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What is Cloud Computing ?

Cloud computing allows software and services to be delivered over the Internet to any location that has a web-enabled device such as a smartphone, tablet or laptop. The term *cloud* is used as a metaphor for the Internet, based on the cloud drawing used in the past to represent the telephone network and later to depict the Internet in computer network diagrams. The availability of high capacity networks, low cost computers and storage devices have led to a tremendous growth in cloud computing.

In a basic cloud service model, cloud providers offer computers (often as virtual machines), storage, firewalls and networks. These resources are supplied on demand



from large pools installed in data centers. Local area networks including IP addresses are part of the offer.

End users access cloud based applications through a web browser or a light weight desktop or mobile app while the business software and data are stored on servers at a remote location. Proponents claim that cloud computing allows enterprises to get their applications up and running faster, with improved manageability and less maintenance, and enables more rapid adjustment of resources to meet fluctuating business demands.

To deploy their applications, cloud

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Doing Construction Work for Relatives...

From 1 May 2012 a recipient of construction services from a connected person within the State must account for the VAT on a reverse charge basis. A person is connected with an individual if that person is the individual's spouse, or is a relative (brother, sister, ancestor or lineal descendent), or the spouse of a relative, of the

individual or of the individual's spouse. In the case of a company specific criteria, principally around control, apply to the definition of "connected".

Therefore, the recipient of the construction services should calculate the VAT on the amount charged by the supplier with whom

he/she is connected and account for the VAT directly to the Revenue Commissioners through his/her VAT return. The recipient will be entitled to claim a simultaneous input credit in respect of that VAT, subject to entitlement under normal deductibility rules. It should be noted that the reverse charge for construction

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Cloud Computing (cont.)

The standardised unemployment rate in May was 14.3pc, unchanged from last month, according to new figures from the Central Statistics Office (CSO). On a seasonally adjusted basis the number of people on the Live Register increased by 200 to 436,700. The number of long term claimants – those signing on for a year or more – on the Live Register in May 2012 was up 7pc or 12,395 people to 188,729.

Ireland's internet audience of 2,354,000 people spent an average of 20.1 hours online and visited 1,966 pages each during February 2012, according to new figures from [ComScore](#). Visitors from Ireland were somewhat less engaged than the average European internet user, who spent 28.2 hours online and viewed 3,035 pages during the month. The UK audience was the most engaged across Europe, with the average user spending 36.7 hours online. ComScore's study also reveals that 46pc of Europeans visit sports sites. Some 177.1 million internet users (45.8pc reach) in Europe visited a sports site in February, representing an increase of 15pc in the past year.

The [2012 Talent Shortage Survey](#), published by the Manpower Group, recently ranked Ireland as the global leader for the availability of skills and the least difficult location, globally, in which to fill talent.

users install operating system images on their machines as well as their application software. Cloud computing relies on sharing of resources to achieve economies of scale similar to a utility (like the electricity grid) typically over the Internet. Cloud providers typically bill their services on a basis that reflects the amount of resources allocated and con-

sumed.

Cloud computing offers many benefits, but it also is vulnerable to threats. As the uses of cloud computing increase, it is likely that more criminals will try to find new ways to exploit vulnerabilities in the system. These risks in cloud computing increase the threat of data being compromised. To help mitigate the

threat, cloud computing stakeholders should invest heavily in risk assessment to ensure that the system encrypts to protect data; establishes trusted foundation to secure the platform and infrastructure; and builds higher assurance into auditing to strengthen compliance. Security concerns must be addressed in order to establish trust in cloud computing.***

Immigrant Investor Programs

EEA or Swiss nationals are entitled to come and work in Ireland either as an employed or a self-employed person. EEA and Swiss nationals do not require a business permission to establish a business in Ireland and they do not require a visa to visit, travel to, live or work in Ireland. Non-EEA nationals

can establish a business in Ireland but they require permission to do so.

There are two new initiatives for non-EEA investors and entrepreneurs which aim to attract job-creating investments into Ireland. The **Immigrant Investor Programme** provides investment options ranging

from €500,000 to €2 million which allows approved non-EEA investors and their immediate family enter Ireland on multi-entry visas and remain here for up to 5 years. The **Start-up Entrepreneur Programme** allows non-EEA



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Doing Construction Work for Relatives... (cont.)

services provided by sub-contractors to principal contractors introduced in September 2008 remains in place.

The invoice must contain the statement **"VAT on this supply to be accounted for**

by the Recipient", as well as all the information that must appear on a valid VAT invoice. However, the VAT rate and the VAT amount must not be shown on the invoice. The recipient must include the VAT due on supplies from

the supplier with VAT on Sales under T1. If the recipient is entitled to a deduction s/he should claim a simultaneous deduction for the VAT on the supplies from the supplier in T2 (VAT on Purchases).

Tax Refund Time Limit

A claim for repayment of tax cannot be allowed by Revenue where it is made more than FOUR years after the end of the tax year or accounting period to which the claim relates.

Where a repayment of tax is claimed within the relevant time limit the repayment is available to be offset in the normal way.

Where a repayment of tax is claimed outside of the relevant time limit, Revenue's position has always been that it cannot offset any of the tax involved

against any other tax liability of the taxpayer as no repayment is due to the taxpayer. Statutory confirmation of Revenue's position is included in section 128 of Finance Act 2012.

This section also confirms that there is no right of offset outside of that already provided for under the tax codes. These

Ireland has ranked first in four key areas in the IMD World Competitiveness Yearbook 2012 and its overall ranking has improved by four places to position number 20. Ireland ranks first for availability of skilled labour; flexibility and adaptability of workforce; investment incentives; and attitudes towards globalisation. The country ranks second for business legislation - openness to foreign investors; for large corporations that are efficient by international standards; and for adaptability of companies. It comes in fourth for Corporate Tax rate on profit and real corporate taxes. Executives in the survey pinpoint Ireland's skill base as a key attraction of the country as an inward investment location.



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Immigrant Investor Programs (cont.)

participants with an innovative business proposal and funding or financial backing of at least €75,000 to come and set up a business in Ireland. Successful applicants to both programmes will be granted a residence permission for 2 years initially. The programmes are open to applications from 16 April 2012. These schemes do not apply to retail, catering, personal services or similar businesses.

Those who wish to start a retail,

catering, personal services or similar business should apply for a business permission. This is a written permission from the Minister for Justice and Equality that allows them to establish and engage in a business in Ireland for a certain period. They have to meet certain criteria to apply for a business permission. The main requirements are that they must have €300,000 to invest in the business and they must create employment. Successful applicants receive a letter granting business permission

—usually for one year initially.

Artists, writers or crafts people do not have to meet the capital and employment requirements. However they must show that they are well known in their field and that they can support themselves without the need for other employment or social assistance. In these cases they should contact the Department of Justice and Equality separately. Full details on <http://www.inis.gov.ie/>

Septic Tanks Registration

The Water Services (Amendment) Bill 2011 was finally passed in February 2012. This legislation provides for a registration and inspection system for septic tanks which is required to address a European Court of Justice ruling against Ireland. It affects all domestic waste treatment systems – basically any property that is not connected to the main sewerage system will be expected to register.. All householders with septic tanks and other on-site systems will be required to register details of their system with the relevant local authority and a national register will be compiled and held by the EPA. Householders will be required to pay a registration fee : The fee is €50 – but anyone who registers in the first 3 months will only have to pay €5. Registration was originally expected to begin in April 2012 and all households will be expected to register their waste treatment plants and septic tanks before April 2013. However, the Dept of Environment said in April that there was a delay in setting up the registration system – and they have not yet given a date when registration is expected to start . The reduced fee will still apply for the first 3 months. Following the initial registration, householders will not be required to re-register their systems for several years – an interval of 5 years is envisaged between each registration.





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Tax Refund Time Limit (cont.)

rules apply across all the direct taxes (and related charges and levies), stamp duty, gift tax, inheritance tax, excise duties and value-added tax.

One exception to the general rule regarding offsets has been provided for in the new section. The exception applies where tax is due and payable for a tax year or accounting period by virtue of action taken by Revenue, to assess or recover



tax, at a time that is four years or more after the end of the year or period involved. In such a case, an amount of tax which cannot be repaid because of the application of a time limit, but which relates to the same tax year or accounting period as the tax liability Revenue is pursuing, is available for offset against that liability.

ROS FILING DEADLINES

Revenue announced an extension to the return filing and tax payment date for certain self-assessment income tax customers. For customers who file the 2011 Form 11 return and make the appropriate payment through ROS for (1) Preliminary Tax for 2012 and (2) Income Tax balance due for 2011, the due date is extended to **15th November 2012**.

To qualify for the extension, customers must both pay and file through ROS. Where only one of these actions is completed through ROS, the extension does not apply and the date for the Form 11 return and payment is 31 October 2012.
