

Dear Clients & Contacts,

Please see attached some updates for you. As always we are happy to help in anyway we can. We are thrilled with the feedback and downloads of our new free Doing Business in Kinsale App which is now live supporting business and we are working on some innovative modules to add to it. If you would like to get involved please visit www.doingbusinessinkinsale.com or drop us a mail. We are doing a lot of international business helping firms prepare for Brexit and UK SMEs see attached : <https://www.fitzgeraldandpartners.com/forms/Setting%20up%20a%20company%20in%20Ireland.pdf> .

Some support updates for you :

- **Tax Debt Warehousing Scheme**

In the recent Budget for 2021 the Minister for Finance announced that the tax debt warehousing scheme which is currently available to corporate taxpayers will be extended to self-employed individuals. For self-employed individuals the scheme will cover 2019 income tax and 2020 preliminary tax liabilities. While this is welcome news for taxpayers that cannot afford to pay their upcoming income tax liabilities, it does however come with a **pitfall** that we want to highlight to you. While you are probably aware that the filing deadline for 2019 income tax returns has been extended to 10 December 2020, this extension only applies to taxpayers that actually pay their tax liabilities on 10 December 2020. If you feel you will not be in a position to pay your income tax liabilities in full by the 10 December 2020 please contact us for a chat.

- **COVID Restrictions Support Scheme (CRSS)**

The Covid Restrictions Support Scheme (CRSS) was announced on Budget day and further details were included in the Finance Bill 2020 which was published on 22 October 2020. A guidance document released by Revenue entitled Guidelines on the operation of the Covid Restrictions Support Scheme was published on 23 October with further updates released on 27 October. The information below is a summary of the information provided in this guidance document.

Summary of Scheme

The CRSS is a targeted support for businesses significantly impacted by COVID-19 restrictions. This support is for businesses which are forced to close temporarily or operate at a significantly reduced level because of COVID-19 restrictions generally at Levels 3, 4 or 5 of the Government's Plan for Living with COVID-19 which prohibit or significantly restrict customers from accessing their business premises. The scheme will apply from 13 October 2020 to 31 March 2021 but may be extended to 31 December 2021 if necessary.

Eligibility

The scheme is available to companies and self-employed individuals that carry on a taxable trade. In order to qualify, two key conditions must be met:

- The business must either be closed to customers or substantially restricted in operating, and
- As a result of these restrictions, turnover for the restricted period must be no more than 25% of 2019 levels (“turnover test”).

Also, the business must intend to reopen and resume trading once restrictions are lifted. For a new business that commenced trading on or after 26 December 2019, the turnover test will be applied by reference to average weekly turnover in the period from 26 December 2019 to 12 October 2020.

Requirements

- The company or self-employed individual carries on a trade or trading activities, either solely or in partnership, from a business premises located wholly within a region of the country for which restrictions announced by the Government to combat the effect of Covid-19 are in operation – referred to as a ‘relevant business activity’, and
- Under the specific terms of the Covid restrictions in operation for the region in which the relevant business activity is carried on, members of the public are either prohibited from accessing, or restricted from accessing, the business premises in which the relevant business activity is carried on, and
- As a result of the Covid restrictions, the company or self-employed individual’s turnover from the relevant business activity in the period for which the restrictions are in operation, will be no more than 25% of an amount based on the average turnover of the business in 2019 (or in the case of a new business, an amount based on the average turnover of the business in 2020), and
- The company or self-employed individual meets certain other conditions such as having a tax clearance certificate and having complied with obligations in relations to VAT.

The above eligibility criteria must be met by a claimant in respect of each period for which an ACTE is being claimed under the CRSS, referred to as a “claim period” (refer to section 5 for information on how a claim period is determined). Where a person meets the eligibility criteria, the person will be able to make a claim under the CRSS.

Amount of Claim

The support will be provided by way of an Advance Credit of Trading Expenses (ACTE) for an amount equal to 10% of the average weekly turnover of an affected business up to €20,000 and 5% thereafter, subject to a maximum weekly payment of €5,000, for each week that their business is affected by the COVID-19 restrictions.

In order to make a claim under the scheme a business must satisfy a number of other conditions in addition to the 25% ‘turnover test’ above, including:

- Have an up to date tax clearance certificate in place.
- Comply with all VAT obligations.

- Register to claim the CRSS on ROS.
- Make a declaration on ROS that they satisfy the conditions to make a claim under section 485 Taxes Consolidation Act 1997.

Turnover Test

The turnover test is applied by comparing average weekly turnover during 2019 (or for 2020 effectively for new businesses as outlined above) with the average weekly turnover during the restricted period.

Registration / Claims

The business must register for the scheme on Revenue's Online System (ROS). To register, the business must provide certain details that Revenue consider necessary and appropriate for the purposes of registration, including, the name, address and details and description of the business activity and the location where it is carried on. Once registered, the business must complete an electronic claim form to claim the ACTE and provide Revenue with the details of their claim. These details would include, for example, details of average weekly turnover, the VAT paid and the percentage reduction in business turnover for the claim period and other particulars. The business must also submit a declaration for the claim period, stating that they satisfy the conditions of the scheme. Where COVID-19 restrictions for a geographical region are extended beyond the date on which they were due to expire, a new claim will be required for each extension period.

To avail of the scheme the business must have complied with their VAT obligations (i.e. have registered for VAT or filed VAT returns, as required). They must also be eligible for a tax clearance certificate throughout the COVID-19 restrictions period. In the case of temporarily closed businesses, the taxpayer must have the intention to resume the business activity once the restrictions that prohibit or restrict public access to the business premises are lifted.

The registration facility is expected to go live on Friday, 30 October 2020. A claim portal in respect of CRSS will be available on ROS from mid-November.

We expect that Revenue will provide detailed guidance on the operation of the CRSS and we will update this webpage with further details on the registration and claims process when the online facility goes live.

Time Lines

A claim in respect of the ACTE must be made no later than 8 weeks from the date the claim period commences (i.e. 13 October 2020).

Tax Treatment of Payments

The ACTE payment is an advance of tax deductible business expenses. Therefore, when computing the taxable profits for the current accounting period or tax year, the amount of tax deductible expenses in the tax computation must be reduced by the amount of the ACTE

payment received. The ACTE will not otherwise be included in computing the taxable profits or gains for the current period.

Treatment of Incorrect Claims

Where a company makes a claim for a period and it subsequently transpires that it was not permitted to make the claim under the scheme rules and the company has not repaid the amount claimed, the company will be liable to tax on an amount equal to four times of the amount of the claim that the company was not entitled to claim. The tax will be assessed under Case IV of Schedule D and the company will not be entitled to offset any loss, expense or credit etc. against this amount. Interest will also apply from the first date of the claim period.

Where an individual makes a claim that he/she is not entitled to which has not been repaid to Revenue, the individual will be liable to tax at the standard rate on five times of the amount of the claim that was not permitted (the "unauthorised amount"). This unauthorised amount shall be liable to tax under Case IV of Schedule D. No tax deduction or credit can be applied to reduce the tax due on this amount. In cases where an individual makes an invalid claim or over claims ACTE interest will also apply.

How long is the duration of the scheme?

The scheme is due to expire on 31 March 2021. However, the Finance Bill gives the Minister for Finance authority to monitor and superintend the administration of the scheme and to vary it by Ministerial Order. The Minister can extend the scheme beyond 31 March 2021 but to no later than 31 December 2021.

And Finally

A business must hold a valid Tax Clearance Certificate and keep their tax affairs up to date for the duration of the scheme.

Revenue published an updated version of [Guidelines on the Operation of the Covid Restrictions Support Scheme \(CRSS\)](#) on 27 October.

- **[Reducing Your 2019 Tax Bill](#)**

Revenue has extended the deadline for filing and paying 2019 income tax to 10th December 2020. Perhaps the easiest way to reduce your tax bill whilst improving your long-term financial security is to make a contribution to your pension fund. This relief cannot be carried forward, so it's a case of use-it or lose-it. Perhaps chat to your life and pensions QFA.

Saving for a pension is highly tax efficient for Irish taxpayers.

- You get tax relief on the way in
- All growth in your pension fund is free from tax
- You can take up to 25% of your fund as a tax-free lump upon retirement

The maximum amount you can contribute for tax relief purposes depends on your earnings and your age.

Age attained In tax year	Personal Pensions/PRSA's (Employee & AVC)
Under 30	15% of NRE (Earnings)
30 - 39	20% of NRE (Earnings)
40 - 49	25% of NRE (Earnings)
50 - 54	30% of NRE (Earnings)*
55 - 59	35% of NRE (Earnings)
60 and over	40% of NRE (Earnings)

- **[PWC useful links for tax relief for employees who are eWorking etc :](#)**

- *Tax Relief for employees who are eWorking*
- *100% Remote: Managing Teams Working From Home* - a document produced earlier this year and now as relevant as ever, outlining some of the key things within business leaders' control to take action on to support their employees, and build resilience and engagement.

Please see the following links, which may be good to individually highlight to make it easier for users to navigate:

- COVID-19: Responding to the business impacts of coronavirus - [click here](#)
 - *This site has a number of resources for businesses, from information on government-backed support initiatives, to analysis on sentiments from finance leaders of Irish businesses. Key areas for consideration in Crisis Management; Workforce; Supply chain and operations; Finance and liquidity; Tax, trade and regulation; and Strategy and brand are provided. This is the landing page for our COVID-19-related material, but the following additional links call out specific resources:*
 - COVID-19 webcast series - [click here](#)
 - COVID-19 workforce considerations - [click here](#)
 - Navigate Tax, Legal and Economic Measures in response to COVID-19 - [click here](#) - includes a handy tool to explore the latest COVID-19 tax, legal and economic response by territory across categories (tax, trade and regulatory; workforce; finance and liquidity; operations). This includes a tool to compare territories.
- Budget 2021: Facing the future with confidence - [click here](#)

- **[Other useful support links for your perusal :](#)**

https://globalambition.ie/covid-19/?gclid=CjwKCAiA-f78BRBbEiwATKRRBLOy70ZKzR9TdJoAKMCxXtE2HACucMEIAL0xGYwf3sPIJH5I7VxkLhoCX90QAvD_BwE
<https://dbei.gov.ie/en/Publications/Supports-for-businesses-COVID-19.html>
https://www.citizensinformation.ie/en/employment/types_of_employment/self_employment/supports_for_businesses_covid19.html
<https://www.localenterprise.ie/News-and-Events/COVID%E2%80%9319-Business-Supports.html>

Stay safe and keep going ! Give our one of our team a call if you need to discuss more.

Kind regards,