



2023 eNews Issue 2

Mandatory identity verification requirement for directors – what to know

The Companies (Corporate Enforcement Authority) Act 2021 contains a provision requiring the directors of Irish companies to provide their Personal Public Service (PPS) number on certain documents submitted to the Companies Registration Office (CRO) to allow for verification of a director's identity.

The CRO has announced that this requirement will be effective from 23 April 2023.



Application

All directors of Irish companies will be required to provide their PPS number to the CRO when filing the following forms:

- Form A1 – Incorporation application;
- Form B1 – Annual return;
- Form B10 – Change of company officers or their particulars; and
- Form B69 – Notice of cessation of company officer where a company has failed to file the notice.

PPS number verification

The CRO will verify the director's first name, surname, date of birth and PPS number submitted electronically with the data held by the Department of Social Protection (DSP).

In order for there to be a match between the two sets of data, the first name and surname submitted to the CRO must exactly match the names associated with that PPS number in the DSP database.

The CRO has confirmed that it reserves the right to reject any submission where there are discrepancies between the information submitted and the information held by the DSP.

PPS retention

When the PPS number filed with the CRO has been validated, it will be retained securely in an irreversible hashed/encrypted format and stored securely.

PPS numbers will not be accessible by any employee of the CRO or any other party, and they will never be shared with any third party.

The CRO will then match the hashed/encrypted version of the PPS numbers to future filings, avoiding duplication of director records.

Directors with no PPS number

If a director does not have an Irish PPS number, they must apply for a Verified Identity Number (VIN) by completing a Form VIF (Declaration as to Verification of Identity) and filing it with the CRO.

The Form VIF must state the director's name, date of birth, nationality, and address, and it must be sworn in the presence of a notary in the director's home country.

Digital or electronic signatures cannot be accepted on Form VIF.

Once the Form VIF has been processed successfully, the CRO will issue a VIN to the director and the presenter of the VIF. This must be used for all future CRO filings for any company to which that director is appointed.

If a director does not have a PPS number but has previously been issued a Register of Beneficial Ownership (RBO) number for filings made with the Central Registrar of Beneficial Owners, then the director can use their RBO number as their VIN for CRO filings.



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The VIF will not be publicly available on the CRO searching system.

Non-compliance

If any person fails to comply with this new requirement, they shall be guilty of a category four offence resulting in a fine of €5,000.

It will also mean a company cannot complete their filings and could suffer late filing penalties and possible loss of audit exemption.

(source CAI)

Zero rate of VAT for supply and installation of solar panels

The Minister for Finance, Michael McGrath and Minister for the Environment, Climate and Communications, Eamon Ryan [announced](#) a zero rate of VAT for the supply and installation of solar panels for private dwellings from 1 May 2023.

The Department of Finance has estimated that the measure will cost €19 million annually.

Speaking after the Government meeting, Minister for Finance Michael McGrath stated:

“The Government has agreed to reduce the VAT rate on the supply and installation of solar panels to zero for private dwellings from 1 May 2023. This will result in a significant reduction in the installation cost for households and I believe will encourage more people to avail of this innovative technology.

This measure underlines the Government's commitment to help households to save money on their energy bills and reduce their carbon footprint and contribute positively to our national climate change targets. I have received approval for the measure to come into effect from the start of next month to prevent any dislocation in supply ahead of its introduction.”

Amendment to Benefit in Kind (BIK) on Company Vehicles back-dated to 1 January 2023

In this current time of unease amidst the Cost-of-Living crisis as well as the Energy crisis, any news that results in an easing of financial burdens is welcome for all business owners and employees alike.



It was announced that the Government had made an unusual and temporary U-Turn to controversial tax changes which were introduced earlier this year. These changes were intended to encourage the use of Electric Vehicles (EVs), but received massive backlash from the approx. 150,000 motorists utilising company cars in Ireland.

These changes saw the Benefit-In-Kind system become more CO2 based in order to facilitate the move towards lower emissions in Ireland.

Unfortunately, this meant that motorists whose vehicles were within the standard emission brackets were seeing a drastic increase in their income tax liabilities with their benefit-in-kind almost doubling in some cases.

This, combined with the exponential price increases across the board were unsustainable for many employees.

Minister for Finance Michael McGrath has stated that the U-Turn on this will be temporary, as the move towards EVs is still very much a push that the government intend to make. The changes will only be applicable until 31 December 2023.



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This change is set to be published in the coming days as part of the Finance Bill 2023 which is designed to assist businesses, employees and families alike in managing amidst the current rising energy prices and the cost-of-living crisis.

This change will involve a temporary relief of €10,000 to be applied to the Original Market Value (OMV) of cars within the A-D Categories to reduce the amount of BIK payable. In order to further facilitate the push towards Renewable Energy sources, this will also apply to EVs. In the case of EVs the reduction will be in addition to the existing €35,000 relief.

It is important to note that vehicles in the E category will not be included here as these are vehicles with the highest emissions.

Of the changes, the Department of Finance has said; "In effect, this means that, for the purposes of calculating BIK liability, employers may reduce the OMV by €10,000.

This treatment will also apply to all vans and electric vehicles. For electric vehicles, the OMV deduction of €10,000 will be in addition to the existing relief of €35,000 that is currently available for EVs, meaning that the total relief for 2023 will be €45,000."

This U-Turn will be a welcome one as it was reported that some employees had either bought their company car for use as a private vehicle or handed the car back to avoid these increasing costs.

The changes will be applied retrospectively to 1 January 2023. It is not currently known if any measures will be in place in future years to safeguard company car drivers.

Updated BIK Mileage Bands for Cars

Business Mileage	Vehicle Categories					
		Lower limit (1)	Upper limit (2)	A (3)	B (4)	C (5)
Km	Km	Per cent	Per cent	%	%	%
-	26,000	22.5	26.25	30	33.75	37.5
26,001	39,000	18	21	24	27	30
39,001	48,000	13.5	15.75	18	20.25	22.5
48,001	-	9	10.5	12	13.5	15

Investing in your pension tax-efficiently just got easier

Effective from 1st January 2023, changes introduced in the Finance Act 2022 has opened up PRSAs to accept much larger tax-free employer contributions.

For business owners, the interpretation of this legislation is that the legislation does not place any upper limit on an employer contribution to a PRSA as would exist in occupational pension schemes under the Revenue guidance for Ordinary Annual and Special Contributions.

For some business owners, the new PRSA changes will be seen as advantageous. The benefits include the fact they may extract large profits with an immediate tax relief.

Also, the death benefit claim will now be paid in full to the estate of the deceased member in the event of death.

Vacant Home Tax (VNT)

On 15 December 2022, Finance Act 2022 was signed into law and within it, Section 96 which provides for the introduction of a new Vacant Homes Tax (VHT) with effect from 1 November 2022.



Application

The VHT applies to buildings which are residential properties for the purposes of Local Property Tax (LPT), which means it will not apply to derelict properties or properties unsuitable for use as a dwelling which are not captured under the LPT system.



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Any property that is occupied for less than 30 days in a 12-month period will come within the charge of the VHT.

Rates

The VHT will be charged at a rate of three times the property's local property tax liability, which, for the majority of properties, is based on a rate of 0.1029%, resulting in a levy of 0.3% of the market value of the property.

Exemptions

Exemptions from the VHT include:

- properties recently sold or currently listed for sale or rent,
- properties vacant due to the occupier's illness or long-term care,
- properties vacant as a result of significant refurbishment work,
- properties prohibited from sale or occupation by a court order,
- properties which were the sole or main residence of a deceased chargeable person in either the chargeable period or in the 12-month period prior to the commencement of the chargeable period,
- properties which were the sole or main residence of a deceased chargeable person where a grant to administer the estate issues in the chargeable period and for any chargeable period following such a grant, where the administration of the estate has not yet completed, and
- properties owned by a North-South implementation body within the meaning of the British-Irish Agreement Act 1999.

Returns

The VHT will be administered by the Revenue Commissioners. Owners will be required to file an annual return.

Returns are to be filed electronically and penalties, interest and a late filing surcharge will apply in cases of non-compliance.

TAXATION PAY & FILE SUMMARY



VAT

Bi-Monthly and 4 monthly ending in December, return and payment **19 May 2023**

Relevant Payments Tax

Monthly return and payment **23 May 2023**

Corporation Tax

Filing date for Corporation Tax returns for accounting periods ending in 31 August 2022 **21 May 2023**

Payment of Corporation Tax balance for accounting periods ending in 31 August 2022 **21 May 2023**

Preliminary Tax for accounting periods ending in 30 June 2023 **21 May 2023**

Form 46G for accounting periods ending in 31 August 2022 **21 May 2023**

Note: *Extended date for certain taxes for customers who both file and pay electronically (via ROS)*

Do not hesitate to contact me or a member of our team if you would like to discuss any of the issues raised or on any of our services.



Johnny

John J. McElhinney

This newswire is intended to provide a general guide to the subject matter and is necessarily prepared in a condensed form. In view of its purpose the reader will appreciate that we are unable to accept liability for any errors or omissions which may arise. Advice should be sought before acting on the information contained in it.