

# **RELEASE NOTES**

## **for Corporation Tax**



Version 9.0 Build 2

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***software***

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### INTRODUCTION

As per Revenue guidelines and due to the implementation of the Finance Act 2019 and amendment in the taxonomy, we have made more than 60 changes in **Relate Corporation Tax Version 9.0 Build 2** for the Tax Year 2020. The major and minor changes have been made to **Relate Corporation Tax** to comply with Revenue.

### MAJOR CHANGES IN TAX YEAR 2020

Major changes include several new tax fields and subsections to be filled in where applicable under

- **Company Details**
  - Subsection to indicate Relevant Trade within the meaning of Section 291A
  - Subsection for Stock Borrowing and Repurchase Agreements
  - Option to indicate the associate company under Associated Companies
- **Trading Results**
  - Option to claim amounts under Section 291A under Trade Profits at 12.5% subsection
  - Tax field for Machinery and Plant in Capital Allowance – Relevant Trade
- **Irish Investment and Other Income**
  - Option to choose an adjustment under anti-hybrid provisions of Part 35C
- **Research and Development Credit**
  - Subsection for Research and Development Credit claimed for the smaller companies under Section 766C
- **Capital Gains**
  - Tax field for Net loss in this accounting period available for offsetting the gains under Details of Acquisition(s)

### MINOR CHANGES IN TAX YEAR 2020

Minor changes have been made to the following areas for the Tax Year 2020:

New Tax Fields for:

- **Company Details**
  - Option to enter the transaction number in Mandatory Disclosure under Section 817HB
  - Option to enter the reference number for in Mandatory Disclosure for Cross Border Arrangement
  - New field to enter the Company Registration Office Number
- **Extract from Accounts**
  - Subsection to specify the accounting framework under which the financial statements are prepared under XBRL
- **Capital Gains**
  - Tax field to enter the amount of chargeable gains liable at 33%
  - Option to indicate Capital gains to which under S 627 applies

Relate Software is committed to strong customer service and satisfaction. At all times you will be able to make contact with our company and our technical service teams. Relate Software will provide the highest level of customer service. We will provide telephone support as well as online remote access support.

This document outlines the changes made in **Relate Corporation Tax Manager Version 9.0.2**. Please take time to read the notes. If you have any queries, please contact support on [support@relate-software.com](mailto:support@relate-software.com) or call +353 1 4597800 (ROI).

The following program changes have been introduced to fulfil the requirements of Revenue and requests from both users and internal quality control reviews.

If you have any further changes you would like to see in Corporation Tax, please send an email to [enhancements@relate-software.com](mailto:enhancements@relate-software.com)

#### Important

Please note it is very important that before running any database update you perform a database backup. Relate Software always advise that your practice takes regular backups to minimise any loss of data.

## COMPANY DETAILS

### SUBSECTION TO INDICATE RELEVANT TRADE WITHIN THE MEANING OF SECTION 291A

Section 291A of TCA 1997 provides for a capital allowance against trading income for companies that incur capital expenditure on the provision of intangible assets for trade. The scheme applies to a broad range of intangible assets of the purpose of a trade.

In this subsection, you have to disclose whether your company qualify for SME exemption under section 835EA. Transfer pricing rules do not apply in computing the profits or gains or losses of a person who is an SME for the chargeable period.

An SME is defined for the section. The definition is closely based on the definition of enterprises which fall within the category of micro, small and medium- based sized. In a broader concept, this comprises the group of companies, where the group employs less than 250 employees and either has a turnover of less than 43 million euro.

To comply with the Revenue we have introduced a subsection to give the details in the relevant trade within the meaning of Section 291A of TCA 1997.

The following options have been added in **Relate Corporation Tax Manager** for the Tax Year 2020. If it's applicable for your business select the [Yes] else select [No].

- Does the company qualify for the SME exemption under section 835EA?
- Is the company required to prepare a Local File
- Is the company required to prepare a Master File

See Figure 1:

**R001 Demonstration Company Tax Return 2020**

Save & Close Home Back Next Calculate Create CT1 CT1

**Desktop**

- Company Details
- Trading Results
- Extract from Accounts
- Irish Rental Income
- Irish Investment and Other Income
- Foreign Income
- Exempt Profits
- Capital Gains
- Chargeable Assets
- Deductions, Reliefs and Credits
- Research and Development Credit
- Capital Gains (Development Land)
- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Company Details**

If yes, give details in the Relevant trade within the meaning of Section 291A sub-panel, accessed by clicking on the Section 291A button.

Does the company qualify for the SME exemption under section 835EA? ☒ Yes ☐ No

Is the company required to prepare a Local File ☒ Yes ☐ No

Is the company required to prepare a Master File ☒ Yes ☐ No

**Stock Borrowing and Repurchase Agreements**

Has the company acted as the stock seller of a financial transaction (within the meaning of section 753A):

(i) in the course of its trade ☒ Yes ☐ No

(ii) Otherwise than in the course of its trade ☒ Yes ☐ No

Has the company acted as the stock buyer of a financial transaction (within the meaning of section 753A):

(i) in the course of its trade ☒ Yes ☐ No

(ii) Otherwise than in the course of its trade ☒ Yes ☐ No

**New subsection to give details in the Relevant trade within the meaning of Section 291A sub-panel for the Tax Year 2020**

Figure 1: Subsection to give the details in the Relevant Trade within the meaning of Section 291A

## SUBSECTION FOR STOCK BORROWING AND REPURCHASE AGREEMENTS

As per the Finance Act 2019, stock borrowing and repurchase (repo) arrangement provides for the Tax treatment.

Both stock borrowing and repurchase arrangement are from a short term lending and reflected on the accounts of the participant as such. However, the form of the transaction involves the temporary transfer of legal title of stock (e.g. shares) from one party to another, with a simultaneous commitment to reserve the transaction in the future. This legislation operates to ensure the tax treatment follows the substance of such transactions where they are concluded within 12 months or less (being a short-term loan) where specified criteria are met.

Section 753A sets out the definitions for the Chapter. A number of these definitions were originally from the Stamp Duties Consolidation Act 1999 (SDCA) and have been modified to ensure they relate to qualifying securities only.

The new option is added in **Relate Corporation Tax Manager** for the Tax Year 2020. The new options are as follows:

- Has the company acted as the stock seller of a financial transaction (within the meaning of 753A):
  - (i) In the course of its trade

- (ii) Otherwise than in the course of its trade

If the above option is applicable for your tax return select [Yes], else select [No].

- Has the company acted as the stock buyer of a financial transaction (within the meaning of section 753A):

- (i) In the course of its trade
- (ii) Otherwise than in the course its trade

If the above option is applicable for your tax return select [Yes], else select [No].

See Figure 2:

**R001 Demonstration Company Tax Return 2020**

Save & Close Home Back Next Calculate Create CT1 CT1

**Desktop**

- Company Details
- Trading Results
- Extract from Accounts
- Irish Rental Income
- Irish Investment and Other Income
- Foreign Income
- Exempt Profits
- Capital Gains
- Chargeable Assets
- Deductions, Reliefs and Credits
- Research and Development Credit
- Capital Gains(Development Land)
- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Company Details**

If yes, give details in the Relevant trade within the meaning of Section 291A sub-panel, accessed by clicking on the Section 291A button.

Does the company qualify for the SME exemption under section 835EA? ☒ Yes ☐ No

Is the company required to prepare a Local File ☒ Yes ☐ No

Is the company required to prepare a Master File ☒ Yes ☐ No

**Stock Borrowing and Repurchase Agreements**

Has the company acted as the stock seller of a financial transaction (within the meaning of section 753A):

- (i) in the course of its trade ☒ Yes ☐ No
- (ii) Otherwise than in the course of its trade ☒ Yes ☐ No

Has the company acted as the stock buyer of a financial transaction (within the meaning of section 753A):

- (i) in the course of its trade ☒ Yes ☐ No
- (ii) Otherwise than in the course of its trade ☒ Yes ☐ No

**New subsection Stock Borrowing and Repurchase Agreements for the Tax Year 2020**

Figure 2: Subsection for Stock Borrowing and Repurchase Agreement

## OPTION TO ENTER TRANSACTION NUMBER IN MANDATORY DISCLOSURE SECTION 817HB

As per Revenue guideline, Section 817HB of TCA 1997 deals with the duties of the Revenue about mandatory disclosure. Within 90 days Revenue must determine whether the transaction is disclosable or not. If the transaction is disclosable, Revenue will assign a unique transaction number to the transaction to the person who disclosed the transaction.



A person who obtains or willing to obtain a tax advantage from a disclosable transaction must include the transaction number on the CT1.

To comply with Revenue, we have added a new field under the Mandatory Disclosure subsection. If you have the transaction number which has been assigned by the Revenue Commissioners under Section 817HB add the number.

The new field is as follows:

- The number assigned to a transaction by the Revenue Commissioners under section 817HB

To enter the number, you need to click on the [ADD] button. [Edit] and [Delete] option is also available for any kind of changes you want to make.

See Figure 3:

R001 Demonstration Company Tax Return 2020

Save & Close Home Back Next Calculate Create CT1 CT1

**Desktop**

- Company Details
- Trading Results
- Extract from Accounts
- Irish Rental Income
- Irish Investment and Other Income
- Foreign Income
- Exempt Profits
- Capital Gains
- Chargeable Assets
- Deductions, Reliefs and Credits
- Research and Development Credit
- Capital Gains(Development Land)
- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Company Details**

**Mandatory Disclosure**

**Transactions Under Section 817HB**

S817HB Transaction Number
1234567T
4564133D

The number assigned to a transaction by the Revenue Commissioners under section 817HB

Add Edit Delete

**Cross Border Arrangement**

Reference Number
456
6640431C

New subsection to enter Transaction Under Section 817HB under Mandatory Disclosure for the Tax Year 2020

Reportable cross-border arrangement reference number

Add Edit Delete

**Election under Sec. 629 (2)**

If you are making an election under Sec 629(2) please tick the box and provide the requested information. ☒

R001 Demonstration Company Tax Return 2020

Figure 3: New subsection to enter transactions under Section 817HB

### OPTION TO ENTER THE REFERENCE NUMBER FOR CROSS BORDER ARRANGEMENT

As per the Finance Act 2019, Revenue has introduced a mandatory automatic exchange of information concerning the reportable cross-border arrangement. This is being introduced to give effect to a certain provision of Directive, which was amended by the Council Directive (EU) to introduce a mandatory disclosure regime for a certain cross-border transaction. Now, these transactions could be used for aggressive tax planning.

It sets out the information that is to be reported to the Revenue Commissioners, the time limits for reporting, in what circumstances an exemption from reporting will be available and the penalties that may apply for failure to make a return. By the requirements of the Directive, the information received from intermediaries and taxpayers will be shared with the other EU Member States.

Within the Mandatory Disclosure subsection, we have added the new option in Relate Corporation Tax Manager or the Tax Year 2020 to enter the cross-border arrangement reference number to comply with Revenue. The new field is as follows:

- Reportable cross-border arrangement reference number

See Figure 4:

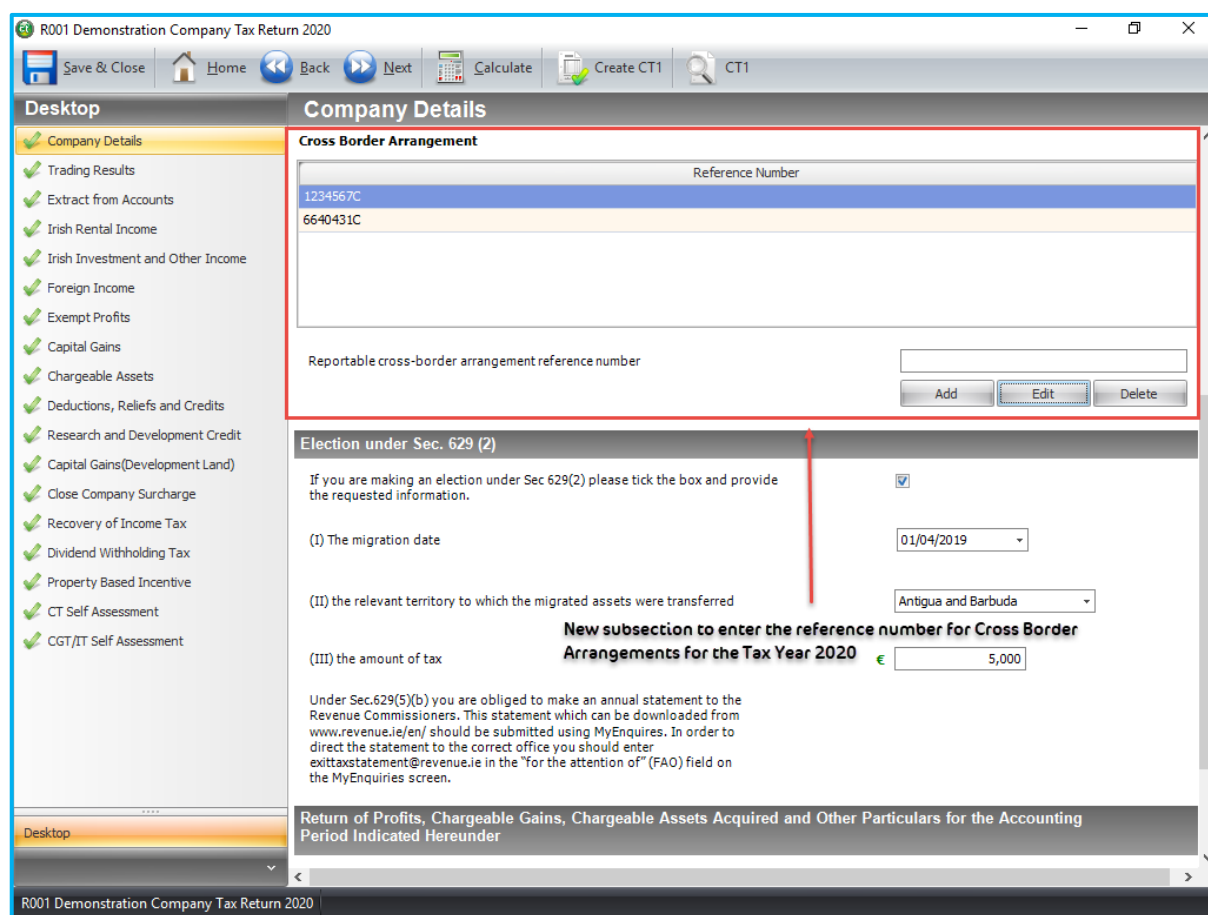


Figure 4: Option to enter the reference number for the Cross Border Agreement

### OPTION TO INDICATE THE ASSOCIATE COMPANY UNDER ASSOCIATED COMPANIES

As per the Revenue guideline, we have added an option to indicate the associate company under the Associated Companies subsection.

The new option is as follows:

- Has the company associated companies?

Select the [Yes] option if you have else click on [No].

See Figure 5:

The screenshot shows the 'R001 Demonstration Company Tax Return 2020' window. The left sidebar lists various tax return sections, with 'Company Details' selected. The main area displays the 'Company Details' subsection, which includes sections for 'Close Companies only: Shareholders and other Participants', 'Residency Details', 'Associated Companies', and 'Non Resident Companies'. In the 'Associated Companies' section, the question 'Has the company associated companies?' is highlighted with a red box, and the 'Yes' radio button is selected. A red arrow points to the 'Yes' button. Below this, there is a field for 'State the number of Irish Associated Companies' with the value '1' entered. The 'Non Resident Companies' section also has a 'Yes' radio button selected. The bottom of the window shows the title bar 'R001 Demonstration Company Tax Return 2020'.

Figure 5: Option to indicate Associated Companies

## NEW FIELD TO ENTER THE COMPANY REGISTRATION OFFICE NUMBER

As per Revenue guideline, we have added a new field to enter the Company Registration Office number (CRO) in the Company Details subsection.

To comply with Revenue, we have added the following Tax Field in Relate Corporation Tax Manager for the Tax Year 2020.

- Company Registration Office Number

See Figure 6:

Figure 6: New field to enter the Company Registration Office Number

## TRADING RESULTS

### OPTION TO CLAIM AMOUNTS UNDER SECTION 291A UNDER TRADE PROFITS AT 12.5% SUBSECTION

As per Revenue guideline, Section 291A of TCA 1997 provides for capital allowances against trading income for the companies that incur expenditure on the provision of intangible assets for the trade.

To comply with Revenue, we have added an option in Relate Corporation Tax Manager for the Tax Year 2020. The new option is as follows:

- Are amounts relating to a claim for relief under Section 291A included below (under the trade profits as 12.5%) [Tick Box]

See Figure 7:

**Trading Results**

Trade Profits at 12.5%

Are amounts relating to a claim for relief under Section 291A included below (under trade profits at 12.5%)?

☐ Last Year ☒ Current Year

	Last Year	Current Year
(a) Profits before Capital Allowances (where a loss occurs show 0)	€ 2,00,000	1,00,000
Balancing Charges	€ 4,001	2,001
<b>Capital Allowances</b>		
<a href="#">Capital Allowances Schedule</a>		
(a) Machinery and Plant (including motor vehicles), excluding amount claimed in respect of 'energy-efficient equipment' under Sec 285A TCA 1997, and amount claimed for specified intangible assets under Sec. 291A TCA 1997.	€ 501	1,000
(b) Machinery and Plant in respect of 'energy-efficient equipment' under Sec 285A TCA 1997	€ 302	800
(c) Machinery and Plant - 'childcare and fitness centre equipment' (section 285B TCA 1997)	800	500
(d) Machinery and Plant - 'gas vehicles and refuelling equipment' (section 285C TCA 1997)	€ 225	500
Industrial Buildings	€ 250	300
(a) If any amount of Industrial Buildings Allowance claimed above is in respect of a property in the Living City Initiative (S.372AAC) tick the box and provide the required information	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<a href="#">Living City Initiative</a>		
(b) If any amount of Industrial Buildings Allowance claimed above is in respect of Aviation Services Facilities (Sec. 268(1)(n)), provide the following information:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(i) Amount of claim at accelerated rate provided for under section 272(3)(k)(i)	415	300
(ii) The address of Building or Structure	Southcity Business Park, Whitestown Way, Tallaght, Co. Du.	Southcity Business Park, Whitestown Way, Tallaght, Co. Du.

Option to indicate amounts relating to a claim for relief under section 291A included for the Tax Year 2020

Figure 7: Indicate amounts relating to a claim for relief under section 291A

#### TAX FIELD FOR MACHINERY AND PLANT IN CAPITAL ALLOWANCE – RELEVANT TRADE

As per Revenue guideline a company can claim allowances on capital expenditure it incurs on certain types of business assets and business premises. The capital allowance is generally calculated on the net cost of the business assets or premises. These are different rate available depending on the type of asset. A company can claim capital allowances on plant and machinery.

To comply with Revenue we have added the Tax Field for the Tax Year 2020.

- Machinery and Plant (Other than a specified intangible asset and including motor vehicles)

See Figure 8:

	Last Year	Current Year
Machinery and Plant (other than a specified intangible asset and including motor vehicles)	€ 0	€ 500
(i) Amount of capital allowances claimed under Sec. 291A (3) TCA 1997 in respect to capital expenditure incurred before 11 October 2017 (Accounts-based allowance)	€ 100	€ 400
(ii) Amount of capital allowances claimed under Sec. 291A (3) TCA 1997 in respect to capital expenditure incurred on or after 11 October 2017 (Accounts-based allowance)	€ 100	€ 400
(iii) Amount of capital allowances, claimed under S 291A(3) TCA 1997, not used in this accounting period for carry forward to the succeeding accounting period (including amounts carried forward from earlier accounting periods)	€ 100	€ 300
(a) If an amount of capital allowances for carry forward at line (iii) refers to capital expenditure incurred on or after 11 October 2017, enter that amount here	€ 100	€ 300
(iv) If the company is making an election under Sec. 291A(4) TCA 1997, tick the box	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Amount of capital allowances claimed for this accounting period for which an election has been made under Sec. 291A (4) TCA 1997, in respect to capital expenditure incurred before 11 October 2017 (Fixed rate allowance)	€ 100	€ 300
(vi) Amount of capital allowances claimed for this accounting period for which an election has been made under Sec. 291A (4) TCA 1997, in respect to capital expenditure incurred on or after 11 October 2017 (Fixed rate allowance)	€ 100	€ 300
(vii) Amount of capital allowances, claimed under S 291A(4) TCA 1997, not used in this accounting period for carry forward to the succeeding accounting period (including amounts carried forward from earlier accounting periods)	€ 100	€ 500

Figure 8: Tax field for Machinery and Plant –except specified intangible assets

## EXTRACT FROM ACCOUNTS

### OPTION TO CHOOSE THE ACCOUNTING STANDARD UNDER XBRL

Accounting Framework refers to the framework of accounting rules set out in accounting standard which a company uses to prepare its accounts. The financial statement or accounts of Irish incorporated companies are subject to both the requirements of the applicable accounting framework and Irish Company Law.

As per Revenue guideline, under the Accounting Standard subsection, we have two new fields under the XBRL option. From the new option, you can choose the Financial Reporting Standard. The two new fields added in the subsection in Relate Corporation Tax Manager for the Tax Year 2020. The new tax fields are as follows.

If your accounting framework is [Other], you must enter the accounting framework you have chosen.

- Specify the accounting framework under which the financial statement are prepared. [From the drop-down you need to select the Financial Reporting Standard e.g. FRS102, IFRS, FRS 101, FRS 103, FRS 105, others].

- If 'Other' please specify the accounting framework used [If the accounting framework is not available under the dropdown and if you select other you need to specify the accounting framework you have opted]

See Figure 9 & 10:

**R001 Demonstration Company Tax Return 2020**

Save & Close Home Back Next Calculate Create CT1 CT1

**Desktop**

- Company Details
- Trading Results
- Extract from Accounts**
- Irish Rental Income
- Irish Investment and Other Income
- Foreign Income
- Exempt Profits
- Capital Gains
- Chargeable Assets
- Deductions, Reliefs and Credits
- Research and Development Credit
- Capital Gains(Development Land)
- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Extract from Accounts**

Balance Sheet and Capital and Reserve Items Adjustments made to Profit / Loss per Accounts Notes to the Accounts

XBRL Income Trading Account Items Expenses and

**Accounting Standards**

Specify the accounting framework under which the financial statements are prepared

If 'Other' please specify the accounting framework used

**Extracts from Accounts**

**Obligation to file Electronic Financial Statements**

Phase 1 of mandatory iXBRL filing applied to all companies whose tax affairs are dealt with in Large Cases Division. All remaining Corporation Tax filers the conditions below, are covered in phase 2 and are required to file electronic financial statements along with a Form CT1.

If you are mandated to file electronic financial statements or you elect to file electronic financial statements, and fail to do so by the specified return filing date, the return cannot be deemed to be fully or correctly completed until both the Form CT1 and electronic financial statements have been filed on Revenue Online Service (ROS).

If you select option 3 below and your company does not meet all three criteria, the Corporation Tax return cannot be deemed to be fully or correctly completed until both the Form CT1 and electronic financial statements have been filed on Revenue Online Service (ROS).

In the event that the electronic financial statements are submitted after the specified return filing date, the company may be liable to a surcharge under the late filing provisions. It should be noted also that the right to a repayment of tax only arises where a valid claim has been made. In the context of Corporation Tax repayments a valid claim has been made until any iXBRL financial statements required to be filed have been so filed. A repayment of Tax will not be made if there is a late filing or non filing of any iXBRL financial statements required to be filed, have not been so filed.

The late filing or non filing of any iXBRL financial statements required to be filed will also delay or prevent the issue of a Tax Clearance Certificate.

To submit Financial statement in iXBRL format or to amend Financial statements already submitted, go to the Manage Financial Statements option on the Agent Services Screen. Multiple Financial Statements in iXBRL format may also be submitted via this option on the Agent Services Screen.

**Select one of the iXBRL options below:**

Option 1) I am not mandated to file financial statements in iXBRL format but I elect to do so.

Option 2) My tax affairs are dealt with in Revenue's Large Cases Division or I am not excluded from filing financial statements in iXBRL format under options 3, 4 or 5 below.

Option 3) My tax affairs are not dealt with in Revenue's Large Cases Division and I am not mandated under phase 2 to file financial statements in iXBRL format because each of the following three criteria apply to me and I am claiming an exclusion:

- 1.The Balance sheet total (aggregate of assets without deduction of liabilities) of the company does not exceed €4.4 million.
- 2.The amount of the turnover of the company does not exceed €8.8 million.
- and
- 3.The average number of persons employed by the company does not exceed 50.

Option 4) The company is inactive and there is no income or expenses on the Profit and Loss account and there is a balance sheet movement of less than €10,000.

Option 5) The company is in liquidation (not a voluntary liquidation where there are net assets for distribution).

**Option to choose the Financial Reporting Standard under XBRL from the drop down for the Tax Year 2020**

Figure 9: Specify the accounting framework from the dropdown



Figure 10: Specify the accounting framework here if [Other] is selected

## IRISH INVESTMENT AND OTHER INCOME

### OPTION TO CHOOSE ADJUSTMENT UNDER ANTI-HYBRID PROVISIONS OF PART 35C

Article 9 of the EU Anti-Tax Avoidance Directive (ATAD) has been amended in the Finance Act 2019. It has been amended by ATAD2 which contains the rules to counteract hybrid mismatch. The rules are referred to as anti-hybrid rules. The purpose of the rule is to prevent arrangements that exploit the difference in the tax treatment of a financial instrument or an entity, under the tax laws of two or more jurisdictions, to generate a Tax advantage.

The Tax advantage arising from this is referred to as a hybrid mismatch outcome. In this subsection, we have added a tick box if an adjustment is required under the anti-hybrid provision for the Tax Year 2020 as follows:

- Is an adjustment required under the anti-hybrid provisions of Part 35C [Tick Box]

See Figure 11:



	Last Year	Current Year
1 Is an adjustment required under the anti-hybrid provisions of Part 35C		<input checked="" type="checkbox"/>
2 In calculating the company's taxable profits, the mismatch outcome is:		
2(a) Double deduction mismatch outcome neutralised under		
2(a)(i) section 835AD(2)(a)(Where the state is the investor territory)	€ 0	500
2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory)	€ 0	600
2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under		
2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory)	€ 0	700
2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state	€ 0	800
2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under		
2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory)	€ 0	600
2(c)(ii) Section 835AJ(2)(b)(Where the state is the payee territory)		
2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I)	€ 0	700
2(c)(ii)(A)(I) Amount	€ 0	700
2(c)(ii)(A)(II) Details of provision disapplied		1000
<b>Option to choose for adjustment under the anti-hybrid provisions of Part 35C under Hybrid Mismatches for the Tax Year 2020</b>		
2(c)(ii)(B) Section 835AJ(2)(b)(ii)(II)(Payment charge to tax)	€ 0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome		
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€ 0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome		

Figure 11: Option to choose for adjustment under the anti-hybrid provision of Part 35C

#### TAX FIELD FOR DOUBLE TAXATION MISMATCH OUTCOME 835AD(2)(A)

As per Revenue, guideline 835AD refers to Double deduction mismatch outcome. 835AD(2)(a) refers to the following.

where the State is the investor territory, notwithstanding any other provision of the Tax Acts or the Capital Gains Tax Acts, the investor shall be denied a deduction for domestic tax for the amount of the payment which gives rise to the double deduction mismatch outcome

To comply with Revenue we have added the following Tax field for the Tax Year 2020.

- 2(a)(i) section 835AD(2)(a)(Where the state is the investor territory)

See Figure 12:

	Last Year	Current Year
1 Is an adjustment required under the anti-hybrid provisions of Part 35C	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 In calculating the company's taxable profits, the mismatch outcome is:		
2(a) Double deduction mismatch outcome neutralised under		
2(a)(i) section 835AD(2)(a)(Where the state is the investor territory)	€ 0	500
2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory)	€ 0	600
2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under		
2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory)	€ 0	700
2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state	€ 0	800
2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under		
2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory)	€ 0	600
2(c)(ii) Section 835AJ(2)(b)(Where the state is the payee territory)		
2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I) Amount	€ 0	700
2(c)(ii)(A)(II) Details of provision disapplied		1000
<b>New Tax Field for Section 835AD(2)(a)(Where the state is the investor territory) for the Tax Year 2020 under Hybrid Mismatch</b>		
2(c)(ii)(B) Section 835AJ(2)(b)(ii)(II)(Payment charge to tax)	€ 0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome		
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€ 0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome		

Figure 12: Tax field for double taxation mismatch outcome under Section 835AD(2)(a)

#### TAX FIELD FOR DOUBLE TAXATION MISMATCH OUTCOME 835AD(2)(B)

As per Revenue Section 835AD refers to Double deduction mismatch. Section 835AD(2)(b) refers to where the State is the payer territory and a deduction has not been denied in the investor territory through the operation of a provision similar to where the State is the investor territory through the operation of a provision similar to where the State is the investor territory, notwithstanding any other provision of the Tax Acts or the Capital Gains Tax Act, the investor shall be denied a deduction for domestic tax for the amount paid which give rise to the double deduction mismatch outcome.

The new tax field is as follows:

- 2(a)(ii) section 835AD(2)(b)(where the state is the prayer territory)

See Figure 13:

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- Property Based Incentive
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- CGT/IT Self Assessment

**Irish Investment and Other Income**

**Hybrid Mismatches**

1 Is an adjustment required under the anti-hybrid provisions of Part 35C ☐ **Last Year** ☐ **Current Year** ☒

2 In calculating the company's taxable profits, the mismatch outcome is:

2(a) Double deduction mismatch outcome neutralised under

2(a)i) section 835AD(2)(a)(Where the state is the investor territory) € 0 500

2(a)ii) section 835AD(2)(b)(Where the state is the payer territory) € 0 600

2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under

2(b)i) Section 835AG(3)(a)(Where the state is the payer territory) € 0 700

2(b)ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state) € 0 800

2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under

2(c)i) Section 835AJ(2)(a)(Where the State is the payer territory) € 0 600

2(c)ii) Section 835AJ(2)(b)(Where the state is the payee territory)

2(c)ii)(A) Section 835AJ(2)(b)(ii)(I) € 0 700

2(c)ii)(A)(I) Amount 1000

2(c)ii)(A)(II) Details of provision dispensed

**New Tax Field for Section 835AD(2)(b)(Where the state is the payer territory) for the Tax Year 2020 under Hybrid Mismatch**

2(c)ii)(B) Section 835AJ(2)(b)(ii)(II)(Payment charge to tax) € 0 600

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)i) Section 835AL(2)(Where the State is the payer territory) € 0 700

2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome

Figure 13: Tax field for double taxation mismatch outcome under Section 835AD(2)(b)

Tax field under Permanent Establishment deduction without inclusion mismatch outcome

As per Revenue, 835AG refers to Permanent establishment deduction without inclusion mismatch outcome. Section 835AG(3) refers to a permanent establishment deduction without inclusion mismatch outcome should be neutralised.

The new tax field for the Tax Year 2020 is as follows:

- 2(b)i)Section 835AG(3)(a)(Where the State is the payer territory

See figure 14:

	Last Year	Current Year
1 Is an adjustment required under the anti-hybrid provisions of Part 35C	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 In calculating the company's taxable profits, the mismatch outcome is:		
2(a) Double deduction mismatch outcome neutralised under		
2(a)(i) section 835AD(2)(a)(Where the state is the investor territory)	€ 0	500
2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory)	€ 0	600
2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under		
2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory)	€ 0	700
2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state	€ 0	800
2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under		
2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory)	€ 0	600
2(c)(ii) Section 835AJ(2)(b)(Where the state is the payee territory)		
2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I)	€ 0	700
2(c)(ii)(A)(I) Amount		1000
2(c)(ii)(A)(II) Details of provision dispensed		
<b>New Tax Field for Section 835AG(3)(a)(Where the state is the payer territory) for the Tax Year 2020 under Hybrid Mismatch</b>		
2(c)(ii)(B) Section 835AJ(2)(b)(ii)(II)(Payment charge to tax)	€ 0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome		
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€ 0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome		

Figure 14: Tax field for Section 835AG(3)(a)-Where the State is the payer territory

#### Tax field under Permanent Establishment deduction Under Section 835AG(3)(b)

As per Revenue guidelines and Finance Act 2019, Section 835AG of TCA 1997 refers to the permanent establishment deduction without inclusion mismatch outcome and provides the rules to neutralised such an outcome. The defensive rules state that where the mismatch outcome arises where payment is made to a disregarded permanent establishment where the disregarded permanent establishment is as defined in Article 5 of the Model Tax Convention on Income and Capital, published by the Organisation for Economic Co-operation and Development.

To comply with the Act and Revenue we have added a new tax field under the Hybrid Mismatch subsection for the Tax Year 2020.

The new tax field is as follows:

- 2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state

See Figure 15:

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- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Irish Investment and Other Income**

**Hybrid Mismatches**

	Last Year	Current Year
1 Is an adjustment required under the anti-hybrid provisions of Part 35C	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 In calculating the company's taxable profits, the mismatch outcome is:		
2(a) Double deduction mismatch outcome neutralised under		
2(a)(i) section 835AD(2)(a)(Where the state is the investor territory)	€ 0	500
2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory)	€ 0	600
2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under		
2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory)	€ 0	700
<b>2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state)</b>	€ 0	<b>800</b>
2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under		
2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory)	€ 0	600
2(c)(ii) Section 835AJ(2)(b)(Where the state is the payee territory)		
2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I)	€ 0	700
2(c)(ii)(A)(I) Amount		
2(c)(ii)(A)(II) Details of provision dispensed		1000
<b>New Tax Field for Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation Tax in the state for the Tax Year 2020 under Hybrid Mismatch)</b>	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome		
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€ 0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome		

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Figure 15: New Tax field under Section 835AG(3)(b)

#### TAX FIELD UNDER SECTION 835AJ(2)(A)

As per Finance Act, 2019 and Revenue guidelines Section 835AJ refers to a financial instrument deduction without inclusion mismatch outcome provides the rules to neutralise such an outcome. The primary rule states that, where the State is the payer territory, the payer shall be denied a tax deduction for the payment to the extent of the corresponding amount has not been included for the foreign tax.

To comply with the Revenue, we have added the following tax field for the Tax Year 2020.

- 2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory)

See Figure 16:

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**Irish Investment and Other Income**

**Hybrid Mismatches**

1 Is an adjustment required under the anti-hybrid provisions of Part 35C ☐ **Last Year** ☐ **Current Year** ☒

2 In calculating the company's taxable profits, the mismatch outcome is:

2(a) Double deduction mismatch outcome neutralised under

2(a)(i) section 835AD(2)(a)(Where the state is the investor territory) € 0 500

2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory) € 0 600

2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under

2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory) € 0 700

2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state) € 0 800

2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under

2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory) € 0 600

2(c)(ii) Section 835AJ (2)(b)(Where the state is the payee territory)

2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I) € 0 700

2(c)(ii)(A)(I) Amount 1000

2(c)(ii)(A)(II) Details of provision disapplied

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax) € 0 600

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)(i) Section 835AL(2)(Where the State is the payer territory) € 0 700

2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome

**New Tax Field for Section 835AJ(2)(a)(Where the State is the payer territory) for the Tax Year 2020 under Hybrid Mismatches subsection**

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R001 Demonstration Company Tax Return 2020

Figure 16: Tax Field for Section 835AJ(2)(a)- Where the State is the payer territory

#### TAX FIELD TO ENTER THE AMOUNT UNDER FINANCIAL INSTRUMENT DEDUCTION

As per the Revenue guideline, the mismatch outcome has not been neutralised in the payer territory then the payee shall be charged to taxed, in respect of the amount deducted by the payer and this amount shall be taxed in the period which commences within 12 months end of the payer's tax period in which the deduction occurred.

To comply with the Finance Act 2019 and the Revenue we have added a tax field to enter the amount for the Tax Year 2020. The tax field is as follows:

- 2(c)(ii)(A)(I) Amount

See figure 17:

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**Irish Investment and Other Income**

**Hybrid Mismatches**

1 Is an adjustment required under the anti-hybrid provisions of Part 35C ☐ **Last Year** ☐ **Current Year** ☒

2 In calculating the company's taxable profits, the mismatch outcome is:

2(a) Double deduction mismatch outcome neutralised under

2(a)(i) section 835AD(2)(a)(Where the state is the investor territory) € 0 500

2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory) € 0 600

2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under

2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory) € 0 700

2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state) € 0 800

2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under

2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory) € 0 600

2(c)(ii) Section 835AJ(2)(b)(Where the state is the payee territory)

2(c)(ii)(A) Section 835AJ(2)(b)(i)(I) Amount € 0 700

2(c)(ii)(A)(II) Details of provision disapplied 1000

2(c)(ii)(B) Section 835AJ(2)(b)(ii)(II)(Payment charge to tax) € 0 600

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)(i) Section 835AL(2)(Where the State is the payer territory) € 0 700

2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome

**New Tax Field to enter the Amount for the Tax Year 2020 under Hybrid Mismatches**

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Figure 17: Tax Field to enter the amount 2(c)(ii)(A)(I)

#### TAX FIELD TO ENTER THE DETAILS OF PROVISION DISAPPLIED UNDER SECTION 835AJ(2)(B)

As per Revenue guideline, there are two rules for neutralising the financial instrument deduction without inclusion mismatch outcome. The rules are categorised into (a) the primary rule and (b) the defensive rule. The defensive rule where the mismatch outcome has not been neutralised in the payer territory then the income is not included because of any provision of the Tax Acts or the Capital Gain Tax Acts, then the specific part of the provision shall be disapplied in calculating the payee's taxable income.

To comply with Revenue and the Finance Act 2019 we have included the following tax field for the Tax Year 2020.

The new tax field is as follows:

- 2(c)(ii)(A)(II) Details of provision disapplied

See Figure 18:



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- Property Based Incentive
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**Irish Investment and Other Income**

**Hybrid Mismatches**

1 Is an adjustment required under the anti-hybrid provisions of Part 35C ☐ **Last Year** ☐ **Current Year** ☒

2 In calculating the company's taxable profits, the mismatch outcome is:

2(a) Double deduction mismatch outcome neutralised under

2(a)(i) section 835AD(2)(a)(Where the state is the investor territory) € 0 500

2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory) € 0 600

2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under

2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory) € 0 700

2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state) € 0 800

2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under

2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory) € 0 600

2(c)(ii) Section 835AJ (2)(b)(Where the state is the payee territory)

2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I) € 0 700

2(c)(ii)(A)(I) Amount

**2(c)(ii)(A)(II) Details of provision disapplied** 1000

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax) € 0 600

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)(i) Section 835AL(2)(Where the State is the payer territory) € 0 700

2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome

**to provide Details of provision disapplied for the Tax Year 2020**

**New Tax Field**

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Figure 18: Tax field for Details of provision disapplied

#### TAX FIELD FOR PAYMENT CHARGE TO TAX UNDER SECTION 835AJ (2)(B)(II)

Under the defensive rule of Section 835AJ (2)(B)(ii) the mismatch outcome has not been neutralised in the payer territory, then in any other case, the payee shall be charged to tax under Case IV of Schedule D, in respect of the amount deducted by the payer, and this amount shall be taxed.

To comply with the Revenue we have added a new tax field to enter the amount as paying tax to charge under the Hybrid Mismatches subsection for the Tax Year 2020. The new tax field is as follows:

- 2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax).

See Figure 19.



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**Irish Investment and Other Income**

**Hybrid Mismatches**

1 Is an adjustment required under the anti-hybrid provisions of Part 35C ☐ **Last Year** ☐ **Current Year** ☒

2 In calculating the company's taxable profits, the mismatch outcome is:

2(a) Double deduction mismatch outcome neutralised under

2(a)(i) section 835AD(2)(a)(Where the state is the investor territory) € 0 500

2(a)(ii) section 835AD(2)(b)(Where the state is the payer territory) € 0 600

2(b) Permanent Establishment deduction without inclusion mismatch outcome neutralised under

2(b)(i) Section 835AG(3)(a)(Where the state is the payer territory) € 0 700

2(b)(ii) Section 835AG(3)(b)(Where the state is the payee territory and the conditions of Section 835AG(3)(b) are not met and the entity concerned is charged to corporation tax in the state) € 0 800

2(c) Financial instrument deduction without inclusion mismatch outcome neutralised under

2(c)(i) Section 835AJ(2)(a)(Where the State is the payer territory) € 0 600

2(c)(ii) Section 835AJ (2)(b)(Where the state is the payee territory)

2(c)(ii)(A) Section 835AJ(2)(b)(ii)(I) € 0 700

2(c)(ii)(A)(I) Amount 1000

2(c)(ii)(A)(II) Details of provision displayed

**2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax) € 0 600**

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)(i) Section 835AL(2)(Where the State is the payer territory) € 0 700

**Payment charge to tax as per Section 835AJ (2)(b)(ii)(II) for the Tax Year 2020 under Hybrid Mismatch**

2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome

Figure 19: Tax field for Payment charge to tax under Section Section 835AJ (2)(b)(ii)(II)

#### TAX FIELD UNDER SECTION 835AL(2) FOR PAYMENT TO HYBRID ENTITY DEDUCTION

As per Revenue guideline Section 835AL(2) (Payment to hybrid entity deduction without inclusion mismatch outcome) applies to a company which is within the charge to corporation tax. To comply with the Finance Act 2019 and Revenue, we have added the following tax fields under Hybrid Mismatches subsection for the Tax year 2020.

- 2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome
- 2(d)(i) Section 835AL(2)(Where the State is the payer territory)

See Figure 20:

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	€	0	600
<b>2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome</b>			
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€	0	700
<b>2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome</b>			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount	€	0	800
2(e)(ii)(A)(II) Details Provision disapplied			1000
<b>1. Payment to Hybrid entity deduction without inclusion mismatch outcome</b>			
<b>2. Section 835AL(2)(Where the State is the payer territory) - For the Tax Year 2020 under Hybrid Mismatches</b>			
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

Figure 20: Two new tax field under Section 835AL(2) in Hybrid Mismatches subsection

#### TAX FIELDS UNDER SECTION 835AM(3) UNDER THE HYBRID MISMATCHES

As per Revenue guideline and the Finance Act 2019 Section 835AM(3) refers to a payment by hybrid entity deduction without inclusion mismatch outcome. This applies to a company which is within the charge to foreign tax or corporation tax.

To comply with Revenue we have added two tax fields in Relate Corporation Tax Manager for the Tax year 2020. The new tax fields are as follows:

- 2(e)Payment by Hybrid entity deduction without inclusion mismatch outcome
- 2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)

See Figure 21:

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€	0	700
<b>2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome</b>			
<b>2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)</b>	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision disapplied			1000
<b>1. Payment to Hybrid entity deduction without inclusion mismatch outcome</b>			
<b>2. Section 835AM(3)(a)(Where the State is the payer territory) - For the Tax Year 2020 under Hybrid Mismatches</b>			
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

Figure 21: Tax field under Section 835AM(3)(a) under Hybrid Mismatches

#### TAX FIELDS UNDER SECTION 835AM(3)(B) UNDER THE HYBRID MISMATCHES

Section 835AM(3) refers to the rules of neutralising the payment by a hybrid entity deduction without inclusion mismatches outcome. The 835AM(3)(B) outlines the defensive rule as per the guideline of the Revenue where the State is the payee territory and the mismatch outcome has not been neutralised in the payer territory.

To comply with Revenue following the Finance Act 2019, we have added the 3 tax fields in Relate Corporation Tax manager for the Tax year 2020. The new tax fields are as follows:

- 2(e)(ii) section 835AM (3)(b)(Where the State is the payee territory)
- 2(e)(ii)(A) Section 835AM (3)(b)(ii)(I)
- 2(e)(ii)(A)(I) Amount

See Figure 22:

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2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax) € 0 600

2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome

2(d)(i) Section 835AL(2)(Where the State is the payer territory) € 0 700

2(e)Payment by Hybrid entity deduction without inclusion mismatch outcome

2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory) € 0 800

**2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)**

**2(e)(ii)(A)Section 835AM(3)(b)(ii)(I)**

2(e)(ii)(A)(I) Amount € 0 800

**2(e)(ii)(A)(II) Details Provision disapplied**

**2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)**

**2(e)(ii)(A)Section 835AM(3)(b)(ii)(i)**

**2(e)(ii)(A)(I)Amount**

2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax) € 0 1000

**New Tax Fields for the Tax Year 2020 under Hybrid Mismatches**

2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced) € 0 600

2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2) € 0 500

2(h) Imported mismatch outcome neutralised under section 835AS(2) € 0 600

2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2) € 0 700

3 Amount carried forward under section 835AV € 0 700

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Figure 22: 3 Tax fields under Section 835AM(3)(b)

#### TAX FIELD FOR DETAILS OF PROVISION DISAPPLIED UNDER SECTION 835AM(3)(B)

We have added a tax field to enter the details of provision disapplied under section 835AM(3)(b) in Relate Corporation Tax Manager for the Tax Year 2020.

The new Tax Field is as follows:

- 2(e)(ii)(A)(II)Details of Provision disapplied

See Figure 23:

Figure 23: Tax field for the provision of the details disapplied

#### TAX FIELD UNDER SECTION 835AM (3)(B)(II) IN HYBRID MISMATCHES

As per Revenue guideline and Finance Act 2019, Section 835AM (3)(b)(ii) refers to the defensive rule where the payee shall be charged to taxed under Case IV of Schedule D, in respect of the amount deducted by the payer, and this amount shall be taxed in the period which commences within 12 months of the end of the payer's tax period in which the deduction occurred.

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager for the Tax Year 2020.

The new tax field is as follows:

- 2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)

See Figure 24:

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€	0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision disapplied			1000
<b>2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)</b>	€	0	<b>400</b>
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

**New Tax Field 2(e)(ii)(B) Section 835 (3)(b)(ii)(II) (Payee charge to tax) for the Tax Year 2020 under Hybrid Mismatches**

Figure 24: Tax field for payee charge to tax under Section 835AM (3)(b)(ii)(II)

#### TAX FIELD UNDER SECTION 835(AO)(2)- AMOUNT BY WHICH WITHHOLDING TAX REDUCED

As per the Revenue guideline, Section 835AO refers to the withholding tax mismatch. Section 835(AO)(2) refers to the rule for neutralising a withholding tax mismatch outcome shall, notwithstanding anything in the Schedule 24 to the contrary, be neutralized by reducing the withholding tax relief available in two scenarios where the taxable profit from the hybrid transfer arising to the entity or the gross income of the entity is under the hybrid transfer.

To comply with Revenue we have added a tax field in Relate Corporation Tax manager for the Tax Year 2020.

The new tax field is as follows:

- **2(f) Withholding tax mismatch outcome neutralized under section 835AO (2) (The amount by which withholding tax is reduced.**

See Figure 25:

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- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€	0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision dispensed			1000
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
<b>2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)</b>	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

**New Tax Field for withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced for the Tax Year 2020 under Hybrid Mismatches.**

R001 Demonstration Company Tax Return 2020

Figure 25: Tax field for withholding tax mismatch outcome neutralised under Section 835AO(2)

#### TAX FIELD FOR DOUBLE DEDUCTION MISMATCH OUTCOME NEUTRALISED UNDER SECTION 835(AQ)(2)

As per the Revenue guideline, Section 835AQ(2) refers to the rule of neutralising a tax residency double deduction mismatch outcome where the other territory is a member of State, with which the government has a Double Tax Agreement or is not a Member State and under DTA or else not a territory referred in the prior condition described.

To comply with Revenue we have added a tax field in Relate Corporation Tax for the Tax Year 2020. The new Tax field is as follows:

- 2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)

See Figure 26:



**R001 Demonstration Company Tax Return 2020**

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- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II) (Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2) (Where the State is the payer territory)	€	0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision dispensed			1000
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2) (The amount by which withholding tax is reduced)	€	0	600
<b>2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)</b>	€	0	<b>500</b>
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

**New Tax Field for Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2) for the Tax Year 2020 under Hybrid Mismatches**

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Figure 26: Tax field for tax residency double deduction mismatch outcome neutralised under S835(AQ)(2)

#### TAX FIELD FOR IMPORTED MISMATCH OUTCOME NEUTRALISED UNDER SECTION 835AS(2)

As per the Revenue guideline Section 835AS(2) refers to the rule of neutralising an imported mismatch outcome. An imported mismatch outcome shall be neutralised by the company denied a tax deduction for so much of the payment as correspond to the mismatch outcome which has not been neutralised in another territory.

To comply with the Revenue and Finance Act 2019, we have added a tax field in Relate Corporation Tax Manager for the Tax Year 2020. The tax field is as follows:

- 2(h) Imported mismatch outcome neutralised under section 835AS(2)

See Figure 27:



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- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	€	0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision dispensed			1000
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

**New Tax Field for Imported mismatch outcome neutralised under section 835A S(2) for the Tax Year 2020 under Hybrid Mismatches section.**

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Figure 27: Tax field for Imported mismatch outcome neutralised under section 835AS(2)

#### TAX FIELD FOR STRUCTURED ARRANGEMENT MISMATCH OUTCOME NEUTRALISED UNDER SECTION 853AU(2)

As per Revenue guideline Section 835AU(2) refers to the rule of neutralising a structured arrangement mismatch outcome. This shall be neutralised by the taxpayer being denied a deduction for so much of the payment as corresponds to the mismatch outcome which has not been neutralised in another territory.

To comply with the Revenue and the Finance Act 2019, we have added a tax field in Relate Corporation Tax Manager 2020. The new tax field is as follows.

- 2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)

See Figure 28:

Field Description	Value
2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II)(Payment charge to tax)	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome	
2(d)(i) Section 835AL(2)(Where the State is the payer territory)	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome	
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)	
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	800
2(e)(ii)(A)(I) Amount	
2(e)(ii)(A)(II) Details Provision dispensed	1000
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	400
2(f) Withholding tax mismatch outcome neutralised under section 835AO(2)(The amount by which withholding tax is reduced)	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	700
3 Amount carried forward under section 835AV	700

**New Tax Field for Structured arrangement mismatch outcome neutralised under section 835AU(2) for the Tax Year 2020 under Hybrid Mismatches subsection**

Figure 28: Tax field for Structured arrangement mismatch outcome neutralised under section 835AU(2)

#### TAX FIELD FOR AMOUNT CARRIED FORWARD UNDER SECTION 835AV

As per the Revenue guideline, Section 835AV refers to. a deduction has been denied under this Part. The entity may make a claim for the denied amount to be set off against any dual inclusion income in succeeding tax periods and where amounts are carried forward they shall be relieved first against profits or gains of an earlier tax period in advance of profits or gains of a later tax period.

To comply with the Revenue and Finance Act 2019, we have added a new tax field in Relate Corporation Tax manager for the Tax Year 2020. The new tax field is as follows:

- Amount carried forward under section 835AV

See Figure 29:

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**Irish Investment and Other Income**

2(c)(ii)(B) Section 835AJ (2)(b)(ii)(II) (Payment charge to tax)	€	0	600
2(d) Payment to Hybrid entity deduction without inclusion mismatch outcome			
2(d)(i) Section 835AL(2) (Where the State is the payer territory)	€	0	700
2(e) Payment by Hybrid entity deduction without inclusion mismatch outcome			
2(e)(i) Section 835AM(3)(a) (Where the State is the payer territory)	€	0	800
2(e)(ii) section 835AM (3)(b) (Where the State is the payee territory)			
2(e)(ii)(A) Section 835AM(3)(b)(ii)(I)	€	0	800
2(e)(ii)(A)(I) Amount			
2(e)(ii)(A)(II) Details Provision dispensed			1000
2(e)(ii)(B) Section 835AM (3)(b)(ii)(II) (Payee charge to tax)	€	0	400
2(f) Withholding tax mismatch outcome neutralised under section 835A0(2) (The amount by which withholding tax is reduced)	€	0	600
2(g) Tax residency double deduction mismatch outcome neutralised under Section 835(AQ)(2)	€	0	500
2(h) Imported mismatch outcome neutralised under section 835AS(2)	€	0	600
2(i) Structured arrangement mismatch outcome neutralised under section 835AU(2)	€	0	700
3 Amount carried forward under section 835AV	€	0	700

**New Tax Field for Amount carried forward under section 835AV under Hybrid Mismatches for the Tax Year 2020**

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Figure 29: Tax field for amount carried forward under Section 835AV

## SUBSECTION FOR LEASING PROFITS IN IRISH INVESTMENT AND OTHER INCOME

As per the Revenue guideline and the Finance Act 2019, we have added a new subsection [Leasing profits]. To enter the amount of profit arising from any non-trading leasing activity we have added a new tax field in Relate Corporation Tax Manager for the Tax Year 2020. The new tax field is as follows:

- Profits arising from non-trading leasing activity

See Figure 30:

**Irish Investment and Other Income**

**Interest arising in the State**

Ensure that the appropriate credit is entered in the Credits section of the Deductions, Reliefs and Credits Panel

	Last Year	Current Year
Gross Interest received or credited (under deduction of Irish tax)	€ 601	700
Gross Interest received or credited (without deduction of Irish tax)	€ 605	600

**Leasing profits**

	Last Year	Current Year
Profits arising from non-trading leasing activity	€ 0	500

**Other Irish Income**

Where credit is due, ensure that the appropriate credit is entered in the Credits section of the Deductions, Reliefs and Credits Panel

	Last Year	Current Year
(a) Patent Royalty Income received under deduction of Irish tax	€ 605	600
(b) Other Income received under deduction of Irish tax	€ 605	700
(c) Other Income received without deduction of Irish tax	€ 605	800

[\(d\) Investment Undertakings \(Section 739G\(2A\) TCA 1997\)](#)

**New Tax Field Profit arising from non-trading leasing activity under Leasing profits for the Tax Year 2020**

**Distributions received from companies resident in the State**

	Last Year	Current Year
(a) Distributions received from a REIT	€ 619	700
(b) All other distributions received (Excluding distributions from the Exempt Profits Panel)	€ 620	800

**Clawback in respect of Research & Development activities**

	Last Year	Current Year
Amount taxable Case IV Sch.D (Sec. 766(7B)(c)(i), Sec. 766(7C)(b) or Sec.766(7C)(c))	€ 616	800

Figure 30: Tax field for profits arising from non-trading leasing activity

## CAPITAL GAINS

### TAX FIELD TO ENTER THE AMOUNT OF CHARGEABLE GAINS LIABLE AT 33%

As per the Revenue guideline, we have added a tax field for the Charge to Exit Tax under Section 6027, where you need to enter the amount of net chargeable gains which is liable at 33% under the Details of Acquisition(s) subsection.

We have added the new tax field in Relate Corporation Tax Manager for the Tax Year 2020. The new tax field is as follows:

- (ii) liable at 33%

See Figure 31:

**Capital Gains**

Field	Previous Year	Current Year
(a) Cost of acquisition (if assets acquired prior to 6/4/1974 or otherwise not at arm's length substitute market value for cost) - indexed as appropriate	€ 809	
(b) Indicate if not at arm's length	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Amount of enhancement expenditure claimed - indexed where appropriate	€ 810	
Chargeable Gains before S 604A relief	€ 5,628	77,628
Net Loss/es in this accounting period before S 604A relief	€ 0	0
Amount of gain relieved under S 604A	€ 0	811
Net chargeable gain after Relief under S 604A	€ 5,628	76,817
Net Loss/es in this accounting period	€ 0	0
Previous Gains Rolled-over (now chargeable)	€ 812	
Net loss in this accounting period available for offset against these gains.	€ 0	0
Unused Loss/es from prior accounting period(s) available for offset against these gains.	€ 813	
(a) Net Chargeable Gain	€ 5,628	76,816
(b) If any amount at (a) refers to a disposal of emissions allowances under Section 540A TCA 1997, enter that amount here.	€ 0	814
Unused losses for carry forward to future accounting period(s)	€ 815	
(a) Amount of Net Chargeable Gain at 33% (Enter the amount of the gain and not the amount of the tax payable)	€ 2,500	70,000
(b) Amount of Net Chargeable Gain at 40% (Enter the amount of the gain and not the amount of the tax payable)	€ 1,500	6,000
(c) Amount of Net Chargeable Gain in respect of Venture Fund Capital (Section 541C(3)(b) TCA 1997) (Enter the amount of the gain and not the amount of the tax payable)	€ 1,000	816
(d) Charge to Exit Tax under S6027 - enter amount of net chargeable gains	€ 628	0
(i) liable at 12.5%	€ 0	5000
(ii) liable at 33%	€ 0	5000
Enter the amount of relevant tax being deferred under Sec 629(2) Please note: If you made an election under S 629(2) the amount to be entered here should be 5/6th of the relevant tax.	€ 1,000	817

**New Tax Field for Charge to Exit Tax under S6027- enter amount of net chargeable gains (ii) liable at 33% for the Tax Year 2020**

Figure 31: Tax field for the amount of net chargeable gains liable at 33%

#### OPTION TO INDICATE CAPITAL GAINS TO WHICH UNDER S 627 APPLIES

As per the Revenue guidelines and implementation of the Finance Act 2019, we have added 3 tick boxes where the Capital Gains to which S627 applies under the [Description of Asset Disposed] subsection.

The tick boxes have been added in Relate Corporation Tax Manager for the Tax year 2020. The new options are the following:

- Where S627(2)(a) applies [Tick the box, if applicable]
- Where S627(2)(b) applies [Tick the box, if applicable]
- Where S627(2)(c) applies [Tick the box, if applicable]

See Figure 32:

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**Capital Gains**

**Description of Assets Disposed**

Description of Assets	No. of Disposals		Aggregate Area in Hectares		Aggregate Consideration	
	Last Year	Current Year	Last Year	Current Year	Last Year	Current Year
Shares / Securities - Quoted					€ 801	5,001
Shares / Securities - Unquoted					€ 802	8,002
Agricultural Land / Buildings		1		71.00	€ 803	8,003
Commercial Premises		2			€ 804	8,004
Residential Premises		3			€ 805	8,005
Venture Fund Gains (Section 541C(2)(b) TCA 1997)					€ 806	8,006
Other Assets		4			€ 807	8,007
<b>Capital gains to which S 627 applies:</b>						
Where S627(2)(a) applies	0	5			€ 0	8,008
Where S627(2)(b) applies	0	6			€ 0	8,009
Where S627(2)(c) applies	0	7			€ 0	8,010
<b>Total Consideration</b> (substitute market value where Disposals not made at arms length)					€ 5,628	80055

**Disposals between connected parties**

	Last Year	Current Year
Shares / Securities - Quoted	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Shares / Securities - Unquoted	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Agricultural Land / Buildings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Commercial Premises	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Residential Premises	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other Assets	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Three new tick boxes under Capital gains which S 627 applies for the Tax Year 2020

Figure 32: 3 new tick boxes under Capital Gains which Section 627 is applicable

## TAX FIELD FOR NET LOSS IN THIS ACCOUNTING PERIOD UNDER DETAILS OF ACQUISITION(S)

As per the Revenue guideline and implementation of the Finance Act 2019, we have added a new tax field under the [Details of Acquisition(s)].

We have added the following tax field in Relate Corporation Tax Manager for the Tax Year 2020.

- Net loss in this accounting period available for offset against these gains.

See Figure 33:



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- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Capital Gains**

**Details Of Acquisition(s)**

	Last Year	Current Year
(a) Cost of acquisition (if assets acquired prior to 6/4/1974 or otherwise not at arm's length substitute market value for cost) - indexed as appropriate	€	800
(b) Indicate if not at arm's length	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Amount of enhancement expenditure claimed - indexed where appropriate	€	810
Chargeable Gains before S 604A relief	€ 5,628	77,637
Net Loss/es in this accounting period before S 604A relief	€	0
Amount of gain relieved under S 604A	€ 0	811
Net chargeable gain after Relief under S 604A	€ 5,628	76,826
Net Loss/es in this accounting period	€ 0	0
Previous Gains Rolled-over (now chargeable)	€	812
<b>Net loss in this accounting period available for offset against these gains.</b>	<b>€ 0</b>	<b>500</b>
Unused Loss/es from prior accounting period(s) available for offset against these gains.	€	813
(a) Net Chargeable Gain	€ 5,628	76,825
(b) If any amount at (a) refers to a disposal of emissions allowances under Section 540A TCA 1997, enter that amount here.	€ 0	814
Unused losses for carry forward to future accounting period(s)	€	815
(a) Amount of Net Chargeable Gain at 33% (Enter the amount of the gain and not the amount of the tax payable)	€ 2,500	70,000
(b) Amount of Net Chargeable Gain at 40% (Enter the amount of the gain and not the amount of the tax payable)	€ 1,500	6,000
(c) Amount of Net Chargeable Gain in respect of Venture Fund Capital (Section 541C(3)(b) TCA 1997) (Enter the amount of the gain and not the amount of the tax payable)	€ 1,000	825
(d) Charge to Exit Tax under S6027 - enter amount of net chargeable gains	€	
(i) liable at 12.5%	€ 628	0
(ii) liable at 33%	€ 0	0
Enter the amount of relevant tax being deferred under Sec 629(2) Please note: If you made an election under S 629(2) the amount to be entered here should be 5/6th of the relevant tax.	€ 1,000	817

Figure 33: Net loss in this accounting period available for offset against these gains

## RESEARCH AND DEVELOPMENT CREDIT

### OPTION TO INDICATE RELEVANT MICRO OR SMALL SIZED COMPANY WITHIN SEC. 766(1)(C)

As per Revenue guideline Section 766(1)(c) refers to a 'relevant micro or small-sized company' means a company which is a micro or small-sized enterprise within the meaning of the Annex to Commission Recommendation.

We have added an option to indicate that your company is relevant micro or small-sized company within the meaning of Section 766(1)(c) under Research and Development Credit. To comply, we have added the following tick box to indicate in Relate Corporation Tax Manager for the Tax Year 2020. The new option is as follows:

- Indicate, by ticking the appropriate box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)

See Figure 34:

**Research and Development Credit**

	Last Year	Current Year
1. Indicate, by ticking the appropriate box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. (a)(i) Amount of credit claimed under Sec.766 in this accounting period at 25% (include here any amounts surrendered under Sec. 766 (2A))	€ 0	1,100
2. (a)(ii) Amount of credit claimed under Sec. 766 in this accounting period at 30% (include here any amounts surrendered under Sec. 766(2A))	€ 0	0
2. (b) If any amount at 2(a)(i) or 2(a)(ii) above refers to expenditure on machinery & plant, enter that amount here	€ 0	1,100
3(a). Amount of credit included at 2(a)(i) or 2(a)(ii) above that has been surrendered in accordance with Sec.766(2A).	€ 0	1,100
4. Amount of unused credit claimed under Sec. 766 TCA 1997 carried forward from a previous accounting period excluding unused credit carried forward under Sec. 766(4B)(b)(ii)(I) and Sec. 766(4B)(b)(iii)(I) TCA 1997	€ 0	1,105
5. Amount of unused credit carried forward under Sec. 766(4B)(b)(ii)(I) TCA 1997	€ 0	1,106
6. Amount of unused credit carried forward under Sec. 766(4B)(b)(iii)(I) TCA 1997	€ 0	1,107
7. Amount of credit claimed on the construction or refurbishment of a building under Section 766A TCA 1997 in this accounting period	€ 0	1,108
8. Amount of unused credit claimed on the construction or refurbishment of a building under Sec. 766A TCA 1997 carried forward from a previous accounting period excluding unused credit carried forward under Sec. 766A(4B)(b)(ii)(I) TCA 1997 and Sec. 766A(4B)(b)(iii)(I) TCA 1997	€ 0	1,109
9. Amount of unused credit carried forward under Sec. 766A(4B)(b)(ii)(I) TCA 1997	€ 0	1,110
10. Amount of unused credit carried forward under Sec. 766A(4B)(b)(iii)(I) TCA 1997	€ 0	1,111
11. Amount of unused credit carried forward under Sec.766(4C)	€ 0	1,112
12. Amount of unused credit carried forward under Sec.766A(3A)	€ 0	1,116

Please enter the tax number of the first predecessor company in the box provided. 6879722V

Please enter the tax number of the second predecessor company in the box provided (if any). 6879722V

Please enter the tax number of the third predecessor company in the box provided (if any). 6879722V

Please tick the box to confirm that the building or structure, which was the subject of the claim by the predecessor company, has been transferred to the successor company in accordance with Sec. 766A(3A). ☒

Figure 34: Option to indicate a relevant micro or small sized company

#### TAX FIELD TO CLAIM THE CREDIT UNDER SECTION 766 IN THE ACCOUNTING PERIOD

As per the Revenue guideline **Section 766 TCA 1997** provides for a tax credit of 25% of incremental expenditure by a company, or group of companies, incurred wholly and exclusively on research and development (R&D). However, **Section 766(2A)** refers to for any accounting period, a company claims that behalf, the corporation tax of the company for that accounting period shall be reduced to by an amount equal to 25% or 30% where that company is a relevant micro or small-sized company, of qualifying expenditure attribute to the company as is referable to the accounting period.

To comply with the Revenue and the Finance Act 2019, we have added a new tax field in Relate Corporation Tax for the Tax Year2020. The new tax field is as follows:

- 2(a)(ii)Amount of credit claimed under Sec. 766 in this accounting period at 30% (included here any amounts surrendered under Sec 766(2A))

See Figure 35:



**Research and Development Credit**

	Last Year	Current Year
1. Indicate, by ticking the appropriate box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. (a)(i) Amount of credit claimed under Sec. 766 in this accounting period at 25% (include here any amounts surrendered under Sec. 766(2A))	€ 0	1,100
<b>2. (a)(ii) Amount of credit claimed under Sec. 766 in this accounting period at 30% (include here any amounts surrendered under Sec. 766(2A))</b>	€ 0	<b>1,200</b>
2. (b) If any amount at 2(a)(i) or 2(a)(ii) above refers to expenditure on machinery & plant, enter that amount here	€ 0	1,100
3(a). Amount of credit included at 2(a)(i) or 2(a)(ii) above that has been surrendered in accordance with Sec. 766(2A).	€ 0	1,100
<b>Employee Details</b>		
4. Amount of unused credit claimed under Sec. 766 TCA 1997 carried forward from a previous accounting period excluding unused credit carried forward under Sec. 766(4B)(b)(ii)(I) and Sec. 766(4B)(b)(iii)(I) TCA 1997	€ 0	1,105
5. Amount of unused credit carried forward under Sec. 766(4B)(b)(ii)(I) TCA 1997	€ 0	1,106
6. Amount of unused credit carried forward under Sec. 766(4B)(b)(iii)(I) TCA 1997	€ 0	1,107
7. Amount of credit claimed on the construction or refurbishment of a building under Section 766A TCA 1997 in this accounting period	€ 0	1,108
8. Amount of unused credit claimed on the construction or refurbishment of a building under Sec. 766A TCA 1997 carried forward from a previous accounting period excluding unused credit carried forward under Sec. 766A(4B)(b)(ii)(I) TCA 1997 and Sec. 766A(4B)(b)(iii)(I) TCA 1997	€ 0	1,109
9. Amount of unused credit carried forward under Sec. 766A(4B)(b)(ii)(I) TCA 1997	€ 0	1,110
10. Amount of unused credit carried forward under Sec. 766A(4B)(b)(iii)(I) TCA 1997	€ 0	1,111
11. Amount of unused credit carried forward under Sec. 766(4C)	€ 0	1,112
Please enter the tax number of the first predecessor company in the box provided.		6879722V
Please enter the tax number of the second predecessor company in the box provided (if any).		6879722V
Please enter the tax number of the third predecessor company in the box provided (if any).		6879722V
12. Amount of unused credit carried forward under Sec. 766A(3A)	€ 0	1,116
Please tick the box to confirm that the building or structure, which was the subject of the claim by the predecessor company, has been transferred to the successor company in accordance with Sec. 766A(3A).	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Figure 35: Tax field for the amount of credit claimed under Sec. 766 in this period at 30%

#### TAX FIELD UNDER SEC. 766(3)(C) FOR RELEVANT MICRO OR SMALL SIZED COMPANY

As per Revenue guideline and Finance Act 2019 Sec 766B refers to the limitation of tax credits to be paid to a company under Section 766(4B) and 766A(4B). Section 766B(3)(c) refers to relevant micro or small-sized company twice, the payroll liabilities for each income tax month which forms part of the relevant accounting period in which the research and development expenditure was incurred.

To comply with the Revenue, we have added a new tax field in Relate Corporation Tax Manager for the Tax Year 2020 under [Claim for Payment of Excess Research and Development Tax Credit] subsection. The new field is as follows:

- 20(c) Sec 766B(c)('relevant micro or small company' within the meaning of Section 766(1)(c)

See Figure 36:

	Last Year	Current Year
20. In respect of claims for the first instalment, enter the aggregate amount calculated in accordance with		
(a) s766B(3)(a)	€ 1,200	1,120
(b) s766B(3)(b)	€ 1,400	1,250
(c) Sec. 766B(3)(c) ('relevant micro or small sized company' within the meaning of Sec. 766(1)(c))	€ 0	1,450
21. First Instalment - Amount of claim under Section 766(4B)(b)(i) TCA 1997	€ 1,200	1,200
22. First Instalment - Amount of claim under Section 766A(4B)(b)(i) TCA 1997	€ 1,200	1,400
23. Second Instalment - Amount of claim under Section 766(4B)(b)(ii)(II) TCA 1997	€ 1,250	1,250
24. Second Instalment - Amount of claim under Section 766A(4B)(b)(ii)(II) TCA 1997	€ 1,250	1,250
25. Third Instalment - Amount of claim under Sec. 766(4B)(b)(iii)(II) TCA 1997	€ 1,250	1,540
26. Third Instalment - Amount of claim under Sec. 766A(4B)(b)(iii)(II) TCA 1997	€ 0	1,500
27(a) Research and Development expenditure on subcontracted expenditure to universities (Sec 766(1)(b)(vii))	€ 0	1,250
27(b) Research and Development expenditure on subcontracted expenditure to other persons (Sec 766(1)(b)(viii))	€ 0	1,250
27(c) Please indicate by ticking the appropriate box if you have notified the "other persons" that they may not claim the tax credit for such sub-contracted expenditure.		<input type="radio"/> No <input checked="" type="radio"/> Yes
28(a) Base year expenditure (2003) (Sec. 766).	€ 0	3,500
28(b) If any amount at 28(a) above refers to expenditure on machinery plant, enter that amount here	€ 0	2,500
29(a) Total amount of unused current year credit carried forward to future years following application of s.766B	€ 0	1,000
29(b) Total amount of unused prior year credits carried forward to future years following application of s.766B	€ 0	1,200

Figure 36: Tax field under Sec. 766B(3)(c) for relevant micro and small companies

#### OPTION TO INDICATE RELEVANT MICRO OR SMALL SEIZED COMPANY UNDER SEC. 766C

As per Revenue guideline and Finance Act 2019, Sec.766C refers to the tax credit for research and development expenditure for smaller companies. The section provides for a research and development tax credit for pre-trading for micro or small companies which can be offset against payroll taxes or VAT liabilities in the same period.

To comply with the Revenue, we have added an option to indicate that you are 'relevant micro or small-sized' company in Relate Corporation Tax 2020 under the [Research and Development claim for small companies under section 766C] subsection. The new option is as follows:

- 30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c) – [Tick the box, if applicable].

See Figure 37:

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

Figure 37: Option to indicate 'relevant micro or small sized company' under S766C

#### OPTION TO INDICATE THAT COMPANY IS NOT TRADING IN THIS ACCOUNTING PERIOD

We have added an option to indicate that the company is not trading in this period under [Research and Development claim for smaller companies under section 766C] subsection in Relate Corporation Tax Manager for the Tax Year 2020.

The option is as follows:

- 30(b) Indicate, by ticking the box, that the company is not trading in this accounting period – [Tick the box, if applicable].

See Figure 38:

**Research and Development Credit**

**30 Research and Development claim for smaller companies under section 766C**

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

**31 Grants or similar amounts received specifically to support R&D activities**

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

**Option to indicate that the company is not trading in this accounting period under Research and Development Claim for smaller companies under section 766C for the Tax Year 2020**

Figure 38: option to indicate that the company is not trading in this accounting period

#### TAX FIELD FOR A CREDIT AVAILABLE UNDER SEC. 766C(3)

As per the Revenue guideline and Finance Act 2019, Section 766C refers to the tax credit for research and development expenditure for smaller companies. As per 766C(3), pre-trading expenditure on Research & Development is allowable to calculate the R&D Tax credit. This tax credit is not allowed to calculate the key employee surrender amount or a repayable tax credit amount.

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager 2020, under the subsection [Research and Development claim for the smaller companies under Section 766C]. The new tax field is as follows:

- 30(c) Amount of credit available under Sec. 766C(3) in this accounting period

See Figure 39:

**Research and Development Credit**

**30 Research and Development claim for smaller companies under section 766C**

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

**31 Grants or similar amounts received specifically to support R&D activities**

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

Figure 39: Tax field for a credit available under Sec.766C(3)

#### TAX FIELD FOR TOTAL CREDIT UTILISED UNDER SEC. 766C(4)

As per the Revenue guideline and Finance Act 2019, Section 766C refers to the tax credit for research and development expenditure for smaller companies. Section 766C(4) refers to the tax credit calculated can be offset against Corporation Tax of the Company for that accounting period, or it may be offset against the Payroll Tax liabilities (excluding the PRSI) and VAT liabilities in the same accounting period. Where an offset against tax liabilities results in an overpayment, this amount may be refunded to the company.

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager 2020, under the subsection [Research and Development claim for the smaller companies under Section 766C]. The new tax field is as follows:

- 30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period

See Figure 40:

**Research and Development Credit**

30 Research and Development claim for smaller companies under section 766C

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

31 Grants or similar amounts received specifically to support R&D activities

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

**Tax field to enter the Amount of Credit utilised under Sec. 766C(4) in this accounting period under Research and Development claim for smaller companies under section 766C for the Tax Year 2020**

Figure 40: Tax field for total credit utilised under Sec 766C(4) in the accounting period

#### TAX FIELD FOR THE AMOUNT OF CREDIT TO BE OFFSET AGAINST CORPORATION TAX

As per the Revenue guideline and Finance Act 2019, Section 766C refers to the tax credit for research and development expenditure for smaller companies. Section 766C(4) refers to the tax credit calculated can be offset against Corporation Tax of the Company for that accounting period.

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager 2020 to enter the amount that can be offset against the Corporation Tax of the Company in this accounting period.

The new tax field is as follows:

- 30(e) Amount of credit to be offset against 'corporation tax' for this accounting period

See Figure 41:



**Research and Development Credit**

30 Research and Development claim for smaller companies under section 766C

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

**31 Grants or similar amounts received specifically to support R&D activities**

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

**Tax field to enter the Amount of Credit to be offset against Corporation Tax for this accounting period under Research and Development claim for smaller companies under section 766C for the Tax Year 2020**

Figure 41: Tax field for credit to be offset against Corporation Tax for this accounting period

## TAX FIELD FOR THE AMOUNT OF CREDIT TO BE OFFSET AGAINST PAYROLL LIABILITIES

As per the Revenue guideline and Finance Act 2019, Section 766C refers to the tax credit for research and development expenditure for smaller companies. Section 766C(4) refers to the tax credit calculated can be offset against the Payroll Tax liabilities (excluding the PRSI).

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager 2020 to enter the amount that can be offset against the payroll liabilities in this accounting period.

The new tax field is as follows:

- 30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period

See Figure 42:



**Research and Development Credit**

**30 Research and Development claim for smaller companies under section 766C**

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	0

**31 Grants or similar amounts received specifically to support R&D activities**

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

**Tax field to enter the Amount of Credit to be offset against Payroll liabilities for this accounting period under Research and Development claim for smaller companies under section 766C for the Tax Year 2020**

Figure 42: Tax field for credit to be offset against payroll liabilities for this accounting period

## TAX FIELD FOR THE AMOUNT OF CREDIT TO BE OFFSET AGAINST VAT LIABILITIES

As per the Revenue guideline and Finance Act 2019, Section 766C refers to the tax credit for research and development expenditure for smaller companies. Section 766C(4) refers to the tax credit calculated can be offset VAT liabilities in the same accounting period.

To comply with Revenue, we have added a tax field in Relate Corporation Tax Manager 2020, under the subsection [Research and Development claim for the smaller companies under Section 766C]. The new tax field is as follows:

- 30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period

See Figure 43:

R001 Demonstration Company Tax Return 2020

Save & Close Home Back Next Calculate Create CT1 CT1

**Desktop**

- Company Details
- Trading Results
- Extract from Accounts
- Irish Rental Income
- Irish Investment and Other Income
- Foreign Income
- Exempt Profits
- Capital Gains
- Chargeable Assets
- Deductions, Reliefs and Credits
- Research and Development Credit**
- Capital Gains (Development Land)
- Close Company Surcharge
- Recovery of Income Tax
- Dividend Withholding Tax
- Property Based Incentive
- CT Self Assessment
- CGT/IT Self Assessment

**Research and Development Credit**

**30 Research and Development claim for smaller companies under section 766C**

	Last Year	Current Year
30(a) Indicate, by ticking the box, if you are a 'relevant micro or small sized company' within the meaning of Sec. 766(1)(c)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(b) Indicate, by ticking the box, that the company is not trading in this accounting period	<input type="checkbox"/>	<input checked="" type="checkbox"/>
30(c) Amount of credit available under Sec. 766C(3) in this accounting period	€ 0	300
30(d) Amount of total credit utilised under Sec. 766C(4) in this accounting period	€ 0	100
30(e) Amount of credit to be offset against 'corporation tax' for this accounting period	€ 0	50
30(f) Amount of credit to be offset against 'payroll liabilities' for this accounting period	€ 0	50
30(g) Amount of credit to be offset against 'VAT liabilities' for this accounting period	€ 0	50

**31 Grants or similar amounts received specifically to support R&D activities**

	Last Year	Current Year
31(a) Amount of grant or similar amount received specifically to support R&D activities	€ 0	1,134
31(b) Source of grant or similar amount		
(i) EI R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(ii) IDA R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iii) LEO R&D vouchers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(iv) Higher education institute R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(v) Other Irish public R&D grants (including public research centres)	<input type="checkbox"/>	<input type="checkbox"/>
(vi) Irish private non-profit institute R&D grants (e.g. privately owned research centres, philanthropic transfers)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(vii) European Union R&D grants	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(viii) Other public R&D grants (including foreign public universities and public research centres)	<input type="checkbox"/>	<input type="checkbox"/>

**Tax field to enter the Amount of Credit to be offset against VAT liabilities for this accounting period under Research and Development claim for smaller companies under section 766C for the Tax Year 2020**

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Figure 43: Tax field for credit to be offset against VAT liabilities for this accounting period

## TAX FIELDS REMOVED FROM THE TAX YEAR 2020

The following field has been removed from the **Relate Corporation Tax** for the Tax Year 2020.

We have removed the following Tax Field from **Company Details** Section.

- Company Details
- Mandatory Disclosure
  - The number assigned to a transaction by the Revenue Commissioners under section 817HB.