

Think Ahead



TECHNICAL RELEASE TR 08/2016

Section 1079 Taxes Consolidation Act 1997

Note to company directors

October 2016

Disclaimer

This document is for information purposes only and does not give, or purport to give, professional advice. It should, accordingly, not be relied upon as such. No party should act or refrain from acting on the basis of any material contained in this document without seeking appropriate professional advice. ACCA does not guarantee the accuracy or veracity of any information or opinion, or the appropriateness, suitability or applicability of any practice or procedure contained in this document. To the fullest extent permitted by applicable law, ACCA shall not therefore be liable for any damage or loss, including but not limited to, indirect or consequential loss or damage, loss of data, income, profit or opportunity and claims of third parties, whether arising from the negligence, or otherwise of ACCA, its employees, servants or agents, or of the authors who contributed to the text.

Similarly, to the fullest extent permitted by applicable law, ACCA shall not be liable for damage or loss occasioned by actions, or failure to act, by any third party, in reliance upon the terms of this document, which result in losses incurred either by ACCA members, those for whom they act as agents, those who rely upon them for advice, or any third party. ACCA shall not be liable for damage or loss occasioned as a result of any inaccurate, mistaken or negligent misstatement contained in this document.

All rights reserved. No part of this publication will be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the copyright holder.

Any issues arising out of the above will be governed by and construed in accordance with the laws of the Republic of Ireland and the courts of the Republic of Ireland shall have exclusive jurisdiction to deal with all such issues.

© CCABI

Note to Company Directors - Section 1079, Tax Consolidation Act 1997 Republic of Ireland

Technical Release (TR) 08/ 2016 Note to Company Directors - Section 1079, Tax Consolidation Act 1997 Republic of Ireland

TR 08/2016 is intended to provide information for members and their clients in the Republic of Ireland and it replaces Information Sheet IS 01/2000 Information Note for Company Directors - Section 1079, Tax Consolidation Act 1997 ROI.

Section 1079 Taxes Consolidation Act 1997, imposes important legal responsibilities on Auditors and Tax Advisors to companies. Put simply, if an auditor or tax advisor becomes aware of material tax evasion by a company in the course of his/her work certain steps must be taken as follows:

- he/she must write to the company giving details of the offence and requesting the company to rectify or inform the Revenue Commissioners of the offence.
- if the company does not take action referred to above within 6 months, the auditor or tax advisor must resign and must not act for the company for a period of 3 years or until such time as the matter has been rectified.

There is a relieving provision in respect of assisting or advising a company in the preparation of or conducting legal proceedings in specific circumstances.

- an auditor in the above circumstances has a further responsibility to send a copy of the resignation notice to the Revenue Commissioners.

The auditor/tax advisor will be able to provide more specific details.

This is obviously very important legislation, not just for auditors/tax advisors but for companies as well and failure to comply with it could result in a substantial fine or a prison sentence.

Please co-operate fully with your professional advisors to ensure compliance with the legislation.