NEW WEBSITE, NEW LOGO, NEW WAYS TO ENGAGE WITH YOUR INSTITUTE

Claire Percy writes
Chartered Accountants Ireland launched a new website in April. Members will notice significant changes to the site and the Institute’s corporate identity. The April launch was the culmination of a major IT upgrade, which has delivered a full systems overhaul across the organisation. Known as “Project Aspire”, this transformation project will enable the Institute to serve members and students in a more integrated, efficient way. Members and students will see practical benefits from day one, and even more over time, as we realise the full capability of the system. For members in practice, some of the key developments to note:

- Responsive design – mobile friendly, providing better access to services on-the-go
- Content refresh – more timely, accessible, material, and a hub for practice members – www.charteredaccountants.ie/Members/In-Practice
- Enhanced security – to enable this, all members must change their password on initial login
- Enhanced self-service capabilities – training firms will see a number of changes in how students are administered – for example the eligibility process is now largely managed online, and a more online enrolment process coming soon
- New ways to manage your account – with full web and backend systems integration, it’s now easier to see your full account with Chartered Accountants Ireland. In order to manage this, please be sure that when making an online purchase you indicate whether you’re buying on behalf of yourself or your firm – this will also be important for your VAT returns at year end

The new systems launch is a very significant development in the modernisation of the Institute. As with any project of this scale, there are some issues on certain processes. Member feedback would be very much appreciated to help identify and remedy these, and optimise the experience for all users. We will provide further updates and support as new functionality comes online.

Bryan Rankin writes
Chartered Accountants Ireland has recently launched a new logo which can be seen on our website and our newly printed materials. We would ask member firms to adopt the
MANDATORY ELECTRONIC FILING WITH CRO

Michael McAllister writes:

From 1 June 2017, the Companies Registration Office (CRO) will be introducing mandatory electronic filing for the following documents:

- B1 - Annual Return and associated financial statements
- B2 - Change of registered office
- B10 - Change of director and/or secretary, or a change in their particulars
- B73 - Nomination of a new annual return date

It will no longer be possible for companies to file a paper version of the above documents. Instead, they must be filed online, either at www.core.ie or through a software package. The CRO has stated that any manual forms filed on or after 1 June will be returned and that, if this leads to late filing of a B1, a company will incur penalties and will be unable to avail of audit exemption, where relevant. This will apply to all Irish companies. The B1 filing fee and any late filing penalties must be paid electronically. Financial statements must be uploaded to the CRO as a PDF attachment within 28 days of the date that the B1 was submitted.

The B1 signature page must still be printed off, signed by the director and secretary, and submitted to the CRO within 28 days from the date that the B1 was submitted, unless digitally signed using Revenue Online Service (ROS). However, the signature page must not be delivered until after the financial statements have been uploaded.

Alternatively, the B1 form may be digitally signed using Revenue Online Service Certificates (ROS), either by the Director and Secretary, or by an Electronic Filing Agent (EFA) on behalf of the company. Practitioners who act as an EFA for a company and sign a B1 form on its behalf using ROS should note that an EFA cannot certify the financial statements on behalf of the company. The overall certification for the financial statements must be signed by the director and secretary and is required to be delivered to the CRO within 28 days.

For further information, please refer to the CRO website at https://www.cro.ie/2017-Changes/Electronic-Filing-Mandatory

THE PARTING GLASS

Niall Fitzgerald writes:

As you may be aware, I have left Practice Consulting to take up a new role as Head of Ethics and Governance. When I was asked what my parting advice would be (without “holding back”), I summed it up under three headings:

- Appreciation. I would have great regard for all those I have worked with over the years, including clients and those working in practice that I have either met or spoken to. I noticed that many of the firms I worked with have a great deal of respect for people as they strive to deliver a great service and build better relationships. This is a common denominator of success in a professional service firm as, in addition to trust, respect is fundamental when seeking to succeed with people.

- No Surprises. Very rarely are there any surprises in our profession. There are always changes afoot, be it in legislation, regulations, technical standards, technology or whatever. The reality is that these changes are often long in the making and well flagged before they happen. Those who engage and get informed proactively through the right channels tend to get ahead of the game and are in a much stronger position to get on with it when such changes take effect.

- Somebody always has the answer. Issues repeat themselves and it’s amazing how often the same issue arises, even if it appears unique to the individual. There are times when the answer is not immediately obvious or we have to work outside the confines of a “definitive” answer and seek to apply common sense and judgement to problems. Whether on a fee or no fee basis, we are surrounded by members who can offer useful support (e.g. Chartered Accountants Ireland itself, member networks, other providers or former colleagues/acquaintances) should we choose to engage with them or invest in knowing where to look.
As I bow out of Practice Consulting I will not bid you farewell but rather hello in the start my new role as Head of Ethics and Governance. You may be relieved to know that this is not a regulatory role. It was created under Chartered Accountants Ireland Strategy 2020 and will work with other committed professionals, members and colleagues to ensure we are a leading voice on ethics and governance. These are two areas members consider to be central to the values of a Chartered Accountant. Communication is a two-way street in a member body and I look forward to engaging with you all on this initiative. After eight and half years working closely together, I say a very special thank you to all my colleagues in Practice Consulting whose friendship I value and whose dedication to supporting Members in Practice is admirable and beyond reproach.

**PRACTICE CONSULTING IS RECRUITING**

Would you like a job where every day is different? Would you like to use your people skills to the full? Are you a qualified accountant who enjoys solving problems in creative and practical ways? When someone says “Help!” are you the one who says “Tell me more, I may be able to help you”. Do you want the autonomy to put your ideas into practice? Would you like to expand and utilise your technical knowledge in a supportive and collegiate environment? If so, this could be the role that you have always wanted. Practice Consulting is recruiting a manager for our team. What we need is someone who will help us to support, assist and develop our practising members. You will spend most of your time consulting with our members on technical and practice development issues, advising members, leading projects, and developing and giving presentations. We believe that the skills gained from general practice are ideal for this role and we will give you every support to develop these further. For more information about this role, please contact Lydia Travers, HR Business Partner, Chartered Accountants Ireland, Chartered Accountants House, 47-49 Pearse Street, Dublin 2 at +353 1 637 7242 or by email to Lydia.travers@charteredaccountants.ie by Monday 12th June.

**TECHNICAL SIGNPOST**

_The Chartered Accountants Ireland Representation and Technical Policy Department (RTP)_ writes:

IAASA concludes on consultation on the future auditing framework for Ireland

In January 2017 the Irish Auditing and Accounting Supervisory Authority (“IAASA”), the organisation responsible for the adoption of auditing and ethical standards in Ireland, issued an Irish auditing framework which was based on the equivalent UK standards issued by the FRC in 2016, but amended for use in Ireland. With the exception of International Standard on Quality Control (Ireland) 1 those Irish standards become “effective for the audits of financial statements for periods commencing on or after 17 June 2016, for which opinions are issued on or after 1 February 2017”. On 28 April IAASA published amendments to those standards. The main change was to remove the extraterritorial application of the Ethical Standard. A schedule of the amendments, which are otherwise administrative and editorial in nature, as well as the amended standards are available on the IAASA website www.iaasa.ie.

We noted in a recent issue of Practice Matters that IAASA consulted before Christmas on the future auditing framework for Ireland. In April, IAASA concluded the consultation with the publication of a feedback paper stating that the future auditing framework in Ireland will be based on the UK’s Financial Reporting Council (“FRC”) auditing framework.

**Update on Companies (Accounting) Act 2017**

At the time of writing, the legislation has been signed into law by the President. We understand that the Minister intends to issue the Commencement Order as soon as feasible.

**FRED 67 Draft Amendments to FRS 102 – Triennial Review 2017**

When FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ was issued, the Financial Reporting Council (“FRC”) indicated that it would be reviewed every three years. The first triennial review of the standard is now underway and in March 2017 the FRC issued Financial Reporting Exposure Draft (‘FRED’) 67. FRED 67 proposes incremental improvements and clarifications to FRS 102, and includes consequential amendments to the other UK and Ireland accounting standards. Comments are requested by 30 June 2017.

While FRED 67 includes many proposed amendments, the FRC notes that the majority are editorial and/or intended to merely clarify rather than change the accounting treatment. The principal proposed amendments to have an impact on the financial statements relate to: directors’ loans, intangible assets acquired in a business
combination, investment property rented to another group entity, classification of financial instruments and the definition of a financial institution.

The proposed effective date for these amendments is accounting periods beginning on or after 1 January 2019, with early application permitted provided all amendments are applied at the same time. Limited transitional provisions are also proposed. FRED 67 and related documents are available on the FRC website.

Readers will have noted from Chartered Accountants News that the Institute hosted an event in Chartered Accountants House on 30 May at which the FRC spoke on the Triennial Review and FRED 67. There was also a presentation on certain key aspects of the Companies (Accounting) Act 2017.

Amendment to FRS 102 (May 2017): Directors’ loans – optional interim relief for small entities

As mentioned above, FRED 67 proposes a number of amendments to FRS 102 and one such amendment relates to the measurement of certain directors loans. As readers will have noted in eNews, as an optional interim measure, pending the finalisation of the proposals in FRED 67, the FRC is amending FRS 102 to insert the following:

‘1.15A A small entity, as an exception to paragraph 11.13, may measure a basic financial liability that is a loan from a director who is a natural person and a shareholder in the small entity (or a close member of the family of that person) initially at transaction price. Subsequently, for the same financial liability, a small entity is also exempt from the final sentence of paragraph 11.14(a).’

As it is an interim measure, this amendment will be deleted as part of the finalisation of FRED 67. It will then be replaced with permanent requirements based on the proposals in FRED 67 after considering the outcome of the consultation process.

For more information in relation to the amendment, and its application (for example, the issue of retrospective application where FRS 102 had been applied previously), please see the FRC’s website at the following link: https://www.frc.org.uk/News-and-Events/FRC-Press/Press.aspx

Anti-money laundering update

In early 2017 government published the general scheme of a Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Bill (“the Heads of Bill”) which outlines their intentions in relation to the transposition of the 4th Anti-Money Laundering Directive (“4AMLD”) in Ireland. The Institute, in conjunction with the Consultative Committee of Accountancy Bodies – Ireland (“CCAB-I”), responded to the Heads of Bill in a letter to the Department of Finance which is available to read on our website as Representation 01/2017 at https://www.charteredaccountants.ie/Member/Technical/Representations. The 4AMLD is due to be transposed into Irish law in 2017.

Article 30 of 4AMLD has already been partly transposed by S.I. 560 of 2016 which requires corporates and other legal entities in Ireland to collate information in relation to their beneficial ownership. The Companies Registration Office (“CRO”) is in the process of establishing a central beneficial ownership register and in due course entities will be required to file their beneficial ownership information with the CRO for inclusion on that central register. A further statutory instrument is expected in the near future to require trusts to collate beneficial ownership information.

The Irish Financial Intelligence Unit (FIU), the Garda Síochána, is launching a new software system, called goAML, which will allow reporting entities to electronically submit reports to the FIU pursuant to anti-money laundering legislation. Accountancy firms, and other designated persons, can register and file reports on the new goAML system from 29th May. Members with queries in relation to registration with or use of the new goAML system should contact the Gardaí at FIU-Ireland@garda.ie

PSRA License renewals 2017

The Property Services Regulatory Authority (PSRA) has issued revised accountant’s reports for licence renewal applications in accordance with the Property Services (Regulation) Act 2011 (Client Moneys) Regulations 2012. The revised reports contain new appendices (appendix 7 for “Renewal ABC” and appendix 3 for “Renewal D”) which are relevant where breaches of the Regulations have been identified and reported in appendix 1 or appendix 2 to the report. Members should note that, as set out in the updated accountant’s report, these new appendices are outside the scope of the opinion provided by the accountant. Chartered Accountants Ireland recommends that where licensees have outlined details of procedures, that have been or will be put in place to address matters outlined in appendix 1 or appendix 2, members do not include such details in appendix 7 for “Renewal ABC” or appendix 3 for “Renewal D”. Instead we recommend that members state that the licensee will provide these details to the PSRA under separate cover. We further recommend that, if requested by the client to assist in identifying or implementing procedures, such work is undertaken as a separate engagement with separate engagement terms.
NORTHERN IRELAND TAX DEVELOPMENTS

Three “need to know” UK tax developments for agents

In this edition we look at three “need to knows” for agents representing UK taxpayers; the client notification requirement 31 August deadline, an update on the Making Tax Digital and Agent Services projects and news about specific exclusions from filing 2016/17 self-assessment returns online due to HMRC software issues.

The 31 August 2017 client notification deadline approaches for agents - is your practice affected?

The Client Notification Regulations legislation imposes obligations on advisers providing “offshore advice” to clients to send an individually addressed covering letter from the adviser’s firm which must include certain wording provided by HMRC; the letter must also enclose a HMRC branded publication. This correspondence is intended to alert clients to the possibility of HMRC compliance intervention in the event of untaxed moneys being held abroad. The obligation to do so is outlined in the regulations and must be sent on or before 31 August 2017. A £3,000 penalty can be charged for failure to do so.

This Institute was involved in the consultation process which followed the introduction of the legislation. The Institute’s aim was to minimise the pressure on members in practice from this obligation, where possible. A briefing note to assist members is available on our website.

Making Tax Digital and Agent Services update

The HMRC “Making Tax Digital” (“MTD”) project will oblige most businesses (including companies, landlords and the self-employed) to report to HMRC at least four times a year, instead of just once a year on their annual tax return. The proposals will see the biggest changes to the UK tax system since the introduction of self-assessment in the late 1990s.

In the last edition of Practice Matters we carried a detailed update on the MTD project. Since then, HMRC have commenced the MTD for the business pilot. In addition a recent HMRC Agent Services Talking Points webinar included a demonstration of some of the screens that agents will see when they sign up to MTD for Business via Agent Services.

The sign up to Agent Services will be required to represent clients for MTD. HMRC advise us that the new service will map the Agent Reference Number to existing clients so that re-authorisation is not required. HMRC plan to make the sign up service available from the end of August.

There are various steps that agents will go through to sign up. These steps are explained in a recent HMRC webinar. We strongly recommend that all members in practice read the slides which accompany the recording. These are available on request from Leontia Doran (leontia.doran@charteredaccountants.ie).

In 2016, this Institute engaged with members on the MTD consultation proposals and responded to the consultations on your behalf. We’re currently looking in more detail at the way forward and how we can help our members prepare for this significant change. The Institute will continue to represent members as these proposals develop.

2016/17 self-assessment system unable to handle certain tax legislation changes!

HMRC has updated (http://www.sa2000.co.uk/2017-exc-indi.pdf) the list of exclusions from online filing - there are some significant additions for 2016/17 including some low non-savings income and high savings income cases. This issue is of major concern to the NI Tax Committee and was discussed recently at the April quarterly meeting with HMRC senior management.

Members are advised to consider the impact on their client portfolio as soon as possible and to discuss this issue with their software provider if they have not already been contacted by them.

The new exclusions mean that HMRC has been unable to update its own software (the SA online calculator) for some changes in tax legislation which took effect last April. This is very frustrating for agents. HMRC advises that this will not be rectified in 2016/17 and is not able to confirm the exact number of taxpayers affected. HMRC expects to rectify the issue so that these particular exclusions can be removed for 2017/18 and subsequent years.

Where a personal return cannot be filed online for one of the reasons listed, provided that a paper return is delivered on or before 31st January following the end of the tax year to which the return relates, HMRC will accept that the taxpayer had a reasonable excuse for failing to file a paper return by the normal 31st October deadline. A reasonable excuse claim should accompany the paper return.

Any paper return submitted must conform to the normal rules for paper returns even if it is a computer generated paper return e.g. it must hold a valid signature.
Some software packages may prevent online filing by those affected and others may include a warning message. However many may still allow the return to be filed meaning the calculation may be incorrect or will be amended by HMRC.

**REPUBLIC OF IRELAND TAX DEVELOPMENTS**

CCAB-I writes to Chairman of Revenue Commissioners on letters to self-assessed taxpayers

The CCAB-I has been in correspondence with Revenue to express concerns on the unfair and confusing letters issued in the past months to self-assessed taxpayers headed “Reviewing and correcting your tax returns”. Reflecting ongoing sentiment among the profession, the Chairman of the CCAB-I Tax Committee, Paul Dillon, has been in further contact with Revenue to point out that Revenue did not give any advance notice to the professional bodies of its plan to issue 500,000 letters to self-assessed taxpayers, despite opportunities to do so at the regular TALC forums.

CCAB-I has expressed its disappointment that professional bodies were not consulted on this matter as this would have helped reduce the level of confusion caused for taxpayers and tax practitioners.

Confirmation of filing extension for ROS filers

Taxpayers who both file their 2016 income tax return and pay their tax using ROS will have until Tuesday 14 November 2017 to do so. If only one of these actions are completed using ROS, the filing deadline reverts back to 31 October 2017.

PAYE customers who are filing an electronic or eForm 12 2016 also have until 14 November 2017 to do so. The extension also applies to capital acquisitions tax returns filed in respect of gifts or inheritances made in the year ended 31 August 2017 where the return and payment is made using ROS. Revenue eBrief No. 38/17 confirms these dates and provides further details.

New Civil Service Mileage Rates

New Civil Service mileage rates and bands came into effect on 1 April 2017. The Department of Public Expenditure and Reform released a circular which details the changes. There have also been changes to the domestic subsistence rates, along with the subsistence allowances paid when abroad. These changes also take effect from 1 April 2017.

**NEW TOOLKIT COMING SOON**

At the time of going to print, the Companies (Accounting) Act 2017 has been signed into law and is awaiting commencement. Among other matters, this legislation introduces the Small Companies Regime and Micro Companies Regime into Irish law. As a result, the existing Schedule 3 of the Companies Act 2014 will be replaced and new Schedules 3A (for small companies) and 3B (for micro companies) introduced. The rules regarding abridged financial statements have also been revised.

Practice Consulting will shortly be releasing a new toolkit containing a suite of pro forma financial statements to assist practitioners in preparing financial statements to comply with the new legislation. Practice Consulting will email practitioners to inform them when the toolkit will be available to purchase.

A reminder.....

Member purchasing products on our website should be aware that, in order for the invoice to be billed to your firm, the box marked “Tick if you want this purchase to appear on your company statement” should be ticked. Otherwise the invoice will be addressed to them personally.

**CONTACT POINTS**

Practice Consulting (General)  
E-mail practicemembers@charteredaccountants.ie  
Fax + 353 -1- 5233 997  
Telephone: Bernie Walsh + 353 -1- 6377 300  

Practice Consulting Team  
Conal Kennedy + 353 -1- 6377 396  
Michael McAllister +353 -1-6377 252  

Queries, comments and suggestions are welcomed. The opinions expressed are solely those of the writers and not to be construed as those of the Institute. The purpose of technical articles is solely to draw the attention of the reader to issues, and these should never be construed as guidance or relied on. No liability is accepted by the Institute or the authors for persons acting or failing to act as a result of anything contained in this publication. © Copyright, Chartered Accountants Ireland.