

Revenue announce measures to assist SMEs experiencing cashflow difficulties arising from COVID-19

Today (13/03/2020), having regard to the measures announced yesterday by An Taoiseach to interrupt the transmission of COVID-19, Revenue outlined some key advice and actions taken to assist small and medium enterprise (SME) [\[1\]](#) businesses experiencing cashflow and trading difficulties arising from the impacts of the virus.

Revenue issued [key advice](#) earlier this week to businesses experiencing tax payment difficulties, and appreciates that such difficulties can cause worries for businesses in terms of their ability to keep an otherwise good tax compliance record on track. It is important that businesses know that Revenue has a long history of working very successfully with taxpayers to resolve their tax payments difficulties.

Revenue has provided the following updated advice which will further assist businesses that are experiencing trading difficulties caused by the impacts of COVID-19.

Information for SMEs

- **Tax Returns:** businesses experiencing temporary cash flow difficulties should continue to send in tax returns on time.
- **Application of Interest:** the application of interest on late payments is suspended for January/February VAT and both February and March PAYE (Employers) liabilities.
- **Debt Enforcement:** All debt enforcement activity is suspended until further notice.
- **Tax Clearance:** current tax clearance status will remain in place for all businesses over the coming months.

Information for Subcontractors

- **RCT (Relevant Contract Tax):** the RCT rate review scheduled to take place in March 2020 is suspended. This process assesses the current compliance position of each subcontractor in the eRCT system and determines their correct RCT deduction rate, i.e. 0%, 20% or 35%. As this process may result in a subcontractor's RCT rate increasing due to changes in their compliance position, the review is suspended.

- Subcontractors and agents are reminded that RCT rate reviews can be self-managed in ROS. Subcontractors can check if their rate should be lower and can then 'self-review' to get that lower deduction rate.

Information on importing goods

- **Customs:** critical pharmaceutical products and medicines will be given a Customs 'green routing' to facilitate uninterrupted importation and supply.

Businesses, other than SMEs, who are experiencing temporary cash flow or trading difficulties should contact the Collector-General's office on (01) 7383663.

Alternatively, these businesses can engage directly with their branch contacts in Revenue's Large Corporates Division or Medium Enterprises Division.

Revenue will continue to closely monitor the evolving situation regarding COVID-19 and will issue further updated guidance for businesses when required and particularly in good time before the March/April VAT returns, and other future returns are due.

1. *tax purposes, an SME is a business with turnover of less than €3 million who is not dealt with by either Revenue's Large Cases Division or Medium Enterprises Division. SME's are managed from both a service and compliance standpoint by Revenue's Business Division.*

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Ends 13/03/2020