



Dermot O'Brien & Associates

## **FINANCE BILL 2013**

### **Important VAT Provisions for Receivers, Liquidators and Mortgagees in Possession**

Finance Bill 2013 was introduced this afternoon by the Minister for Finance. As usual, it includes proposals for a wide range of changes to the country's tax laws but certain VAT changes are of particular importance to Receivers, Liquidators and Mortgagees in Possession.

Among the most significant proposals for change are the following:

- Receivers, or others, who let properties under their charge under vatable lettings are accountable to Revenue for the VAT arising. This clarifies the previously understood position, notwithstanding weaknesses in the existing legislation.
- Receivers, liquidators and mortgagees will become liable for VAT adjustments arising in relation to capital goods (ie interests in property) under their charge or control. This means that where adjustments (positive or negative) under the VAT Capital Goods Scheme arise, a proportion of the cost - or benefit - of such adjustments accrue to the receiver, liquidator or mortgagee, as appropriate, and not to the borrower. The proportion so accruing will vary depending on the circumstances of each case.

Further changes, or refinements, may be made during the Committee or Report Stages, and we will notify you of any significant developments.

The changes proposed will take effect on the date of the passing of the Act, which is likely to be in early April.

**Dermot O'Brien & Associates**

*13 February 2013*