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Ireland
Tax Disputes

Contributor



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This country-specific Q&A provides an overview of tax disputes laws and regulations applicable in Ireland.

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Ireland: Tax Disputes

1. Is it necessary for a taxpayer to register with the tax authority? Are separate registrations required for corporate income tax and value added tax/sales tax?

Yes. All taxpayers carrying on taxable activities in Ireland must register with the Revenue Commissioners, and separate registrations are required.

On commencing a business, a company should notify Revenue via the Form 11F CRO Statement of Particulars within 30 days. Companies can register for corporation tax via the Revenue Online Service. Individuals carrying on a business must register for income tax.

While separate registrations are required for corporation tax and VAT, multiple tax heads can be registered simultaneously.

2. In general terms, when a taxpayer files a tax return, does the tax authority check it and issue a tax assessment, or is there a self-assessment system where the taxpayer's own assessment stands unless the tax authority intervenes?

There is a self-assessment system for taxpayers such as companies, the self-employed, proprietary directors, and individuals with income other than employment income.

Such taxpayers must file a return of their own self-assessment of the tax due, which stands as the basis for the tax liability unless Revenue intervenes. Revenue may make enquiries or make an additional assessment e.g. where: no return is filed; the return is inadequate; or the return is not complete and accurate.

For companies, the deadline is the 23rd day of the ninth month after the end of its Financial Year; for individuals, it is 31 October, extended to mid November where the online system is used.

3. Can a taxpayer amend their return after it has been filed? If so, are there any time limits for doing so?

Yes. A taxpayer may amend a return to correct an error or mistake, to claim an allowance, credit, deduction or relief, or to comply with other legislative provisions.

The general time limit is four years from the end of the relevant period, shortened where a specific relief or claim has a shorter statutory time limit.

Importantly, the ability to self-correct is restricted once Revenue has commenced certain compliance interventions. Revenue also operates a "self-correction without penalty" regime: corrections made within 12 months of the filing due date (for income tax and corporation tax returns) can generally be made without penalty. For VAT returns, self-correction must be made before the due date for filing the income tax/corporation tax return for the period in which the relevant VAT period ends.

4. Please summarise the main methods by which a tax authority may challenge the amount of tax a taxpayer has paid by way of an initial assessment/self-assessment. Does the tax authority need any justification to commence such a challenge?

Revenue may challenge a taxpayer's self-assessment through several mechanisms and generally does not need any justification to do so.

Revenue has a statutory regime as well as a code of practice which it operates to execute interventions.

Revenue has many powers such as: making enquiries, raising assessments, commencing an audit, conducting a search, and compelling the production of documents. The action taken will depend on the risk that has been identified.

There are 3 levels of intervention, each of which allow progressively more intrusive Revenue activity with the associated outcomes varying depending on the gravity of the issue identified.

5. What are the time limits for a tax authority to commence a challenge to the taxpayer's assessment/self-assessment (disregarding any override of these limits to comply with

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obligations to provide relief from double taxation under a tax treaty)? Does a tax authority have any options to challenge a self-assessment after expiry of the relevant time limit?

The general time limit is four years from the end of the relevant chargeable period in which the return was filed.

The four-year period does not apply in cases where a taxpayer has not delivered a complete and accurate return, or where there are reasonable grounds to suspect fraud or neglect in connection with tax. In such cases, the four-year time limit for Revenue to take action does not apply.

6. How is tax fraud defined under the laws of your jurisdiction?

Irish law does not use a single statutory definition of "tax fraud".

The "fraudulent evasion of tax" is a Revenue offence which is defined as:

- evading or attempting to evade any payment or deduction of tax; or
- claiming relief/ repayment to which the person is not entitled;

where the person deceives, omits, conceals, or uses any other dishonest means, including providing false, incomplete, or misleading information, or failing to furnish information, to Revenue or any other person for those purposes.

In addition, a wide range of specific offences are identified in the legislation, including: knowingly or wilfully:

- delivering incorrect returns;
- furnishing incorrect information;
- aiding or assisting another person to deliver incorrect returns;
- claiming relief or exemption to which one is not entitled;
- issuing incorrect invoices or documents;
- obstructing, impeding or interfering with a Revenue officer.

7. How is tax fraud treated? Will the tax authority conduct a criminal investigation with a view to seeking prosecution and a custodial sentence?

Tax fraud in Ireland can attract both civil penalties and criminal sanctions. Revenue has a dedicated Investigations and Prosecutions Division that conducts criminal investigations with a view to prosecution. Where Revenue suspect fraud or tax evasion it will generally initiate a Level 3 Compliance Intervention.

In such cases, Revenue will inform the taxpayer in writing that civil or criminal proceedings will be considered. The final decision in relation to any criminal prosecution rests with the Director of Public Prosecutions. On conviction on indictment, penalties include fines of up to €126,970 and/or imprisonment of up to 5 years. In practice, criminal prosecution is reserved for the most serious cases of deliberate evasion, while the majority of cases are dealt with through the civil penalty regime.

8. Does the tax authority have to abide by any standards or a code of conduct when carrying out audits? Does the tax authority publish any details of how it conducts audits in practice?

Yes, the standards, procedures, and taxpayer rights applicable to all compliance activities are set out in the "Code of Practice for Revenue Compliance Interventions" which is published by Revenue.

The Code covers interventions at Level 1 (assurance checks), Level 2 (risk reviews and audits), and Level 3 (investigations) and sets out practical details of how audits are conducted including:

- 28 days' advance notification of an audit;
- identification of the years, periods, and taxes under examination;
- the opportunity for taxpayers to make a qualifying disclosure before the audit starts; and
- clear procedures for the conduct of audits on taxpayers' premises.

Revenue also publishes a Customer Service Charter which sets out expectations regarding fairness, courtesy, and confidentiality.

9. Does the tax authority have the power to compel the production of information? Does this extend to emails? Is there a right of appeal against the use of such a power?

Yes. Revenue has broad statutory powers to require the production of books, records, documents, and information, including electronic records and emails

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relevant to a person's tax liability.

Revenue is not entitled to information which is subject to legal professional privilege or contains professional advice of a confidential nature given to a client.

Revenue also has the power to apply to the High Court for orders requiring production of documents.

There is no general right of appeal in respect of these powers. However, an appeal to the Tax Appeals Commission may arise on the basis that the enquiry is time barred, if applicable.

10. Does the tax authority have the power to compel the production of information from third parties? Is there a right of appeal against the use of such a power?

Yes. Revenue has extensive powers to compel third parties to furnish information or documents relating to a taxpayer's tax affairs.

Revenue's powers can be exercised by serving notice on the third party (including financial institutions) requesting the delivery of the relevant records or documents that the Revenue official believes are relevant to the liability of a taxpayer. The taxpayer is informed of any such notice.

Revenue are not entitled to information which is subject to legal professional privilege or contains professional advice of a confidential nature given to a client.

Revenue also receives information automatically from employers' payroll withholding tax (PAYE), financial institutions (interest, dividends), and other government agencies.

Revenue may also make an application to the Tax Appeals Commission (in certain circumstances) or the High Court to require third parties or financial institutions to produce information.

There is no general right of appeal for taxpayers against these statutory powers. However, an appeal to the Tax Appeals Commission may arise on the basis that the enquiry is time barred, if applicable.

11. Is it possible to settle an audit by way of a binding agreement, i.e. without litigation?

Yes. The vast majority of Revenue audits in Ireland are settled without litigation. Revenue's Code of Practice encourages resolution through engagement and cooperation.

A taxpayer may make a "qualifying disclosure" which, if accepted, allows the matter to be settled on agreed terms, including payment of any additional tax, interest, and reduced penalties. Once a settlement is agreed — comprising the tax, interest, and penalties — and the taxpayer has paid the agreed amount, the matter is finalised. Where a matter has been settled on an agreed basis, the taxpayer will generally be precluded from subsequently appealing the agreed elements of the settlement.

Revenue settlements are binding once finalised, and there is generally no reopening of the matter unless further relevant information is later discovered.

12. If a taxpayer is concerned about how they are being treated, or the speed at which an audit is being conducted, do they have any remedies?

Yes. Taxpayers have several administrative and legal options depending on the situation.

Taxpayers can raise concerns directly with the Revenue officer or their manager.

Taxpayers can also escalate matters through Revenue's internal complaints process, ultimately to a designated Review Officer under Revenue's Complaint and Review Procedures.

Revenue's Customer Service Charter commits to resolving complaints within set timeframes, and Revenue's Code of Practice for Revenue Compliance Interventions also aims to conduct audits with minimum disruption and sets expected timelines.

Another option is a referral to the Office of the Ombudsman, which can investigate complaints from taxpayers who believe that they have been unfairly treated.

In respect of tax issues, a taxpayer may generally appeal to the Tax Appeals Commission if Revenue attempts to make an enquiry or issue a formal assessment or decision outside of the four-year statutory time limit, or where they disagree with the position taken by Revenue.

A taxpayer may seek judicial review in the High Court if Revenue acts outside its statutory powers or acts in breach of certain taxpayer rights.

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13. If a taxpayer disagrees with a tax assessment, do they have a right of appeal?

Yes. A taxpayer who disagrees with an assessment has a statutory right of appeal to the Tax Appeals Commission. Notice of appeal to the Tax Appeals Commission must be given within 30 days after the date of the notice of assessment.

However, certain preconditions apply: where Revenue has raised an assessment in default of a return, the taxpayer must first file the return. The taxpayer must also pay any undisputed tax liabilities declared in their submitted return, but there is generally no requirement to pay the disputed tax assessed by Revenue in order to bring an appeal.

There is no right of appeal against a self-assessment, nor against an assessment where the amounts were agreed between the taxpayer and Revenue prior to assessment.

14. Is the right of appeal to an administrative body (independent or otherwise) or to a judicial body (i.e. a tribunal or court)?

The first-instance appeal lies to the Tax Appeals Commission (TAC), which is an independent statutory body established to hear and determine tax appeals.

The TAC is independent of Revenue and the Government. Although not technically a court, the TAC exercises a quasi-judicial function and its Appeal Commissioners have legal training. The TAC's determinations may be appealed onward to the High Court but only on a point of law.

15. Is the hearing in public? Is the decision published? What other information about the appeal can be accessed by a third party/the public?

The current default position is that TAC hearings are in public, but taxpayers can elect for a private hearing.

Determinations from private hearings are anonymised on publication on the TAC's website. These anonymised determinations remove identifying information about the taxpayer but retain the factual background, legal analysis, and outcome. If the matter proceeds to the courts (High Court or beyond), the hearings are in public and the court judgments are publicly available and identify the parties.

Third parties can access the anonymised TAC determinations and any published court judgments.

It is important to note that there is currently draft legislation proposed by the Irish Government to make TAC hearings public in all but exceptional cases. This proposal has not been approved or finalised yet.

16. Is the procedure mainly written or a combination of written and oral?

The TAC can adjudicate on cases without the need for oral submissions and based on the parties' written submissions only.

In most cases, the procedure commences with written submissions (including legal submissions which the parties exchange, and documentary evidence), and a hearing is then held for the parties to make oral submissions.

The hearing itself involves the oral presentation of arguments and, where relevant, witness testimony.

The TAC has also adopted remote/video hearings in appropriate cases.

17. Is there a document discovery process?

There is no formal document discovery process before the TAC. However, the TAC has the power to require parties to produce documents and answer questions. In practice, the TAC usually issues directions to the parties to exchange relevant documents as part of the pre-hearing process.

18. Are witnesses called to give evidence?

Yes. Witnesses may be called to give evidence before the TAC. The TAC has the power to examine witnesses on oath. In practice, witness evidence is often relied on to address disputed issues of fact, such as whether a transaction occurred, the nature of a trade, or the factual circumstances giving rise to an assessment. Expert witnesses may also be called where appropriate.

19. Does the burden of proof rest with the taxpayer on an appeal against an assessment?

Generally, yes.

In Irish tax appeals, the burden of proof rests on the taxpayer to demonstrate that an assessment is incorrect. The taxpayer must demonstrate, on the balance of

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probabilities, that the Revenue assessment is excessive or wrong.

However, the burden of proof can sit with Revenue in certain circumstances, e.g. where Revenue seeks to assess outside the normal four-year time limit on grounds that the return did not contain a full and true disclosure, or that fraud or neglect occurred. In these cases Revenue can be required to establish the grounds on which it seeks to rely.

20. How long does an appeal usually take to conclude?

The TAC process generally proceeds more quickly than court proceedings. Appeals can be scheduled within months of filing.

In practice, most appeals that go to hearing take approximately 12 – 18 months from filing to determination, with exact timing depending on the complexity of the issue.

21. Does the taxpayer have to pay the assessment pending the outcome of the appeal?

The taxpayer is generally not required to pay the amount of the disputed assessment pending the outcome of the appeal.

However, interest on any underpayment will continue to accrue during the appeal period, and if the taxpayer is unsuccessful on appeal, interest will be charged on the full amount from the original due date.

22. Are there any restrictions on who may conduct or appear in the appeal on behalf of the taxpayer?

The taxpayer may appear in person, be represented by a solicitor, barrister, or any person who is a member of one of the professional bodies specified in the Irish tax legislation (eg, accountancy body, Irish Tax Institute, Irish Auditing and Accounting Supervisory Authority, Law Society of Ireland). There is no requirement for legal representation before the TAC.

If the appeal progresses to the High Court or Supreme Court, the usual rules regarding rights of audience apply, and legal representation by a solicitor and/or barrister is standard practice.

23. Is there a cost-shifting system whereby the losing party pays the winning party's legal and professional costs of an appeal?

Before the TAC, each party bears its own costs regardless of the outcome.

However, if the matter is appealed to the High Court or further, the usual court rules on costs apply, and the court has discretion to award costs. The general rule is that costs "follow the event" (i.e. the losing party pays both parties' costs), although the court may exercise its discretion differently depending on the circumstances.

24. Is it possible to use alternative forms of dispute resolution, such as voluntary mediation or binding arbitration? Are there any restrictions on when such alternative forms of dispute resolution may be pursued?

There is no formal mediation or arbitration framework specifically for domestic tax disputes in Ireland.

However, in practice, most disputes are resolved through direct engagement and negotiation between the taxpayer and Revenue during the audit or post-audit phase.

Revenue's Code of Practice actively encourages settlement through cooperative engagement.

The TAC also encourages parties to settle matters by agreement where possible, and cases can be settled by agreement at any stage before a final determination is issued by the TAC.

For cross border disputes, the Mutual Agreement Procedure (MAP) is available under Ireland's double taxation treaties, as well as the EU Arbitration Convention and the EU Tax Dispute Resolution Mechanisms Directive.

These mechanisms provide a structured process for resolving international double taxation disputes.

25. Is there a right of onward appeal? If so, what are the levels of onward appeal before the case reaches the highest appellate court?

Yes. A TAC determination may be appealed by either party to the High Court, by way of case stated on a point of law only.

The High Court generally addresses only points of law,

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and issues of fact will not be reviewed unless there are serious errors in the treatment of the factual evidence in the TAC determination. Depending on the nature of the appeal, the High Court can deal with the issue, or can remit it back to the TAC with its opinion.

From the High Court, the usual route of appeal is on a point of law to the Court of Appeal.

From there, the highest appellate court is the Supreme Court, in respect of which leave must be granted to take an appeal.

The Supreme Court will typically only hear cases involving a matter of general public importance or where the interests of justice require it.

26. What are the main penalties that can be applied when additional tax is charged? What are the minimum and maximum penalties?

Irish Revenue penalties fall into the following main groups:

- Tax geared penalties for incorrect returns, which are the most important in practice;
- Fixed civil penalties for particular failures e.g. failure to file a return;
- Surcharges for late returns;
- Interest on late payment;
- Criminal sanctions for serious cases; and
- Publication of taxpayers' details in the tax defaulters list.

A tax geared penalty is a percentage of the tax shortfall and is calculated based on the taxpayer's behaviour as well as the timing and manner of the regularisation of the default.

Tax geared penalties can be applied in the range of 3% – 100%.

The lowest level of penalties apply in cases of careless behaviour without significant consequences, where an unprompted qualifying disclosure is made and there is full cooperation from the taxpayer.

The highest level of penalties apply if a Level 3 intervention has been commenced, the taxpayer has not made a Qualifying Disclosure, has not cooperated with Revenue, and the behaviour is categorised as deliberate.

Interest would generally also apply.

27. If penalties can be mitigated, what factors are taken into account?

Yes, penalties can be mitigated.

Revenue's Code of Practice provides for penalty mitigation based on three key factors:

(1) whether the taxpayer cooperated fully with the compliance intervention;

(2) whether the taxpayer made a qualifying disclosure (and whether this was “unprompted” or “prompted”); and

(3) the category of default behaviour (careless or deliberate).

An unprompted qualifying disclosure — one made before Revenue notifies the taxpayer of a Level 2 or Level 3 intervention — attracts the most favourable penalty reduction. It remains available during a Level 1 intervention.

A prompted qualifying disclosure made after notification but before the intervention commences also attracts mitigation, but to a lesser degree.

Full cooperation involves providing all requested information and access to records. Where a taxpayer cooperates fully and makes a qualifying disclosure, the penalties may be significantly reduced from the maximum rates.

In the most favourable scenario (unprompted qualifying disclosure with full cooperation), the penalty may be reduced to as little as 3% of the underpaid tax for careless behaviour without significant consequences.

28. Within your jurisdiction, what areas do you think are most likely to be subject to challenge over the next 12 months?

Revenue selects cases for audit based on risk and relies on the increased availability of data to identify risk areas.

Such risk areas are identified in its 2025 Annual Report which names the residential rental sector, social media influencers, digital services and cash-based businesses as ongoing compliance priorities.

Employment status is also high on the list, with worker classification described as a key area of focus following the Supreme Court's decision in *Karshan*. Revenue have indicated that worker misclassifications that were not corrected during the recent disclosure window face full

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tax, interest and penalties.

Revenue routinely reviews payroll expenses and benefits, which is enhanced by more comprehensive data from employer reporting.

Another clear target is share-based remuneration, with Revenue contacting individuals who appear to have exercised share options in 2021–2023. This area alone yielded €22.8 million for Revenue in 2025.

For multinationals, transfer pricing "will remain a key priority", with Revenue making greater use of annual transfer pricing documentation when it assesses risk.

Revenue is actively targeting companies that have filed iXBRL-tagged financial statements late or in draft without securing prior approval from Revenue, with escalation of interventions to Level 2 Risk Reviews.

Revenue is also actively challenging potential avoidance cases. These include claims to CGT reliefs, share sales to connected companies used to extract cash, and transfers of assets or income offshore. Offshore evasion remains "a central pillar" of Revenue's compliance framework.

Cash-intensive sectors also face increased scrutiny. These include construction, hospitality, hair and beauty, takeaways, transport, and delivery services. Revenue cross-checks tax returns against third-party data on an ever-growing scale. As a result, discrepancies in these areas are increasingly likely to be detected.

Pillar Two is now operational and the first top-up tax returns were due in June 2026. Revenue has said it will monitor compliance to ensure the rules are applied consistently and effectively.

29. In your opinion, are there any areas that taxpayers are currently finding particularly difficult to deal with when faced with a challenge by the tax authorities?

Taxpayers are currently finding the following areas particularly challenging:

- The pace and scope of Revenue audits: Revenue's data analytics capabilities have expanded significantly, and audits are becoming more data-driven and broad in scope;
- Documentation requirements – meeting the requirement to have contemporaneous documentation to support a claim, relief or the nature of a payment;
- Transfer pricing documentation: meeting the documentation requirements and defending pricing methodologies;
- Pillar Two compliance: the complexity of the new global minimum tax rules and interaction with domestic taxes;
- Substance requirements: demonstrating genuine economic substance in Ireland, particularly for holding and treasury companies;
- Cross-border disputes: MAP processes can be lengthy, and are not guaranteed to result in tax certainty for a taxpayer unless the framework under which the MAP is commenced provides for mandatory binding arbitration.

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