relevant payment

739S. (1) Every IREF shall, at the time of the IREF taxable event (within the meaning of paragraphs (a) to (e) of the definition of 'IREF taxable event'), give the unit holder a statement in writing, or by means of electronic communications, specifying the following details:

(a) the name and address of the IREF;

(b) the name and address of the unit holder;

(c) the date the IREF taxable event occurred;

(d) the IREF taxable amount;

(e) the amount of the IREF withholding tax deducted in relation to the IREF taxable event.

(2) Section 152(2) shall apply to the failure by an IREF to comply with this section, with any necessary modifications.

Deduction from consideration on the disposal of certain units

739T. (1) This section—

(a) applies on the happening of an event specified in paragraph (f) or (g) of the definition of 'IREF taxable event', and

(b) shall not apply where the amount or value of any consideration payable in relation to the happening of such an IREF taxable event does not exceed the sum of €500,000; but where the taxable event involves a disposal, sale or transfer by the unit holder in parts—

(i) to the same person, or

(ii) to persons who are acting in concert or who are connected persons,

whether on the same or different occasions, the several disposals, sales or transfers shall, for the purposes of this paragraph, be treated as a single disposal, sale or transfer.

(2) On payment of any consideration in relation to the happening of an IREF taxable event to which this section applies—

(a) the person by or through whom any such payment is made shall deduct from that payment a sum representing an amount of income tax equal to 20 per cent of that payment,

(b) the person to whom the payment is made shall allow such deduction on receipt of the residue of the payment, and

(c) the person making the deduction shall, on proof of payment to the Revenue Commissioners of the amount so deducted, be acquitted and discharged of so much money as is represented by the deduction as if that sum had been actually paid to the person making the disposal.

(3) (a) Notwithstanding any other provision of the Tax Acts, this subsection shall apply for the purposes of regulating the time and manner in which the withholding tax deducted under this section shall be accounted for and paid.

(b) The person who was required to deduct the withholding tax under this section shall, within 30 days of the date of the IREF taxable event, deliver to the Revenue Commissioners an account of the IREF taxable event and of the amount deducted.

(c) The account referred to in paragraph (b) shall contain details of the following:

(i) the name and tax reference number of the IREF in respect of which the IREF taxable event occurred;

(ii) the name, address, TIN and unit holding of the unit holder in respect of whom the IREF taxable event occurred;

(iii) the date on which the IREF taxable event occurred;

(iv) the amount of the consideration paid or payable to the unit holder;

(v) the amount of withholding tax deducted under this section.

(d) Income tax which by virtue of this section is payable by a person shall—

(i) be payable by that person in addition to any income tax which by virtue of any other provision of the Tax Acts is payable by that person,

(ii) be due within 30 days of the IREF taxable event, and

(iii) be payable by that person without the making of an assessment.

(e) Where, in relation to any payment of withholding tax referred to in paragraph (b), any person has made default in delivering an account required by this section, or where the Revenue officer is not satisfied with the account, the officer may estimate the amount of the payment to the best of his or her judgment and, notwithstanding section 18, may assess and charge that person to income tax for the year of assessment in which the payment was made on the amount so estimated at the rate of 20 per cent.

(4) The amount of withholding tax deducted in respect of a unit holder in accordance with this section shall be treated as a payment on account of the income tax chargeable on that unit holder on that IREF taxable event for that year of assessment.

(5) Repayment of withholding tax deducted in respect of a unit holder in accordance with this section in respect of an IREF taxable event shall be made to a relevant person, within the meaning of section 739Q, to the extent provided for in an arrangement made with the government of a territory outside the State having the force of law under the procedures set out in section 826(1) and the rate of tax in section 739O(2)(c) shall be the rate applicable pursuant to the relevant arrangement.

(6) A claim for repayment of any withholding tax deducted under this section which is in excess of the income tax chargeable on the IREF taxable event under section 739O shall be made by the unit holder in a

return, made in accordance with Part 41A, and no other repayment of any amount of such withholding tax shall be made.

Retention and examination of documentation

739U. (1) An IREF shall keep and retain declarations made to it in accordance with Schedule 2C for a period of 6 years from the time the unit holder of the units in respect of which the declaration was made ceases to be such a unit holder.

(2) An IREF shall, on being so required by notice in writing given to the IREF by the Revenue Commissioners, make available to the Revenue Commissioners, within the time specified in the notice—

(a) all declarations, certifications or notifications which have been made or, as the case may be, given to the IREF in accordance with Schedule 2C, or

(b) such class or classes of such declarations, certificates or notifications as may be specified in the notice.

(3) The Revenue Commissioners may examine or take extracts from or copies of any declarations, certificates or notifications made available to the Revenue Commissioners under subsection (2).

Transfer of IREF business to a company

739V. (1) In this section—

'the Acts' means the Tax Acts and the Capital Gains Tax Acts;

'specified company' means a company that is formed under the laws of, and is registered in, a Member State or an EEA state;

'transferred business' means the IREF business, the IREF assets and any assets ancillary to the IREF business referred to in subsection (2)(a)(i) or (ii), as the case may be.

(2) This section applies—

(a) where an investment undertaking—

(i) transfers the whole of its IREF business and its IREF assets, including any assets ancillary to the IREF business, or

(ii) which carries out activities which would be regarded as dealing in or developing land and other IREF business, transfers the part of its IREF business and its IREF assets, including any assets ancillary to the IREF business, that relate to dealing in or developing land,

to a specified company which is within the charge to corporation tax in respect of the transferred business and the charge to capital gains tax in respect of any IREF assets the disposal of which would not be within the charge to corporation tax,

(b) (i) where shares in the specified company are issued to the unit holders in the investment undertaking in respect of and in proportion to (or as nearly as may be in proportion to) their unit holdings in the investment undertaking,

(ii) all of the shares issued are ordinary shares with equal rights, and

(iii) the investment undertaking receives no part of the consideration for the transfer referred to in paragraph (a) (otherwise than by the specified company taking over the whole or part of the liabilities of its business),

(c) where upon completion of the transfer referred to in paragraph (a), the investment undertaking has no assets that relate to the transferred business,

(d) where the shares concerned are issued on or before 1 July 2017, and

(e) where the investment undertaking does not carry on any business similar to the transferred business after the date of such transfer referred to in paragraph (a).

(3) Subject to subsection (4), for the purpose of the Acts, in respect of a transfer to which this section applies—

(a) the investment undertaking shall be deemed to have disposed of all assets in use for the purposes of the transferred business for the value at which they are carried in the accounts,

(b) the specified company—

(i) shall be deemed, as if it had been in existence since the commencement of the transferred business by the investment undertaking, in relation to the transferred business up to the date of transfer—

(I) to have carried out all activities, incurred all expenses, acquired all assets, borrowed all monies, and monies borrowed at or about the time of the purchase of premises shall be treated as having been employed in the purchase of those premises, and earned all profits and incurred all losses of the investment undertaking, and

(II) to have made all such claims for any allowances, deductions and reliefs as it would have been entitled to had it carried on the transferred business since its commencement,

and shall, after the date of transfer, be subject to tax under the Acts as if it had carried out all transactions carried out by the investment undertaking prior to the transfer, and

(ii) for the purpose of the Capital Gains Tax Acts shall be treated as

if any assets included in the transfer were acquired by the specified company on the date of transfer for consideration equal to the value of the assets in the accounts of the investment undertaking,

and

(c) the unit holder shall not be treated as having disposed of the units or as having acquired the shares or any part of them, but the units (taken as a single asset) and the shares (taken as a single asset) shall be treated as the same asset acquired as the units were acquired.

(4) For the purposes of this Chapter, the transfer shall constitute an IREF taxable event but the investment undertaking, a unit holder and the specified company may jointly elect that the tax due under sections 739O and 739P becomes due and payable on the earlier of—

(a) a date not later than 60 days after the disposal of the shares in the specified company,

(b) the tenth anniversary of the date of the transfer,

(c) the appointment of a liquidator to the specified company, or

(d) the specified company ceasing to be resident, under the law of a Member State or an EEA state, in that territory for the purposes of tax,

and the specified company shall, not later than 21 days after the date of the end of each of the calendar years which follow the year in which the transfer occurs, deliver a statement to the Revenue Commissioners, in the prescribed form, providing such information as may be required for the purposes of this subsection.

(5) Any instrument giving effect to a transfer to which this section applies shall not be chargeable to stamp duty under the Stamp Duties Consolidation Act 1999.

Transfer of IREF business to a REIT

739W.(1) In this section—

'property rental business' has the meaning assigned to it by Part 25A;

'qualifying REIT' means a company which was not a REIT prior to giving the notice referred to in subsection (2)(a);

'REIT' has the meaning assigned to it in Part 25A;

'transferred business' means the IREF business, the IREF assets and any assets ancillary to the IREF business referred to in subsection (2)(b).

(2) This section applies—

(a) where notice is given to the Revenue Commissioners under section 705E specifying a date not later than 31 December 2017 in respect of a company which is to carry on the property rental business previously carried on as part of the IREF property business of an IREF,

(b) where that IREF transfers the whole of its property rental business to the qualifying REIT referred to in paragraph (a),

(c) (i) where ordinary shares in the qualifying REIT are issued to the unit holders in the IREF in respect of and in proportion to (or as nearly as may be in proportion to) their unit holdings in the IREF, and

(ii) where the IREF receives no part of the consideration for the transfer referred to in paragraph (b) (otherwise than by the qualifying REIT taking over the whole or part of the liabilities of the property rental business transferred),

(d) where the shares concerned are issued on or before 31 December 2017, and

(e) where the IREF does not carry on any business similar to the transferred business after the date of transfer referred to in paragraph (b).

(3) In respect of a transfer to which this section applies, for the purpose of the Capital Gains Tax Acts the unit holder shall not be treated as having disposed of the units or as having acquired the shares or any part of them, but the units (taken as a single asset) and the shares (taken as a single asset) shall be treated as the same asset acquired as the units were acquired.

(4) For the purposes of Part 25A and Chapters 1A and 1B of Part 27—

(a) the IREF shall be treated as having disposed of, and

(b) the qualifying REIT shall, notwithstanding section 705L(1), be treated as having acquired,

all assets and liabilities of the transferred business for consideration equal to the value of those assets and liabilities in the accounts of the investment undertaking.

(5) For the purposes of this Chapter, the transfer referred to in subsection (2) shall constitute an IREF taxable event but the IREF, the unit holder and the qualifying REIT may jointly elect that the tax due under sections 739O and 739P becomes due and payable on the earlier of—

(a) a date not later than 60 days after the disposal of the shares in the qualifying REIT,

(b) the tenth anniversary of the date of the transfer,

(c) the appointment of a liquidator to the qualifying REIT, or

(d) the company ceasing to be a REIT,

and the qualifying REIT shall, not later than 21 days after the date of the end of each of the calendar years which follow the year in which the transfer occurs, deliver a statement to the Revenue Commissioners, in the prescribed form, providing such information as may be required for the purposes of this subsection.

(6) Any instrument giving effect to a transfer to which this section applies shall not be chargeable to stamp duty under the Stamp Duties Consolidation Act 1999.

Application of this Chapter

739X. This Chapter shall apply to—

(a) accounting periods commencing on or after 1 January 2017, or

(b) where an investment undertaking's immediately preceding accounting period ended on or after 31 December 2015 and a decision was made after 20 October 2016 to change the accounting period such that paragraph (a) would not apply, that accounting period commencing on or after 20 October 2016.",

and

(c) by inserting the following after Schedule 2B:

"SCHEDULE 2C

Sections 739B, 739K and 739U

IRISH REAL ESTATE FUNDS: DECLARATIONS

Interpretation

1. In this Schedule—

'appropriate person', in relation to a pension scheme, means—

(a) in the case of an exempt approved scheme (within the meaning of section 774), the administrator (within the meaning of section 770) of the scheme,

(b) in the case of a retirement annuity contract to which section 784 or 785 applies, the person lawfully carrying on in the State the business of granting annuities on human life with whom the contract is made, and

(c) in the case of a trust scheme to which section 784 or 785 applies, the trustees of the trust scheme;

'IREF declaration', in relation to a person means the declaration that that person would be required to make under section 739K and Schedule 2C.

Declaration of pension scheme

2. The declaration referred to in section 739K, in respect of a pension scheme referred to in paragraph (a) or (f) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') entitled to the units in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that, at the time when the declaration is made, the person entitled to the units is a pension scheme,

(e) contains the name, address and TIN of the pension scheme,

(f) contains a certificate by the appropriate person in relation to the pension scheme that, to the best of that person's knowledge and belief, the declaration made in accordance with subparagraph (d) and the information furnished in accordance with subparagraph (e) are true and correct,

(g) contains a certificate by the declarer stating whether or not the unit holder is a specified person after the application of section 739M,

(h) attaches, where the scheme is one to which paragraph (f) of the definition of 'specified person' applies, supporting documentation evidencing equivalence,

(i) contains an undertaking by the declarer that if the scheme becomes a specified person, the declarer will notify the IREF accordingly, and

(j) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of PRSA Administrator

3. The declaration referred to in section 739K, in respect of a PRSA referred to in paragraph (a) or (f) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by a PRSA administrator (in this paragraph referred to as the 'declarer') in respect of units which are assets in a PRSA,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by

the Revenue Commissioners,

(d) declares that, at the time when the declaration is made, the units in respect of which the declaration is made—

(i) are assets of a PRSA, and

(ii) are managed by the declarer for the individual who is beneficially entitled to the units,

(e) contains the name, address and TIN of the individual referred to in subparagraph (d),

(f) contains an undertaking by the declarer that if the units cease to be assets of the PRSA, including a case where the units are transferred to another PRSA, the declarer will notify the IREF accordingly,

(g) contains a certificate by the declarer stating whether or not the unit holder is a specified person after the application of section 739M,

(h) attaches, where the PRSA is one to which paragraph (f) of the definition of 'specified person' applies, supporting documentation evidencing equivalence,

(i) contains an undertaking by the declarer that if the PRSA becomes a specified person, the declarer will notify the IREF accordingly, and

(j) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of investment undertaking

4. The declaration referred to in section 739K, in respect of an investment undertaking referred to in paragraph (b) or (f) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') entitled to the units in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that, at the time the declaration is made, the person entitled to the units is an investment undertaking,

(e) contains the name, address and TIN of the investment undertaking,

(f) contains a certificate by the declarer stating whether or not the unit holder is a specified person after the application of section 739M,

(g) attaches, where the undertaking is one to which paragraph (f) of the definition of 'specified person' applies, supporting documentation evidencing equivalence,

(h) contains an undertaking by the declarer that if the investment undertaking becomes a specified person, the declarer will notify the IREF accordingly, and

(i) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of company carrying on life business

5. The declaration referred to in section 739K, in respect of a life assurance company referred to in paragraph (c) or (f) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') entitled to the units in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that, at the time when the declaration is made, the person entitled to the units is a company carrying on life business within the meaning of Part 26,

(e) contains the name, address and TIN of the company,

(f) contains a certificate by the declarer stating whether or not the unit holder is a specified person after the application of section 739M,

(g) attaches, where the company is one to which paragraph (f) of the definition of 'specified person' applies, supporting documentation evidencing equivalence,

(h) contains an undertaking by the declarer that if the company becomes a specified person, the declarer will notify the IREF accordingly, and

(i) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of Charity

6. The declaration referred to in section 739K, in respect of a charity referred to in paragraph (d) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') entitled to the units in respect of which the undertaking is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that, at the time when the declaration is made, the person entitled to the units is a person who—

(i) is exempt from income tax under schedule D by virtue of section 207(1)(b), or

(ii) is exempt from corporation tax by virtue of section 207(1)(b) as it applies for the purposes of corporation tax under section 76(6),

(e) contains the name, address and TIN of that person,

(f) contains a statement that at the time when the declaration is made the units in respect of which the declaration is made are held for charitable purposes only and—

(i) form part of the assets of a body of persons or trust treated by the Revenue Commissioners as a body or trust established for charitable purposes only, or

(ii) are, according to the rules or regulations established by statute, charter, decree, deed of trust or will, held for charitable purposes only and are so treated by the Revenue Commissioners,

(g) contains an undertaking by the declarer that if the person mentioned in subparagraph (d) ceases to be a person referred to in subparagraph (d), the declarer will notify the IREF accordingly, and

(h) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of Credit Unions

7. The declaration referred to in section 739K, in respect of a credit union referred to in paragraph (e) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') who is entitled to the units in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) contains the name, address and TIN of the declarer,

(e) declares that at the time when the declaration is made the person entitled to the units is a credit union, and

(f) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.

Declaration of qualifying company

8. The declaration referred to in section 739K, in respect of a qualifying company referred to in paragraph (g) of the definition of 'specified person', is a declaration in writing to the IREF which—

(a) is made by the person (in this paragraph referred to as the 'declarer') who is entitled to the units in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) contains the name, address and TIN of the declarer,

(e) declares that at the time when the declaration is made the person entitled to the units is a qualifying company, and

(f) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1B of Part 27.".

CHAPTER 5

Corporation Tax

Amendment of section 891H of Principal Act (country-by-country reporting)

24. (1) Section 891H of the Principal Act is amended—

(a) by substituting the following for subsection (1):

"(1) In this section—

'constituent entity', 'MNE group', 'qualifying competent authority agreement', 'surrogate parent entity', 'systemic failure' and 'ultimate

parent entity' have the meanings given to them respectively by Article 1 of the OECD model legislation;

'competent authority' means a competent authority for the purposes of a qualifying competent authority agreement;

'country-by-country report', in relation to an MNE group, means a report that contains the information set out in subsection (4);

'domestic constituent entity' means a constituent entity, that is resident for the purposes of tax in the State, but does not include—

(a) an ultimate parent entity,

(b) a surrogate parent entity, or

(c) an EU designated entity;

'equivalent country-by-country report' means a country-by-country report but only to the extent the information required to be included in that report is within the possession of, or is obtained or acquired by, a domestic constituent entity;

'EU designated entity' means a constituent entity of an MNE group, not being an ultimate parent entity or surrogate parent entity, that—

(a) is resident in a Member State for tax purposes, and

(b) has been designated as an entity by that MNE group to provide a country-by-country report on behalf of all constituent entities of the MNE group resident for tax purposes in a Member State;

'fiscal year' means an annual accounting period, or any such shorter accounting period, with respect to which the ultimate parent entity of the MNE group prepares its financial statements;

'income tax' means income tax or corporation tax or any foreign tax that corresponds to income tax or corporation tax in the State;

'OECD' means the Organisation for Economic Co-operation and Development;

'OECD model legislation' means the Model Legislation Related to Country-by-Country Reporting contained in Annex IV to Chapter V of the OECD Report of 2015;

'OECD Report of 2015' means the 'Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 – 2015 Final Report' published by the OECD on 5 October 2015;

'reporting entity' has the meaning given to it by Article 1 of the OECD model legislation and shall be deemed to include an EU designated entity;

'TIN' means a unique identification number allocated to a constituent

entity by a jurisdiction for the purposes of income tax and, in relation to the State, means a tax reference number within the meaning of section 885.",

(b) in subsection (4)(b)(i) by inserting "and TIN" after "identification",

(c) by substituting the following for subsection (6):

"(6) Regulations made under this section may, in particular—

(a) make provision for a surrogate parent entity or an EU designated entity, as the case may be, to provide a country-by-country report to the Revenue Commissioners,

(b) make provision for a domestic constituent entity to provide a country-by-country report or an equivalent country-by-country report to the Revenue Commissioners,

(c) determine the date by which a surrogate parent entity or an EU designated entity is required to provide a country-by-country report, or a domestic constituent entity is required to provide a country-by-country report or an equivalent country-by-country report, as the case may be, to the Revenue Commissioners,

(d) make provision to amend the information to be included in an equivalent country-by-country report required to be provided by a domestic constituent entity,

(e) require an ultimate parent entity, a surrogate parent entity, an EU designated entity or a domestic constituent entity, as the case may be, to notify the Revenue Commissioners within the period specified, and in such manner as is specified, that the ultimate parent entity, surrogate parent entity, EU designated entity or domestic constituent entity, as the case may be, are such entities,

(f) require a domestic constituent entity to notify the Revenue Commissioners, within the period specified, and in such manner as is specified, of the identity and jurisdiction of tax residence of the reporting entity,

(g) provide for the serving of a notice to a domestic constituent entity that there has been a systemic failure by the state of tax residence of the ultimate parent entity,

(h) specify and modify, as required, the manner and form in which a country-by-country report or an equivalent country-by-country report is to be provided,

(i) make provision as to how information contained in a country-by-country report or an equivalent country-by-country report is to be used,

(j) make provision for preserving the confidentiality of the information

contained in a country-by-country report or an equivalent country-by-country report,

(k) require a domestic constituent entity of an MNE group to request from the ultimate parent entity of that MNE group all the information required to complete a country-by-country report for the MNE group and, where the ultimate parent entity refuses to so provide all of the required information, require that domestic constituent entity to notify the Revenue Commissioners of that refusal within such period and in such manner as may be specified, and

(l) contain such supplemental and incidental matters as appear to the Revenue Commissioners to be necessary—

(i) to enable entities to fulfil their obligations under this section or regulations made under this section, and

(ii) for the operation, administration and implementation of this section or regulations made under this section.",

(d) in subsection (7)—

(i) in paragraph (a) by inserting "or an equivalent country-by-country report" after "country-by-country report", and

(ii) in paragraph (b) by substituting "incorrect country-by-country report or equivalent country-by-country report, or an incomplete country-by-country report," for "incorrect or incomplete country-by-country report",

(e) in subsection (8)—

(i) in paragraph (a) by inserting "or an equivalent country-by-country report" after "country-by-country report",

(ii) in paragraph (b)(ii) by inserting "or equivalent country-by-country report, as the case may be," after "country-by-country report", and

(iii) in paragraph (c)(ii) by inserting "or an equivalent country-by-country report" after "country-by-country report",

and

(f) in subsection (10) by inserting ", in relation to a state other than a Member State," after "provided that".

(2) This section applies as respects accounting periods ending on or after the date of the passing of this Act.

Amendment of Part 38 of Principal Act (returns of income and gains, other obligations and returns, and Revenue powers)

25. (1) Part 38 of the Principal Act is amended by inserting the following section after section 891G:

"Disclosure of certain information for the purposes of administrative cooperation in the field of taxation

891GA. (1) This section provides for the disclosure by the competent authority of information connected with or supplementing the information required to be exchanged under the Regulations.

(2) In this section—

'advance cross-border ruling' has the same meaning as it has in the Directive;

'advance pricing arrangement' has the same meaning as it has in the Directive;

'competent authority' means the Revenue Commissioners acting as the competent authority for the purposes of the Directive;

'Directive' means Council Directive 2011/16/EU of 15 February 2011[7] on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as amended by Council Directive 2014/107/EU of 9 December 2014[8] and Council Directive (EU) 2015/2376 of 8 December 2015[9];

'exchange information' means the information described in Article 8a of the Directive that is required to be communicated by the competent authority under the Regulations;

'Regulations' means the European Union (Administrative Cooperation in the Field of Taxation) Regulations 2012;

'relevant instrument' means an advance cross-border ruling or an advance pricing arrangement.

(3) The competent authority may, when providing exchange information in respect of a relevant instrument, provide the following information connected with or supplementary to that exchange information:

(a) the reference, if any, assigned by the Revenue Commissioners to the relevant instrument;

(b) where the relevant instrument is related to or connected with any other relevant instrument, information for the purpose of identifying that other relevant instrument;

(c) in respect of a person to whom the relevant instrument relates, that person's—

(i) main business activity,

(ii) annual turnover, and

(iii) annual profits or losses;

7 OJ No. L64, 11.3.2011, p.1
8 OJ No. L359, 16.12.2014, p.1
9 OJ No. L332, 18.12.2015, p.1

(d) whether an address provided in respect of a person is that person's—

(i) business address,

(ii) legal address, or

(iii) other form of address;

(e) in respect of an advance pricing arrangement which uses more than one transfer pricing methodology, an explanation as to why more than one methodology was used; and

(f) such other information as may be specified in a standard form adopted by the European Commission for the purpose of complying with its obligations under Article 20(5) of the Directive.

(4) The competent authority may delegate to any of its officers any of the functions to be performed by the competent authority under this section.".

(2) *Subsection (1)* comes into operation on such day as the Minister for Finance may appoint by order.

Chapter 6

Capital Gains Tax

Amendment of section 597AA of Principal Act (revised entrepreneur relief)

26. (1) Section 597AA of the Principal Act is amended in subsection (3) by substituting "10 per cent" for "20 per cent".

(2) This section applies to disposals made on or after 1 January 2017.

Non-resident trusts

27. The Principal Act is amended in Chapter 3 of Part 19—

(a) in section 579 by substituting the following for subsection (6):

"(6) This section shall not apply—

(a) in relation to a loss accruing to the trustees of the settlement, or

(b) where it is shown to the satisfaction of the Revenue Commissioners that the settlement was established for *bona fide* commercial reasons and did not form part of an arrangement of which the main purpose or one of the main purposes was the avoidance of liability to capital gains tax.",

and

(b) in section 579A by inserting the following after subsection (9):

"(9A) This section shall not apply where it is shown to the satisfaction of the Revenue Commissioners that the settlement was established for *bona fide* commercial reasons and did not form part of an arrangement of which the main purpose or one of the main purposes was the avoidance of liability to capital gains tax.".

Amendment of section 598 of Principal Act (disposals of business or farm on "retirement")

28. (1) Section 598(3A) of the Principal Act is amended by substituting "the Minister for Agriculture, Food and the Marine in accordance with Regulation (EU) No. 508/2014 of the European Parliament and of the Council of 15 May 2014[10]" for "the Minister for Agriculture, Fisheries and Food in accordance with Council Regulation (EC) No. 1198/2006 of 27 July 2006".

(2) This section shall come into operation on such day as the Minister for Finance, with the consent of the Minister for Agriculture, Food and the Marine, may, by order, appoint.

Amendment of section 604B of Principal Act (relief for farm restructuring)

29. Section 604B(1)(a) is amended in the definition of "relevant period" by substituting "31 December 2019" for "31 December 2016".

Amendment of section 613 of Principal Act (miscellaneous exemptions for certain kinds of property)

30. (1) The Principal Act is amended in section 613 by substituting the following for subsection (7):

"(7) (a) No chargeable gain shall arise on the receipt of an amount of compensation in money or money's worth under the Cessation of Turf Cutting Compensation Scheme or the Protected Raised Bog Restoration Incentive Scheme administered by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, relating to—

(i) a European Site (within the meaning of Regulation 2 of the European Communities (Birds and Natural Habitats) Regulations 2011 (S.I. No. 477 of 2011)) that contains raised bog,

(ii) a Natural Heritage Area (within the meaning of section 2 of the Wildlife Act 1976 (No. 39 of 1976)) that contains raised bog, or

(iii) any other lands which, in the opinion of the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, are necessary to achieve the restoration of a European Site or Natural Heritage Area, referred to in subparagraph (i) or (ii).

10 OJ No. L149, 20.5.2014, p.1

(b) Any amount paid under the Protected Raised Bog Restoration Incentive Scheme for the voluntary purchase of land or under a management agreement within the meaning of Regulation 2 of the European Communities (Birds and Natural Habitats) Regulations 2011 shall be deemed to be an amount of compensation for the purposes of paragraph (a).".

(2) This section shall apply to amounts of compensation received on or after 1 October 2016 under the Schemes referred to in *subsection (1)*.

PART 2

Excise

Amendment of Chapter 1 of Part 2 of Finance Act 2001 (interpretation, liability and payment)

31. Chapter 1 of Part 2 of the Finance Act 2001 is amended—

(a) in section 96(1), in paragraph (a) of the definition of "registered consignee", by substituting "section 109IA" for "section 109J(3)", and

(b) by substituting the following for section 109A—

"Authorisation of registered consignors

109A. (1) In this section—

'applicant' means a person who has applied in writing for authorisation under subsection (2);

'authorised' means authorised as a registered consignor under this section;

'conditions of authorisation' means the conditions referred to in subsection (2)(c).

(2) The Commissioners may, under this section, authorise a person, who has applied to them in writing, as a registered consignor—

(a) for consignments of specific types of excisable products,

(b) in respect of a premises or place, and

(c) for such period, and subject to such conditions as they may think fit to impose in any particular case.

(3) The granting to, or the holding by, an applicant or holder, as the case may be, of an authorisation shall be conditional on the applicant or registered consignor complying with excise law in relation to excisable products, including the requirements of this Chapter relating to the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates.

(4) The Commissioners shall grant an authorisation under subsection (2) only where it is shown to their satisfaction that—

(a) the applicant can satisfy the conditions of authorisation,

(b) the business activity to be carried out under the authorisation is to be undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(c) the activity to be carried out under the authorisation will be conducted solely for the benefit of the applicant,

(d) the systems (including the accounting and stock control systems) and procedures of the business to which the application for the authorisation relates will provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, and

(e) the premises or place in respect of which the authorisation is to be granted is suitable for the security of excisable products.

(5) The Commissioners shall not grant an authorisation where the applicant or, where the applicant is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company—

(a) has, in the 10 years prior to the date of the application for the authorisation, been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) does not hold a current tax clearance certificate issued under section 1094 of the Taxes Consolidation Act 1997, or

(c) has been authorised previously as—

(i) a registered consignor under this section,

(ii) an authorised warehousekeeper under section 109, or

(iii) a registered consignee under section 109IA,

where there has been a contravention of, or a failure to comply with, the conditions of that previous authorisation and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied.

(6) The details of an authorisation granted under subsection (2), including the conditions of authorisation, shall be set down in a document, referred to in this section as an ‘authorisation document’.

(7) An authorisation document shall be signed by the applicant and by an officer, and it shall, unless another date is specified, be effective from the later of—

(a) the date on which it is signed by the applicant, and

(b) the date on which it is signed by the officer.

(8) Before any excisable products are consigned by a registered consignor, that registered consignor shall provide security, valid throughout the European Union, at a level specified in the authorisation document, for the excise duty on such consignment.

(9) A registered consignor shall inform an officer of any changes or proposed changes that are relevant to the conditions of authorisation.

(10) The Commissioners may at any time, following such notice as is reasonable in the circumstances, vary the conditions of authorisation.

(11) Where a registered consignor is a company, the authorisation shall expire immediately upon a change of control, within the meaning of section 11 of the Taxes Consolidation Act 1997, of such company.

(12) (a) Where a registered consignor has ceased, or intends to cease, carrying out the activities for which an authorisation was granted to it, it shall—

(i) where the registered consignor has ceased carrying out those activities, notify the Commissioners in writing of the date those activities ceased, and

(ii) where the registered consignor intends to cease carrying out those activities, notify the Commissioners in writing of that intention and the date on which the registered consignor intends to cease to carry out those activities.

(b) An authorisation granted to a registered consignor under this section shall stand revoked from such date as is specified in a notification given to the Commissioners in accordance with paragraph (a).

(13) An authorisation under this section is at all times subject to the conditions of authorisation, and the Commissioners may revoke an authorisation where—

(a) the registered consignor or, where the registered consignor is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company has in the preceding 10 years been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member

State,

(b) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, a requirement of excise law in relation to the excisable products for which the authorisation was granted by—

(i) the registered consignor, or

(ii) where the holder of the authorisation is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company,

and the registered consignor or the person referred to in subparagraph (ii), as the case may be, has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(c) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, any of the conditions of authorisation by the registered consignor and the registered consignor has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(d) the registered consignor, when applying for that authorisation, provided information that was false or misleading in a material respect,

(e) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(f) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is conducted solely for the benefit of the registered consignor,

(g) the registered consignor does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, or

(h) the registered consignor does not, when required to do so by the Commissioners, show to their satisfaction that the premises or place in respect of which the authorisation was granted is suitable for the security of those excisable products.

(14) Where the Commissioners propose to revoke an authorisation under

this section, they shall notify the registered consignor concerned in writing of their intention, and afford such registered consignor a period of at least 15 working days from the date of that notification to make representations to them in relation to the matter.".

Amendment of Chapter 2A of Part 2 of Finance Act 2001 (intra-European Union movement under a suspension arrangement)

32. Chapter 2A of Part 2 of the Finance Act 2001 is amended—

(a) in section 109B, in the definition of "temporary registered consignee", by substituting "authorisation is limited accordingly under section 109IA" for "registration is limited accordingly under section 109J(3)",

(b) by inserting the following after section 109I—

"Authorisation of registered consignees

109IA. (1) In this section—

'applicant' means a person who has applied in writing for authorisation under subsection (2);

'authorised' means authorised as a registered consignee under this section;

'conditions of authorisation' means the conditions referred to in subsection (2)(b).

(2) The Commissioners may, under this section, authorise a person who has applied to them in writing as a registered consignee—

(a) for consignments of specific types of excisable products, and

(b) for such period, and subject to such conditions as the Commissioners may think fit to impose.

(3) Without prejudice to the generality of subsection (2)(b), an authorisation under subsection (2) may be limited to—

(a) a specified quantity of excisable products,

(b) a single consignment,

(c) a single consignor, or

(d) a specified period,

in any case where consignments are to be delivered only occasionally.

(4) A registered consignee shall—

(a) provide security for the excise duty on every consignment to be received, before such consignment is dispatched, and

(b) enter in its accounts details of excisable products received under a duty suspension arrangement, at the end of the movement of such

excisable products.

(5) The granting to an applicant, or the holding by a registered consignee, as the case may be, of an authorisation shall be conditional on the applicant or registered consignee complying with excise law in relation to excisable products, including the requirements of this Chapter relating to the systems (including the accounting and stock control systems) and procedures of the business to which the authorisation relates.

(6) The Commissioners shall grant an authorisation under subsection (2) only where it is shown to their satisfaction that—

(a) the applicant can satisfy the conditions of authorisation,

(b) the business activity to be carried out under the authorisation is to be undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(c) the activity to be carried out under the authorisation will be conducted solely for the benefit of the applicant,

(d) the systems (including the accounting and stock control systems) and procedures of the business to which the application for the authorisation relates will provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, and

(e) the applicant has a secure premises or place to which consignments are to be delivered, and where they can be examined as required by an officer.

(7) The Commissioners shall not grant an authorisation where an applicant or, where the applicant is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company—

(a) has, in the 10 years prior to the date of the application for the authorisation, been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) does not hold a current tax clearance certificate issued under section 1094 of the Taxes Consolidation Act 1997,

(c) does not hold a current licence where such licence is required to be held by that applicant under excise law, or

(d) has been authorised previously as—

(i) a registered consignee under this section,

(ii) an authorised warehousekeeper under section 109, or

(iii) a registered consignor under section 109A,

where there has been a contravention of, or a failure to comply with, the conditions of that previous authorisation and the applicant has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied.

(8) The details of an authorisation granted under subsection (2), including the conditions of authorisation, shall be set down in a document, referred to in this section as an 'authorisation document'.

(9) An authorisation document shall be signed by the applicant and by an officer, and it shall, unless another date is specified, be effective from the later of—

(a) the date on which it is signed by the applicant, and

(b) the date on which it is signed by the officer.

(10) A registered consignee shall inform an officer of any changes or proposed changes that are relevant to the conditions of authorisation.

(11) The Commissioners may at any time, following such notice as is reasonable in the circumstances, vary the conditions of authorisation.

(12) Where a registered consignee is a company, the authorisation shall expire immediately upon a change of control, within the meaning of section 11 of the Taxes Consolidation Act 1997, of such company.

(13) (a) Where a registered consignee has ceased, or intends to cease, carrying out the activities for which an authorisation was granted to it, it shall—

(i) where the registered consignee has ceased carrying out those activities, notify the Commissioners in writing of the date those activities ceased, and

(ii) where the registered consignee intends to cease carrying out those activities, notify the Commissioners in writing of that intention and the date on which the registered consignee intends to cease to carry out those activities.

(b) An authorisation granted to a registered consignee under this section shall stand revoked from such date as is specified in a notification given to the Commissioners in accordance with paragraph (a).

(14) An authorisation under this section is at all times subject to the conditions of authorisation and the Commissioners may revoke an authorisation where—

(a) the registered consignee or, where the registered consignee is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company has in the preceding 10 years been convicted of—

(i) any indictable offence under the Acts referred to in section 1078(1) of the Taxes Consolidation Act 1997, or

(ii) any corresponding offence under the law of another Member State,

(b) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, a requirement of excise law in relation to the excisable products for which the authorisation was granted by—

(i) the registered consignee, or

(ii) where the holder of the authorisation is a company, any director or person having control (within the meaning of section 11 of the Taxes Consolidation Act 1997) of that company,

and the registered consignee, or the person referred to in subparagraph (ii), as the case may be, has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(c) the Commissioners are satisfied that there has been a contravention of, or failure to comply with, any of the conditions of authorisation by the registered consignee and the registered consignee has not shown to the satisfaction of the Commissioners that the contravention or failure has been remedied,

(d) the registered consignee, when applying for that authorisation, provided information that was false or misleading in a material respect,

(e) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is undertaken with a view to the realisation of profits arising out of or related to legitimate trade in excisable products,

(f) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the activity carried out under the authorisation is conducted solely for the benefit of the registered consignee,

(g) the registered consignee does not, when required to do so by the Commissioners, show to the satisfaction of the Commissioners that the systems (including the accounting and stock control systems)

and procedures of the business to which the authorisation relates provide a full and true record of all transactions of that business in a form readily accessible to the Commissioners, or

(h) the registered consignee does not, when required to do so by the Commissioners, show to their satisfaction that the premises or place referred to in subsection (6)(e) is suitable.

(15) Where the Commissioners propose to revoke an authorisation under this section, they shall notify the registered consignee accordingly in writing of their intention, and afford such registered consignee a period of at least 15 working days from the date of that notification, to make representations to them in relation to the matter.

(16) A person who, immediately before the commencement of *section 32* of the *Finance Act 2016*, was a registered consignee shall be deemed to be a registered consignee authorised under an authorisation granted under this section, the conditions of authorisation of which shall be deemed to be the conditions prescribed or otherwise imposed under subsection (3) of section 109J prior to the deletion of that subsection by *section 32* of the *Finance Act 2016* and, accordingly, subsections (4), (5), (8), (10), (11), (12), (13), (14) and (15) shall apply in respect of that person.",

(c) in section 109J(1)(b) by deleting ", subject to subsection (3)", and

(d) by deleting subsections (3) and (4) of section 109J.

Amendment of section 122 of Finance Act 2001 (offences in relation to false returns, claims, etc.)

33. Section 122(a)(iii) of the Finance Act 2001 is amended by substituting the following clause for clause (III):

"(III) authorisation as a registered consignee under section 109IA, or".

Amendment of Chapter 5 of Part 2 of Finance Act 2001 (miscellaneous)

34. Chapter 5 of Part 2 of the Finance Act 2001 is amended—

(a) in section 144A(2), by substituting the following paragraph for paragraph (d):

"(d) the authorisation of a registered consignee under section 109IA,",

(b) in section 146(1A), by substituting the following for paragraph (c):

"(c) a refusal to authorise a person as a registered consignee under section 109IA or a revocation under that section of any such authorisation;",

and

(c) in section 153(2)(e), by substituting "authorisation" for "registration" in each place where it occurs.

Amendment of Chapter 4 of Part 2 of Finance Act 2001 (powers of officers)

35. Chapter 4 of Part 2 of the Finance Act 2001 is amended—

(a) in section 136 by inserting the following after paragraph (c) of subsection (6):

"(ca) to take account of and, without payment, take samples of any product referred to in section 97 and of any materials, ingredients and substances used or to be used in the manufacture of such product,",

and

(b) by inserting the following after section 137:

"Substitute fuels

137A.(1) In this section—

'business' means any employment, trade, profession or vocation;

'relevant person' means any person who has procured or has or had possession, custody or control of a relevant product;

'relevant product' means any product in liquid form.

(2) A word or expression used in this section and which is also used in Chapter 1 of Part 2 of the Finance Act 1999 has, unless a meaning is assigned to it in this section or the contrary intention otherwise appears, the same meaning in this section as it has in that Chapter.

(3) An officer may make such enquiries of any person as the officer deems appropriate to establish the use or intended use of a relevant product and such person shall give to such officer all information required of such person which is in his or her possession, custody or procurement.

(4) (a) Subject to paragraph (b), where an officer forms an opinion that a relevant product is a substitute fuel or an additive, the powers set out in sections 134 to 136 and section 140 shall apply in respect of that relevant product.

(b) An officer may form an opinion that a relevant product is a substitute fuel having regard to the following:

(i) the relevant person's business;

(ii) the relevant person's stated reasons for procuring or having possession, custody or control of the relevant product;

(iii) the nature of the relevant product, including the nature of any package or container;

(iv) the relevant person's conduct, including his or her use, or stated

intended use, of the relevant product or any refusal to disclose his or her use, or intended use, of the relevant product;

(v) the quantity procured or purchased of the relevant product;

(vi) the frequency of deliveries of relevant products to the relevant person;

(vii) any document or other information whatsoever about the relevant product;

(viii) any other circumstances that appear to be relevant.

(5) Where the officer forms the opinion that the relevant product is a substitute fuel or additive that relevant product shall, in accordance with the provisions of Chapter 1 of Part 2 of the Finance Act 1999, be liable to mineral oil tax.".

Rates of tobacco products tax

36. The Finance Act 2005 is amended with effect as on and from 12 October 2016 by substituting the following for Schedule 2 (as amended by section 45 of the Finance Act 2015 (No. 52 of 2015)) to that Act:

"SCHEDULE 2

Rates of Tobacco Products Tax

(With effect as on and from 12 October 2016)

Description of Product	Rate of Tax
Cigarettes	Rate of tax at— (a) except where paragraph (b) applies, €288.22 per thousand together with an amount equal to 9.52 per cent of the price at which the cigarettes are sold by retail, or (b) €325.11 per thousand in respect of cigarettes sold by retail where the rate of tax would be less than that rate had the rate been calculated in accordance with paragraph (a).
Cigars	Rate of tax at €335.368 per kilogram.
Fine-cut tobacco for the rolling of cigarettes	Rate of tax at €310.189 per kilogram.

Other smoking tobacco.... ….	Rate of tax at €232.664 per kilogram.

".

Amendment of section 78A of Finance Act 2003 (relief for small breweries)

37. (1) Section 78A of the Finance Act 2003 is amended—

(a) in subsection (1)(a), by substituting "40,000 hectolitres" for "30,000 hectolitres",

(b) in subsection (3)(b)(ii), by substituting "80,000 hectolitres" for "60,000 hectolitres", and

(c) in subsection (4)(b), by substituting "40,000 hectolitres" for "30,000 hectolitres".

(2) *Subsection (1)* comes into operation on 1 January 2017.

Amendment of Chapter 1 of Part 2 of Finance Act 1999 (mineral oil tax)

38. (1) Chapter 1 of Part 2 of the Finance Act 1999 is amended—

(a) in section 94(1)—

(i) by substituting the following for the definition of "additive":

" 'additive' means any product (other than hydrocarbon oil, liquefied petroleum gas, substitute fuel or vehicle gas) which may be added to—

(a) hydrocarbon oil,

(b) liquefied petroleum gas,

(c) substitute fuel, or

(d) vehicle gas,

as an extender or for the purpose of improving performance or for any other purpose, and cognate words shall be construed accordingly;",

(ii) by substituting the following for the definition of "liquefied petroleum gas":

" 'liquefied petroleum gas' means petroleum gases and other gaseous hydrocarbons falling within CN codes 2711 12 11 to 2711 19 00;",

(iii) by substituting the following for the definition of "mineral oil":

" 'mineral oil' means hydrocarbon oil, liquefied petroleum gas, vehicle gas, substitute fuel and additives;",

(iv) in the definition of "hydrocarbon oil" by substituting "include vehicle gas or any oil" for "include any oil",

(v) by inserting the following definitions:

" 'CN code' means a Community subdivision to the combined nomenclature of the European Communities referred to in Article 1 of

Council Regulation (EEC) No. 2658/87 of 23 July 1987[11] as amended by Commission Regulation (EC) No. 2031/2001 of 6 August 2001[12];

'natural gas' means natural gas falling within CN codes 2711 11 00 and 2711 21 00;

'vehicle biogas' means vehicle gas obtained solely from biomass;

'vehicle gas' means gas other than liquefied petroleum gas used or intended for use as vehicle fuel;

'vehicle gas accounting period' means a period of two months or such other period as the Commissioners may prescribe for the purposes of the returns and payment of mineral oil tax under section 95E;

'vehicle gas dispenser' means a person who, at a premises or place in the State, receives vehicle gas for the purpose of supplying that vehicle gas to the fuel tank or standard tank of a vehicle and includes a person who receives vehicle gas from, or supplies vehicle gas to themselves for that purpose;

'vehicle gas supplier' means a person who supplies vehicle gas to a vehicle gas dispenser;",

and

(vi) by deleting the definition of "methane",

(b) in section 94(2)(b)(ii) by substituting "oil or gas" for "oil",

(c) in section 95—

(i) by substituting the following subsection for subsection (1):

"(1) Subject to the provisions of this Chapter, and any regulations made under it, a duty of excise, to be known as mineral oil tax, shall be charged, levied and paid—

(a) on all mineral oil (other than vehicle gas)—

(i) released for consumption in the State, or

(ii) released for consumption in another Member State, and brought into the State,

and

(b) on all vehicle gas supplied to a vehicle gas dispenser.",

(ii) by substituting the following subsection for subsection (2):

"(2) Liability to mineral oil tax shall arise—

(a) in the case of mineral oil other than vehicle gas, at the time when that mineral oil is—

11 OJ No. L256, 7.9.1987, p.1
12 OJ No. L279, 23.10.2001, p.1

(i) released for consumption in the State, or

(ii) following release for consumption in another Member State, brought into the State,

and

(b) in the case of vehicle gas, at the time when that vehicle gas is supplied to a vehicle gas dispenser.",

and

(iii) by inserting the following subsection after subsection (2):

"(2A) For the purposes of subsection (2)(b), the time the vehicle gas is supplied to a vehicle gas dispenser is the time at which the vehicle gas is recorded at the meter referred to in section 95B as having been received by that vehicle gas dispenser.",

(d) by inserting the following sections after section 95:

"Supply of vehicle gas

95B. (1) A vehicle gas supplier shall not supply any vehicle gas to a vehicle gas dispenser's premises or place unless the vehicle gas dispenser has, at that premises or place, a meter that has been fitted by the transmission system operator for the exclusive purpose of measuring and recording the quantity of vehicle gas supplied to that vehicle gas dispenser.

(2) A vehicle gas dispenser shall not receive any vehicle gas, or permit any vehicle gas to be received, at that vehicle gas dispenser's premises or place unless—

(a) the vehicle gas dispenser has, at that premises or place, a meter that has been fitted by the transmission system operator for the exclusive purpose of measuring and recording the quantity of vehicle gas supplied to that vehicle gas dispenser, and

(b) the vehicle gas received at that premises or place is measured and recorded by a meter referred to in paragraph (a).

(3) In this section, 'meter' and 'transmission system operator' have the same meanings as they have in section 15 of the Energy (Miscellaneous Provisions) Act 1995.

Liability to pay mineral oil tax on vehicle gas

95C. (1) Subject to subsection (2), a vehicle gas supplier shall be accountable for and liable to pay mineral oil tax on the vehicle gas supplied to a vehicle gas dispenser by that supplier.

(2) A vehicle gas dispenser shall be liable for any deficiency in the amount of tax paid on a supply of vehicle gas to that vehicle gas dispenser, where the deficiency has resulted from false or misleading information furnished by that vehicle gas dispenser to the vehicle gas supplier, and no such liability for the deficiency shall attach to that

vehicle gas supplier.

Registration of vehicle gas suppliers

95D. A vehicle gas supplier shall register with the Commissioners in accordance with such procedures as the Commissioners may prescribe or otherwise impose.

Returns and payment by vehicle gas suppliers

95E. (1) For the purposes of section 95C, a vehicle gas supplier shall within one month of the end of a vehicle gas accounting period, furnish to an officer, in such form as the Commissioners may require, a return showing the quantity of vehicle gas supplied by that vehicle gas supplier during that accounting period to vehicle gas dispensers.

(2) The vehicle gas supplier shall, in accordance with the return under subsection (1) and by the time that return is due, pay the amount of mineral oil tax due in respect of the vehicle gas supplied by that vehicle gas supplier during the accounting period concerned.

(3) Any vehicle gas supplier that is not established in the State shall make such arrangements with the Commissioners as the Commissioners may require for the payment of the tax and accounting for it, and those arrangements shall include the appointment of a competent person in the State to give effect to them.",

(e) in section 96—

(i) in subsection (1B), by substituting "mineral oil, other than vehicle gas," for "mineral oil" where it first occurs,

(ii) by inserting the following subsection after subsection (1B):

"(1C) The rate of tax per megawatt hour specified for vehicle gas in Schedule 2A is in proportion to the emissions for natural gas and is determined by the formula—

$$EF \times A \times C$$

where—

EF is the carbon emission factor of natural gas expressed in kilograms of CO_2 per terajoule,

A is the amount, €0.02, to be charged per kilogram of CO_2 emitted, and

C is 0.0036, the number of terajoules per megawatt hour.",

and

(iii) in subsection (5), by substituting "mineral oil tax on mineral oil other than vehicle gas" for "the carbon charge",

(f) in section 100, by inserting the following subsection after subsection (5):

"(5A) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a relief from the carbon charge shall apply—

(a) to any vehicle gas that is shown to the satisfaction of the Commissioners to be vehicle biogas, and

(b) where vehicle biogas has been mixed or blended with any other vehicle gas, to the vehicle biogas content of any such mixture or blend.",

(g) in section 101(1), by substituting "(other than additives or vehicle gas)" for "(other than additives)",

(h) in section 101B(1), by substituting "mineral oil, other than vehicle gas, sold" for "mineral oil sold",

(i) in section 102(1)(d), by substituting "(other than additives or vehicle gas)" for "(other than additives)",

(j) in section 104(2), by substituting the following for paragraph (g):

"(g) require a person who is an owner of or who is for the time being in charge of any vehicle constructed or adapted to use liquefied petroleum gas, vehicle gas or substitute fuel as a propellant in that vehicle to give such information, as may be specified, in relation to the supply or use of such mineral oil;",

(k) by substituting the following for Schedule 2:

"SCHEDULE 2

Rates of Mineral Oil Tax

Description of Mineral Oil	Rate of Tax
Light Oil:	
Petrol	€587.71 per 1,000 litres
Aviation gasoline	€587.71 per 1,000 litres
Heavy Oil:	
Used as a propellant	€479.02 per 1,000 litres
Used for air navigation	€479.02 per 1,000 litres
Used for private pleasure navigation	€479.02 per 1,000 litres
Kerosene used other than as a propellant	€50.73 per 1,000 litres
Fuel oil	€76.53 per 1,000 litres
Other heavy oil	€102.28 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant	€96.45 per 1,000 litres

Other liquefied petroleum gas	€32.86 per 1,000 litres
Vehicle gas:	€9.36 per megawatt hour

”,

and

(l) by substituting the following for Schedule 2A:

“SCHEDULE 2A

Carbon Charge

Description of Mineral Oil	Rate
Light Oil:	
Petrol	€45.87 per 1,000 litres
Aviation gasoline	€45.87 per 1,000 litres
Heavy Oil:	
Used as a propellant	€53.30 per 1,000 litres
Used for air navigation	€53.30 per 1,000 litres
Used for private pleasure navigation	€53.30 per 1,000 litres
Kerosene used other than as a propellant	€50.73 per 1,000 litres
Fuel oil	€61.75 per 1,000 litres
Other heavy oil	€54.92 per 1,000 litres
Liquefied Petroleum Gas:	
Used as a propellant	€32.86 per 1,000 litres
Other liquefied petroleum gas	€32.86 per 1,000 litres
Vehicle gas:	€4.10 per megawatt hour

”.

(2) Sections 55 and 56 of the Finance Act 2014 are repealed.

(3) This section shall come into operation on such day or days as the Minister for Finance may by order or orders appoint and different days may be appointed for different purposes or different provisions.

Amendment of section 97 of Finance Act 2001 (excisable products (Part 2))

39. (1) Section 97 of the Finance Act 2001 is amended by substituting the following paragraph for paragraph (c):

"(c) mineral oil within the meaning of section 94 of the Finance Act 1999, other than vehicle gas within the meaning of that section.".

(2) This section shall come into operation on such day as the Minister for Finance may appoint by order.

Amendment of section 67 of Finance Act 2010 (charging and rates of natural gas carbon tax)

40. (1) Section 67(1) of the Finance Act 2010 is amended by substituting "all natural gas, other than natural gas subject to mineral oil tax under section 95(1)(b) of the Finance Act 1999," for "all natural gas".

(2) This section shall come into operation on such day as the Minister for Finance may appoint by order.

Amendment of Chapter 2 of Part 3 of Finance Act 2010 (natural gas carbon tax)

41. (1) Section 71 of the Finance Act 2010 is amended—

(a) in subsection (1)—

(i) in paragraph (b), by substituting "processes," for "processes, or",

(ii) in paragraph (c), by substituting "State, or" for "State.", and

(iii) by inserting the following paragraph after paragraph (c):

"(d) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012[13]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.",

(b) by inserting the following subsection after subsection (1):

"(1A) The relief under subsection (1)(d) shall be calculated as the amount of the tax paid on that portion of the natural gas used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.",

and

(c) by substituting the following subsection for subsection (2):

"(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any natural gas that is shown to the satisfaction of the Commissioners to have been supplied for use in an installation that is covered by a

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greenhouse gas emissions permit.".

(2) Section 72 is amended—

(a) by substituting the following subsection for subsection (2):

"(2) (a) A claim for repayment in relation to relief under paragraphs (a), (b) and (c) of section 71(1) or under section 71(2) shall be made in such form as the Commissioners may direct and shall be in respect of natural gas supplied within a period of not less than one and not more than 6 calendar months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the end of the period in respect of which the claim is made.",

and

(b) by inserting the following subsection after subsection (2):

"(3) (a) A claim for repayment in relation to relief under paragraph (d) of section 71(1) shall be made in such form as the Commissioners may direct and shall be in respect of natural gas which has been—

(i) supplied within a period of not less than one and not more than 12 calendar months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the date upon which the competent authority has issued the certificate referred to in subsection (1A).".

(3) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of Chapter 3 of Part 3 of Finance Act 2010 (solid fuel carbon tax)

42. (1) Section 82 of the Finance Act 2010 is amended—

(a) in subsection (1)—

(i) in paragraph (a), by substituting "electricity," for "electricity, or",

(ii) in paragraph (b), by substituting "processes," for "processes, or",

(iii) in paragraph (c), by substituting "State, or" for "State.", and

(iv) by inserting the following paragraph after paragraph (c):

"(d) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the

Council of 25 October 2012[14]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.",

(b) by inserting the following subsection after subsection (1):

"(1A) The relief under subsection (1)(d) shall be calculated as the amount of tax paid on that portion of the solid fuel used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.",

and

(c) by substituting the following subsection for subsection (2):

"(2) Subject to such conditions as the Commissioners may prescribe or otherwise impose, a partial relief from tax shall be granted on any solid fuel that is shown to the satisfaction of the Commissioners to have been supplied for use in an installation that is covered by a greenhouse gas emissions permit.".

(2) Section 83 is amended—

(a) by substituting the following subsection for subsection (2):

"(2) (a) A claim for repayment in relation to relief under paragraphs (a), (b) and (c) of section 82(1) or under section 82(2) shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel delivered within a period of not less than one and not more than 6 calendar months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the end of the period in respect of which the claim is made.",

and

(b) by inserting the following subsection after subsection (2):

"(3) (a) A claim for repayment in relation to relief under paragraph (d) of section 82(1) shall be made in such form as the Commissioners may direct and shall be in respect of solid fuel which has been—

(i) delivered within a period of not less than one and not more than 12 calendar months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow,

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a claim for repayment referred to in paragraph (a) shall be made within 6 calendar months of the date upon which the competent authority has issued the certificate referred to in subsection (1A).".

(3) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of section 100 of Finance Act 1999 (mineral oil tax)

43. (1) Section 100 of the Finance Act 1999 is amended—

(a) in subsection (6), by substituting the following paragraph for paragraph (b):

"(b) for heat and power cogeneration (other than heat and power cogeneration by a micro-cogeneration unit within the meaning of Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012[15]), where it is determined, by a competent authority designated for the purpose by the Minister for Finance, that such cogeneration meets the requirements for high-efficiency cogeneration under Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012.",

(b) by inserting the following subsection after subsection (6):

"(6A) The relief under subsection (6)(b) shall be calculated as the amount of the carbon charge paid on that portion of the mineral oil used for cogeneration that is used to generate high-efficiency electricity as determined, and set out in a certificate issued, by the competent authority.",

(c) by substituting the following subsection for subsection (8):

"(8) (a) Subject to subsection (9), a claim for repayment in relation to relief under subsection (7) shall be made in such form as the Commissioners may direct and shall be in respect of mineral oil used within a period of not less than one and not more than 6 months.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 4 months of the end of the period in respect of which the claim is made.",

and

(d) by inserting the following subsection after subsection (8):

"(9) (a) A claim for repayment under subsection (7) in relation to relief from the carbon charge under subsection (6)(b) shall be made in such form as the Commissioners may direct and shall be in respect of mineral oil which has been—

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(i) used within a period of not less than one and not more than 12 months, and

(ii) determined to have been used to generate high-efficiency electricity by the competent authority.

(b) Except where the Commissioners may in any particular case allow, a claim for repayment referred to in paragraph (a) shall be made within 4 months of the date upon which the competent authority has issued the certificate referred to in subsection (6A).".

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Amendment of section 135C of Finance Act 1992 (remission or repayment in respect of vehicle registration tax, etc.)

44. Section 135C of the Finance Act 1992 is amended in subsections (1) and (2) by substituting "31 December 2018" for "31 December 2016" and in subsections (3) and (4) by substituting "31 December 2021" for "31 December 2016".

PART 3

Value-Added Tax

Interpretation (*Part 3*)

45. In this Part "Principal Act" means the Value-Added Tax Consolidation Act 2010.

Amendment of section 61 of Principal Act (apportionment for dual-use inputs)

46. Section 61 of the Principal Act is amended—

(a) by substituting the following for subsections (4) and (5):

"(4) Subject to subsection (5), the proportion of tax deductible by an accountable person in a taxable period shall be calculated on the basis of the ratio which the amount of the person's tax-exclusive turnover from deductible supplies or activities in the accounting year in which that taxable period ends bears to the person's tax-exclusive turnover from total supplies and activities in that accounting year.

(5) Where the proportion of tax deductible calculated in accordance with subsection (4) does not—

(a) correctly reflect the extent to which the dual-use inputs are used for the purposes of the person's deductible supplies or activities, or

(b) have due regard to the range of the person's total supplies and activities,

the accountable person shall use any other basis which results in a proportion of tax deductible which—

(i) correctly reflects the extent to which the dual-use inputs are used for the purposes of the person's deductible supplies or activities, and

(ii) has due regard to the range of the person's total supplies and activities.",

and

(b) in subsection (6) by substituting "this section," for "subsection (4),".

Flat-rate scheme for farmers

47. (1) The Principal Act is amended—

(a) in section 68 by inserting the following after subsection (5):

"(6) An invoice, settlement voucher or other document provided for in this section or in section 86(1) shall not issue in respect of supplies of a kind specified in an order made under section 86A.",

(b) in section 86—

(i) by substituting the following for subsection (1):

"(1) Subject to section 68(1) and (6) and subsection (1A), where a flat-rate farmer supplies agricultural produce or an agricultural service to a person, the farmer shall issue to the person an invoice indicating the consideration (exclusive of the flat-rate addition) in respect of the supply and an amount (in this Act referred to as a 'flat-rate addition') equal to 5.4 per cent of that consideration (exclusive of the flat-rate addition).

(1A) Where section 68(6) applies, the issue of an invoice by a flat-rate farmer shall only apply in respect of agricultural produce or an agricultural service of a kind not specified in an order made by the Minister under section 86A.",

and

(ii) in subsection (2) by substituting the following for "transaction.":

"transaction other than where an order has been made by the Minister under section 86A relating to such supply of produce or service.",

(c) by inserting the following section after section 86:

"Restriction of flat-rate addition

86A. (1) Where, following a review carried out by the Revenue Commissioners in relation to a particular agricultural sector and having regard, in particular, to the business structures or models employed and the

nature of the relationships and contractual arrangements in place between parties in the sector, the Minister is satisfied that the application of the flat-rate addition in accordance with section 86 in respect of supplies of agricultural produce or agricultural services within that sector has resulted in, and if that application were retained would continue to contribute to, a systematic excess of the amount of flat-rate addition payments over the amount of non-recoverable tax on input costs borne by flat-rate farmers within that sector, the Minister may by order provide that the flat-rate addition shall not apply to supplies of a kind to be specified in the order.

(2) In subsection (1), 'non-recoverable tax on input costs' means tax which would be deductible in accordance with section 59 if the flat-rate farmers in the particular agricultural sector were registered for value-added tax, less tax which is recoverable by flat-rate farmers in that sector in accordance with a refund order made under section 103.

(3) An order made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the order is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the order is laid before it, the order shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.",

and

(d) in section 115 by inserting the following after subsection (3):

"(3A) A person who issues an invoice, settlement voucher or other document provided for in section 68 or 86 in which an amount of flat-rate addition is stated in respect of supplies of goods or services which are the subject of an order made under section 86A shall be liable to a penalty of €4,000.".

(2) This section shall come into operation on 1 January 2017.

PART 4

Stamp Duties

Interpretation (*Part 4*)

48. In this Part "Principal Act" means the Stamp Duties Consolidation Act 1999.

National Concert Hall

49. The Principal Act is amended by inserting the following after section 106C:

"106D. Stamp duty shall not be chargeable on any conveyance, transfer or lease of land to the National Concert Hall in connection with its functions

under the National Cultural Institutions (National Concert Hall) Act 2015.".

Amendment of section 126AA of Principal Act (further levy on certain financial institutions)

50. (1) Section 126AA of the Principal Act is amended—

(a) by substituting the following for subsection (1):

"(1) In this section—

'Act of 1997' means the Taxes Consolidation Act 1997 (No. 39 of 1997);

'appropriate tax' has the meaning given to it by section 256 of the Act of 1997;

'assessable amount', in relation to a relevant person, means the relevant retention tax in relation to the person;

'base year' means the year—

(a) 2011, in respect of the years 2014, 2015 and 2016,

(b) 2015, in respect of the years 2017 and 2018,

(c) 2017, in respect of the years 2019 and 2020, and

(d) 2019, in respect of the year 2021;

'due date' means, in relation to a year, 20 October in the year concerned;

'relevant business' means the business of a relevant person of taking and holding relevant deposits (within the meaning of section 256 of the Act of 1997) in respect of which the person was obliged to pay any amount under section 258 or 259 of that Act;

'relevant person' means a person who, in a base year, comes within the meaning of paragraph (a) or (b) of the definition of 'relevant deposit taker' in section 256(1) of the Act of 1997 and who—

(a) is obliged in the base year to pay—

(i) appropriate tax under section 258(3) of the Act of 1997, or

(ii) an amount on account of appropriate tax under section 258(4) or 259(4) of that Act,

and

(b) is carrying on a trade or business in the State (whether including a relevant business or not) at the due date,

but a person shall not be regarded as a relevant person where the relevant retention tax in relation to the person in the base year does not

exceed €100,000;

'relevant retention tax', in relation to a relevant person and a base year, means an amount determined by the formula—

$$A + B - C$$

where—

A is an amount equal to the aggregate of—

(a) appropriate tax paid by the person in the base year under section 258(3) of the Act of 1997, and

(b) the amount paid by the person in the base year on account of appropriate tax under section 258(4) or 259(4) of that Act,

B is the aggregate of any amounts of appropriate tax, or any amounts on account of appropriate tax, paid by the person after the base year which, in accordance with section 258 or 259 of the Act of 1997, should have been paid by the person in that base year, and

C is the aggregate of any amounts of appropriate tax paid by the person in the base year which—

(a) are included in A, and

(b) were agreed by the person and an officer of the Commissioners at or before the time of payment as being tax which, in accordance with the said section 258, should have been paid before the base year.",

(b) in subsection (2) by substituting "2014 to 2021" for "2014, 2015 and 2016",

(c) in subsection (3) by substituting "in a base year" for "2011",

(d) in subsection (6) by substituting "59 per cent" for "35 per cent", and

(e) by deleting subsection (10).

(2) *Paragraph (d)* of *subsection (1)* shall have effect in relation to a statement to be delivered in accordance with subsection (2) of section 126AA of the Principal Act for the year 2017 and subsequent years.

PART 5

Capital Acquisitions Tax

Interpretation (*Part 5*)

51. In this Part "Principal Act" means the Capital Acquisitions Tax Consolidation Act 2003.

Amendment of section 86 of Principal Act (exemption relating to certain dwellings)

52. The Principal Act is amended by substituting the following for section 86:

"Exemption relating to certain dwellings

86. (1) In this section—

'dwelling house' means—

(a) a building or part (including an appropriate part within the meaning of section 5(5)) of a building which was used or was suitable for use as a dwelling, and

(b) the curtilage of the dwelling house up to an area (excluding the site of the dwelling house) of 0.4047 hectares, but if the area of that curtilage (excluding the site of the dwelling house) exceeds 0.4047 hectares, then the part which comes within this definition is the part which, if the remainder were separately occupied, would be the most suitable for occupation and enjoyment with the dwelling house;

'relevant period', in relation to a relevant dwelling house comprised in an inheritance, means the period of 6 years commencing on the date of the inheritance;

'successor' includes a transferee under an inheritance referred to in section 32(2).

(2) In this section a 'relevant dwelling house', in relation to a disponer or a successor, as the case may be, is a dwelling house that—

(a) was occupied by the disponer as his or her only or main residence at the date of his or her death,

(b) was continuously occupied by the successor as his or her only or main residence—

(i) throughout the period of 3 years immediately preceding the date of the inheritance, or

(ii) where the dwelling house replaced another dwelling house as that successor's only or main residence, the first-mentioned dwelling house and the dwelling house that was replaced as that successor's only or main residence, for periods which together comprised at least 3 years falling within the period of 4 years immediately preceding the date of the inheritance,

and

(c) is the only dwelling house to which the successor is beneficially entitled or in which the successor has a beneficial interest at the date of the inheritance of that dwelling house, whether or not that successor had such an entitlement before the date of the inheritance or acquires the entitlement by virtue of that inheritance.

(3) For the purpose of subsection (2), a disponer or a successor, as the case may be, is deemed to occupy a dwelling house for a period during which he or she ceases to occupy that dwelling house in consequence of his or her mental or physical infirmity.

(4) Subject to subsections (5) and (6), a relevant dwelling house is exempt from tax in relation to the inheritance by the successor of the dwelling house and the value of the dwelling house shall not be taken into account in computing tax on any gift or inheritance taken by a successor who takes an inheritance of the relevant dwelling house.

(5) For the purposes of subsection (4), a dwelling house shall not be regarded as a relevant dwelling house where it is taken—

(a) by way of a gift, other than where it is taken by a dependent relative under subsection (9), or

(b) under a disposition referred to in paragraph (c) of section 3(1).

(6) Subject to subsection (7), a dwelling house shall cease to be regarded as a relevant dwelling house where—

(a) the dwelling house is sold or disposed of (either in whole or in part) within the relevant period and before the death of a successor, or

(b) a successor ceases to occupy the dwelling house as his or her only or main residence during the relevant period,

and, as a consequence of such sale, disposal or cessation—

(i) tax shall be chargeable in relation to the inheritance by the successor of the dwelling house, and

(ii) the value of the dwelling house shall be taken into account in computing tax on any gift or inheritance taken by a successor who takes an inheritance of the relevant dwelling house,

as if that dwelling house had not been a relevant dwelling house at the date of the inheritance.

(7) (a) Notwithstanding subsection (6), a dwelling house shall not cease to be regarded as a relevant dwelling house where—

(i) the entirety of the consideration for the sale or disposal of the dwelling house (in this subsection and in subsection (8) referred to as the 'inherited dwelling house') is used by a successor to acquire a dwelling house to replace the inherited dwelling house as the successor's only or main residence (in this subsection and in subsection (8) referred to as the 'replacement dwelling house'), the period of occupation of which as the successor's only or main residence, when added to the period of occupation of the inherited dwelling house as his or her only or main

residence, amounts to an aggregate period comprising at least 6 years falling within the period of 7 years commencing on the date of the inheritance,

(ii) a successor is of the age of 65 years or over at the date of the inheritance of the dwelling house,

(iii) a successor ceases to occupy the dwelling house in consequence of his or her mental or physical infirmity (which infirmity is certified by a registered medical practitioner who is registered in the register established under section 43 of the Medical Practitioners Act 2007), whether or not the dwelling house is sold or disposed of, or

(iv) a successor is required to be absent from the dwelling house in consequence of any condition imposed by his or her employer requiring the successor to reside elsewhere for the purposes of performing the duties of his or her employment.

(b) Subparagraphs (iii) and (iv) of paragraph (a) shall apply to a replacement dwelling house, as they apply to a relevant dwelling house.

(8) Where the consideration for the sale or disposal of an inherited dwelling house, or a replacement dwelling house, as the case may be, (in this subsection referred to as the 'sold dwelling house') exceeds the consideration for the acquisition of any replacement dwelling house (in this subsection referred to as the 'acquired dwelling house') acquired as a replacement for the sold dwelling house, then the value of the sold dwelling house which is chargeable to tax under subsection (6) shall be reduced in the same proportion as the consideration for the acquired dwelling house bears to the consideration for the sold dwelling house.

(9) (a) In this subsection—

'relative', in relation to the disponer, or to the spouse or civil partner of the disponer, as the case may be, means lineal ancestor, lineal descendant, brother, sister, uncle, aunt, niece or nephew;

'dependent relative' means a relative who is—

(i) permanently and totally incapacitated by reason of mental or physical infirmity from maintaining himself or herself, or

(ii) of the age of 65 years or over.

(b) For the purposes of this section, a dependent relative who takes a gift of a dwelling house shall be deemed to take the dwelling house as an inheritance on the date of the gift.

(c) Where a dependent relative takes a gift of a dwelling house, paragraph (a) of subsection (2) shall not apply for the purposes of

determining whether the dwelling house is a relevant dwelling house.".

Amendment of Schedule 2 to Principal Act (computation of tax)

53. (1) The Principal Act is amended in paragraph 1 of Part 1 of Schedule 2, in the definition of "group threshold"—

(a) in paragraph (a), by substituting "€310,000" for "€280,000",

(b) in paragraph (b), by substituting "€32,500" for "€30,150", and

(c) in paragraph (c), by substituting "€16,250" for "€15,075".

(2) This section applies to gifts and inheritances taken on or after 12 October 2016.

PART 6

Miscellaneous

Interpretation (*Part 6*)

54. In this Part "Principal Act" means the Taxes Consolidation Act 1997.

Tax treatment of married persons and civil partners

55. The Principal Act is amended—

(a) in section 1017 by inserting the following after subsection (2):

"(3) Subject to subsection (4), for a year of assessment prior to the current year of assessment in which this section applies as a consequence of—

(a) an election made (including an election deemed to have been duly made) under section 1018,

(b) an election made under section 1019(2)(a)(ii), or

(c) section 1019(4)(a),

a husband or a wife who is not assessed under this section may elect to be so assessed and such election shall apply in place of any earlier election or deemed election for that year of assessment.

(4) Subsection (3) shall not apply where the husband or the wife is a chargeable person (within the meaning of section 959A).",

and

(b) in section 1031C by inserting the following after subsection (2):

"(3) Subject to subsection (4), for a year of assessment prior to the current year of assessment in which this section applies as a consequence of an election made (including an election deemed to have been duly

made) under section 1031D, a civil partner who is not assessed under this section may elect to be so assessed and such election shall apply in place of any earlier election or deemed election for that year of assessment.

(4) Subsection (3) shall not apply where either civil partner is a chargeable person (within the meaning of section 959A).".

Penalties for deliberately or carelessly making incorrect returns, etc.

56. (1) The Principal Act is amended in section 1077E by inserting the following after subsection (15):

"(15A) (a) In this subsection—

'Directive' means Council Directive 2011/16/EU[16] on administrative cooperation in the field of taxation as amended by Council Directive 2014/107/EU of 9 December 2014[17] as regards mandatory automatic exchange of information in the field of taxation;

'liability to tax or duty' means, as the case may be, a liability to tax (within the meaning of subsection (1) of this section and that subsection as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act), a liability to tax within the meaning of section 116(1) of the Value-Added Tax Consolidation Act 2010 or a liability to duty within the meaning of section 134A(1) of the Stamp Duties Consolidation Act 1999;

'offshore matters' means any one or more of the following—

(i) a relevant account held or situated,

(ii) relevant income or gains arising from a source or accruing, as the case may be,

(iii) relevant property situated, or

(iv) any income, gains, accounts or assets, other than those referred to in paragraphs (i) to (iii), arising from a source, accruing, held or situated, as the case may be,

in a country or territory other than the State;

'penalty', in relation to a person, means, as the case may be, any penalty of the kind referred to in subsections (2), (3), (5) and (6) of this section, those subsections as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act, any penalty of the kind referred to in subsections (2), (3), (5) and (6) of section 116 of the Value-Added Tax Consolidation Act 2010 or any further penalty of the kind referred to in

16 OJ No. L64, 11.3.2011, p.1
17 OJ No. L359, 16.12.2014, p.1

subsections (2) and (4) of section 134A of the Stamp Duties Consolidation Act 1999;

'relevant account' means an account reportable under the standard or, as the case may be, under the Directive, or an account of a kind reportable under the standard or, as the case may be, under the Directive;

'relevant income or gains' means income or gains reportable under the standard or, as the case may be, under the Directive, or income or gains of a kind reportable under the standard or, as the case may be, under the Directive;

'relevant property' means property reportable under the Directive, or property of a kind reportable under the Directive;

'specified penalty', in relation to a person, means, as the case may be, a penalty or further penalty of the kind referred to—

(i) in subsections (5) and (6) of this section, the amount of which does not exceed the amount referred to in subsection (7)(b)(II)(A) of this section,

(ii) in the subsections referred to in paragraph (i), as applied to the Capital Acquisitions Tax Consolidation Act 2003 by section 58(9)(b) of that Act,

(iii) in subsections (5) and (6) of section 116 of the Value-Added Tax Consolidation Act 2010, the amount of which does not exceed the amount referred to in subsection (7)(b)(II)(A) of that section, and

(iv) in subsection (4) of section 134A of the Stamp Duties Consolidation Act 1999, the amount of which does not exceed the amount referred to in subsection (5)(b)(II)(A) of that section;

'the standard' has the same meaning as in section 891F(2).

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where—

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Revenue Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.".

(2) Section 116 of the Value-Added Tax Consolidation Act 2010 is amended by inserting

the following after subsection (15):

"(15A) (a) In this subsection the expressions 'liability to tax or duty', 'offshore matters', 'penalty' and 'specified penalty' have the same meanings as in section 1077E(15A)(a) (inserted by *section 56(1)* of the *Finance Act 2016*) of the Taxes Consolidation Act 1997.

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where—

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Revenue Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.".

(3) Section 134A of the Stamp Duties Consolidation Act 1999 is amended by inserting the following after subsection (12):

"(13) (a) In this subsection the expressions 'liability to tax or duty', 'offshore matters', 'penalty' and 'specified penalty' have the same meanings as in section 1077E(15A)(a) (inserted by *section 56(1)* of the *Finance Act 2016*) of the Taxes Consolidation Act 1997.

(b) A disclosure in relation to a person made on or after 1 May 2017 shall not be a qualifying disclosure where—

(i) any matters contained in the disclosure relate directly or indirectly to offshore matters, and

(ii) in any other case, the person, before the date the disclosure is made, has offshore matters occasioning a liability to tax or duty that are known or become known at any time to the Commissioners or any of their officers and the person is liable to a penalty other than a specified penalty in relation to those matters.".

(4) *Subsections (1)*, *(2)* and *(3)* shall have effect as on and from 1 May 2017.

Amendment of section 1086 of Principal Act (publication of names of tax defaulters)

57. (1) Section 1086 of the Principal Act is amended—

(a) in subsection (2A), by substituting "Subject to subsection (2D), for the purposes of subsection (2)," for "For the purposes of subsection (2),",

(b) in subsection (2B)—

(i) in paragraph (a), by substituting "a specified sum or an adjusted specified sum (within the meaning of subsection (2C) or (2D)), as the case may be,

under subsection (2)(c), including as applied by subsection (2C) or (2D)" for "a specified sum under subsection (2)(c)",

(ii) in paragraph (b), by substituting "a specified sum or an adjusted specified sum (within the meaning of subsection (2C) or (2D)), as the case may be, under subsection (2)(d), including as applied by subsection (2C) or (2D)" for "a specified sum under subsection (2)(d)", and

(iii) by substituting "and the person fails to pay the specified sum or the adjusted specified sum, as the case may be," for "and the person fails to pay the specified sum",

(c) by inserting the following after subsection (2B):

"(2C) (a) In this subsection—

'adjusted specified sum' means the total claim sum less the qualifying disclosure sum;

'disclosing person' means a person who makes a qualifying disclosure;

'qualifying disclosure' means a qualifying disclosure referred to in subsection (4)(a);

'qualifying disclosure sum' means the part of the total claim sum that is in respect of the matter to which a qualifying disclosure relates;

'relevant matters', in relation to a disclosing person, means matters occasioning a liability of the kind referred to in subparagraphs (i) to (iii) of paragraph (c) or (d) of subsection (2), as the case may be, which are known or become known to the Revenue Commissioners or any of their officers;

'total claim sum' means the specified sum, in respect of the specified liability (in respect of both the matter to which a qualifying disclosure relates and the relevant matters), referred to in paragraph (c) or (d) of subsection (2), as the case may be, of a disclosing person.

(b) Notwithstanding subsection (4)(a), where the Revenue Commissioners—

(i) pursuant to an agreement of a type referred to in paragraph (c) of subsection (2), or

(ii) in the circumstances described in paragraph (d) of subsection (2),

accept or undertake to accept a specified sum of money in settlement of any claim by them in respect of a specified liability, referred to in paragraph (c) or (d) of subsection (2), as the case may be, of a disclosing person, and the specified liability comprises of

the liability relating to the matter in respect of which the person had voluntarily furnished a qualifying disclosure and the liability in respect of relevant matters, then paragraph (c) or (d) of subsection (2), as the case may be, shall apply in relation to the disclosing person in respect of the relevant matters, subject to the following modifications:

(I) a reference to a specified sum shall be construed as a reference to an adjusted specified sum;

(II) a reference to a specified liability, shall be construed as a reference to the part of the specified liability relating to the relevant matters;

(III) the reference in paragraph (c) of subsection (2) to an agreement made by the Revenue Commissioners with a person whereby they accepted or undertook to accept a specified sum of money in settlement of any claim by them in respect of any specified liability of the person, shall be construed as a reference to an agreement (in this clause referred to as the 'second mentioned agreement') made by the Revenue Commissioners with the disclosing person whereby they accepted or undertook to accept an adjusted specified sum of money in settlement of any claim by them in respect of the part of the specified liability of the disclosing person relating to the relevant matters, and the second mentioned agreement shall be deemed to have been made in the relevant period in which the Revenue Commissioners accepted or undertook to accept the total claim sum.

(2D) (a) In this subsection—

'adjusted specified sum' means the total claim sum less the qualifying disclosure sum;

'disclosing person' means a person who makes a qualifying disclosure;

'qualifying disclosure' means a qualifying disclosure referred to in subsection (4)(a);

'qualifying disclosure sum' means the part of the total claim sum that is in respect of the matter to which a qualifying disclosure relates;

'relevant matters', in relation to a disclosing person, means matters occasioning a liability of the kind referred to in subparagraphs (i) to (iii) of paragraph (c) or (d) of subsection (2), as the case may be, which are known or become known to the Revenue Commissioners or any of their officers;

'total claim sum' means the sum, being the full amount of the claim

by the Revenue Commissioners (in respect of both the matter to which a qualifying disclosure relates and the relevant matters) in respect of a liability, of a kind referred to in subparagraphs (i) to (iii) of paragraph (c) or (d) of subsection (2), as the case may be, of a disclosing person.

(b) Notwithstanding subsection (4)(a), where the Revenue Commissioners accept or undertake to accept a sum which is the full amount of their claim in respect of a liability, of a kind referred to in subparagraphs (i) to (iii) of paragraph (c) or (d) of subsection (2), as the case may be, of a disclosing person and the liability comprises of the liability relating to the matter in respect of which the disclosing person had voluntarily furnished a qualifying disclosure and the liability in respect of relevant matters, the following shall apply in relation to the disclosing person in respect of the relevant matters:

(i) for the purposes of subsection (2), paragraph (c) or (d) of that subsection, as the case may be, shall apply, subject to the following modifications:

(I) a reference to a specified sum shall be construed as a reference to an adjusted specified sum;

(II) a reference to a specified liability, shall be construed as a reference to the part of the total claim sum relating to the relevant matters;

(ii) the Revenue Commissioners shall be deemed to have accepted or undertaken to accept, as the case may be, the adjusted specified sum pursuant to an agreement, of a type referred to in paragraph (c) of subsection (2), made in the relevant period in which the Revenue Commissioners accepted or undertook to accept the total claim sum.",

(d) in subsection (4)—

(i) by deleting paragraph (b),

(ii) in paragraph (c)—

(I) by substituting "the specified sum or the adjusted specified sum (within the meaning of subsection (2C) or (2D)) referred to in paragraph (c) or (d), as the case may be, of subsection (2), including as applied by subsection (2C) or (2D)," for "the specified sum referred to in paragraph (c) or (d), as the case may be, of subsection (2)", and

(II) by substituting "does not exceed the relevant amount referred to in paragraph (a) of subsection (4A) or, where an order has been made under paragraph (b) of that subsection, the amount specified in the last such order made, or" for "does not exceed €30,000, or",

and

(iii) by substituting the following for paragraph (d):

"(d) the amount of fine or other penalty included in the specified sum or the adjusted specified sum (within the meaning of subsection (2C) or (2D)) referred to in paragraph (c) or (d), as the case may be, of subsection (2), including as applied by subsection (2C) or (2D), does not exceed 15 per cent of the amount of tax included in that specified sum or adjusted specified sum.",

(e) in subsection (4A)—

(i) in paragraph (a)—

(I) in the definition of "the consumer price index number relevant to a year", by substituting "mid-December 2011 was 100" for "mid-December 2001 was 100",

(II) by substituting "Minister for Finance;" for "Minister for Finance.", and

(III) by inserting the following definition:

" 'the relevant amount' means €35,000.",

(ii) by substituting the following for paragraph (b):

"(b) The Minister may, from time to time, by order provide, in accordance with paragraph (c), an amount in lieu of the relevant amount, or where an order has been made previously under this paragraph, in lieu of the amount specified in the last order so made.",

(iii) in paragraph (c), by substituting "the relevant amount or the amount referred to in the last previous order made" for "the amount referred to in subsection (4)(c) or in the last previous order made", and

(iv) in paragraph (d), by substituting the following for subparagraph (ii):

"(ii) does not apply to any case in which—

(I) the specified liability referred to in paragraphs (c) and (d) of subsection (2), including as applied by subsection (2C) or (2D), or

(II) the aggregate referred to in subsection (4B)(b) in respect of paragraphs (a) and (b) of subsection (2),

includes tax, the liability in respect of which arose before, or which relates to periods which commenced before, that specified date.",

(f) in subsection (4B), by substituting the following for paragraph (b):

"(b) the aggregate of—

(i) the tax due in respect of which the penalty is computed,

(ii) except in the case of tax due by virtue of paragraphs (g) and (h) of the definition of 'the Acts', the interest on that tax, and

(iii) the penalty determined by a court,

does not exceed the relevant amount referred to in paragraph (a) of subsection (4A) or, where an order has been made under paragraph (b) of that subsection, the amount specified in the last such order made, or",

and

(g) by inserting the following after subsection (5A):

"(5B) Any list referred to in subsection (2) shall, in a case to which subsection (2B) applies, specify, in such manner as the Revenue Commissioners think fit, that the person has failed to pay the specified sum or the adjusted specified sum (within the meaning of subsection (2C) or (2D)), as the case may be, of money within the relevant period.".

(2) *Subsection (1)*, other than *paragraph (d)(ii)(II)* and *subparagraphs (i)*, *(ii)* and *(iii)* of *paragraph (e)*, shall apply in relation to a person as respects specified sums referred to in paragraphs (c) and (d) of section 1086(2) of the Principal Act which the Revenue Commissioners accepted, or undertook to accept (including a sum that is the full amount of their claim), in settlement of a specified liability, referred to in the said paragraphs (c) and (d), on or after 1 January 2017.

(3) *Paragraph (d)(ii)(II)* and *subparagraphs (i)*, *(ii)* and *(iii)* of *paragraph (e)* of *subsection (1)* come into operation on the passing of this Act.

Care and management of taxes and duties

58. All taxes and duties imposed by this Act are placed under the care and management of the Revenue Commissioners.

Short title, construction and commencement

59. (1) This Act may be cited as the Finance Act 2016.

(2) *Part 1* shall be construed together with—

(a) in so far as it relates to income tax, the Income Tax Acts,

(b) in so far as it relates to universal social charge, Part 18D of the Principal Act,

(c) in so far as it relates to corporation tax, the Corporation Tax Acts, and

(d) in so far as it relates to capital gains tax, the Capital Gains Tax Acts.

(3) *Part 2*, in so far as it relates to duties of excise, shall be construed together with the statutes which relate to those duties and to the management of those duties.

(4) *Part 3* shall be construed together with the Value-Added Tax Acts.

(5) *Part 4* shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act.

(6) *Part 5* shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act.

(7) *Part 6* in so far as it relates to—

(a) income tax, shall be construed together with the Income Tax Acts,

(b) universal social charge, shall be construed together with Part 18D of the Principal Act,

(c) corporation tax, shall be construed together with the Corporation Tax Acts,

(d) capital gains tax, shall be construed together with the Capital Gains Tax Acts,

(e) customs, shall be construed together with the Customs Acts,

(f) duties of excise, shall be construed together with the statutes which relate to duties of excise and the management of those duties,

(g) value-added tax, shall be construed together with the Value-Added Tax Acts,

(h) stamp duty, shall be construed together with the Stamp Duties Consolidation Act 1999 and the enactments amending or extending that Act,

(i) domicile levy, shall be construed together with Part 18C of the Principal Act, and

(j) gift tax or inheritance tax, shall be construed together with the Capital Acquisitions Tax Consolidation Act 2003 and the enactments amending or extending that Act.

(8) Except where otherwise expressly provided for in *Part 1*, that Part shall come into operation on 1 January 2017.

(9) Except where otherwise expressly provided for, where a provision of this Act is to come into operation on the making of an order by the Minister for Finance, that provision shall come into operation on such day or days as the Minister for Finance shall appoint either generally or with reference to any particular purpose or provision and different days may be so appointed for different purposes or different provisions.