

# Money Matters

A series of weekly articles by Quintas Experts

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## HOW TO AVOID

## a Revenue Attachment order

The recent publicity regarding the collapse of the transport company Target Express highlighted the impact the placing of an attachment order by Revenue can have on a business. In the case of Target it led to the collapse of the business with the loss of 400 jobs.

Based on reports released by the company and the liquidators it took just 7 days from the date the attachment order was enforced (Friday 24 August) to the day the liquidator agreed a deal to sell the assets of the company to one of its main competitors (Friday 31 August).

In the case of an attachment order, revenue have special powers under tax law that does not require them to get a court order to freeze a bank account and/or to contact a company's customers to demand direct payment of the liabilities due.

I have outlined below some of the issues that need to be taken into account to avoid this action being taken by revenue:

### **Compliance**

It is a basic requirement of all tax payers (individuals and companies) to ensure that they are aware of the relevant tax deadlines and ensure that they are meeting the compliance deadlines for the relevant taxes that they are registered for.

### **Revenues Online Service (ROS)**

Having access to ROS will allow you to view your deadlines, liabilities and tax history in real-time and also allow you to receive important notifications from Revenue.

### **Communicate**

If you are falling behind in the submission of your returns or if you are struggling to pay the tax liabilities as they fall due, it is important to that you/your agent contact revenue to explain your situation and to agree a timeframe for getting everything up to date.

### **Phased payment arrangements**

This application form needs to be completed and submitted to Revenue with some financial information to support the installment proposal. This will include recent bank statements, accounts and cash flow projections depending on the amount of the tax liability.

### **Self-review and update**

It is important to review your revenue position on a monthly basis to ensure that there are sufficient funds in place to meet the businesses short-term commitments.

### **Revenue correspondence**

Do not ignore correspondence from revenue as a lack of communication or a delayed response from a tax payer to a demand or warning letter can have dire consequences for the business.

### **Cold audit overview**

It may be advisable to complete a 'cold audit overview' of where your business stands today and to complete a statement of the assets and liabilities of the company. This review should be able to project problems that may come down the road if the business was to experience some short-term cash flow problems due to a fall in income for a couple of months or for some other unforeseen event.

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