



STATUTORY INSTRUMENTS.

**S.I. No. 69 of 2025**

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EUROPEAN UNION (VALUE-ADDED TAX) REGULATIONS 2025

## EUROPEAN UNION (VALUE-ADDED TAX) REGULATIONS 2025

I, PASCHAL DONOHOE, Minister for Finance, in exercise of the powers conferred on me by section 3 of the European Communities Act 1972 (No. 27 of 1972) and for the purpose of giving further effect to Council Directive 2006/112/EC of 28 November 2006<sup>1</sup>, as amended by Council Directive (EU) 2020/285 of 18 February 2020<sup>2</sup>, hereby make the following regulations:

1. These Regulations may be cited as the European Union (Value-Added Tax) Regulations 2025.
2. In these Regulations, “Act of 2010” means the Value-Added Tax Consolidation Act 2010 (No. 31 of 2010).
3. Section 2 of the Act of 2010 is amended—
  - (a) in subsection (1), by the insertion of the following definition:  
“‘annual turnover’ has the meaning assigned to it by section 92B;”,  
and
  - (b) in subsection (4A)—
    - (i) in paragraph (i), by the substitution of “Schedule 9,” for “Schedule 9, and”,
    - (ii) in paragraph (ii), by the substitution of “services, and” for “services.”, and
    - (iii) by the insertion of the following paragraph after paragraph (ii):  
“(iii) where the reference occurs in a provision specified in Part 3 of Schedule 9.”.
4. Section 5 of the Act of 2010 is amended by the deletion of subsection (2).
5. Section 6 of the Act of 2010 is amended—
  - (a) in subsection (1)—
    - (i) in paragraph (c)—

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<sup>1</sup> OJ No. L347, 11.12.2006, p. 1.

<sup>2</sup> OJ No. L62, 2.3.2020, p. 13.

(I) by the substitution of the following subparagraph for subparagraph (i):

“(i) subject to subparagraph (ii), a person for whose supply of goods (other than supplies of the kind specified in section 30(a) and (b) made by a person established in the State) and services the total annual turnover has not exceeded, in the current calendar year or the previous calendar year, the goods threshold;”,

and

(II) in subparagraph (ii), by the substitution of “annual turnover” for “consideration”,

(ii) by the substitution of the following paragraph for paragraph (d):

“(d) a person (other than a person to whom paragraph (a), (b) or (c) applies) for whose supply of goods and services the total annual turnover has not exceeded, in the current calendar year or the previous calendar year, the services threshold;”,

and

(iii) by the insertion of the following paragraph after paragraph (d):

“(e) a person who is an accountable person solely by virtue of making exempt supplies of immovable goods, supplies specified in paragraphs 6 and 7 of Schedule 1 or insurance and reinsurance services.”,

(b) in subsection (2)(b), by the substitution of “annual turnover” for “of the consideration”, and

(c) by the substitution of the following subsection for subsection (3):

“(3) (a) Subsection (1)(b) shall not apply to a person who is not established in the State.

(b) Subject to section 92D(1), paragraphs (c) and (d) of subsection (1) shall not apply to a person who is not established in the State.”.

6. Section 59(4)(a) of the Act of 2010 is amended by the deletion of “or in accordance with section 5(2)” after “by election”.

7. Section 60 of the Act of 2010 is amended by the insertion of the following subsection after subsection (3):

“(4) Notwithstanding anything in this Chapter, a person shall not deduct any tax on expenditure incurred for the purpose of supplies made in accordance with Chapter 5 of Part 10.”.

8. Section 80(1) of the Act of 2010 is amended –

- (a) by the substitution of the following paragraph for paragraph (a):
  - “(a) taking one period with another, at least 90 per cent of the person's annual turnover is derived from supplies to persons who are not registered persons, or”,
- and
- (b) by the substitution of the following paragraph for paragraph (b):
  - “(b) the total annual turnover which the person is entitled to receive has not exceeded and is not likely to exceed €2,000,000 in any continuous period of 12 months.”.

9. Part 10 of the Act of 2010 is amended by the insertion of the following Chapter after section 92A:

## “Chapter 5 Cross-border special scheme for small enterprises

### **Definitions**

**92B.** In this Chapter –

‘annual turnover’ means the total consideration (other than consideration from disposals of tangible or intangible capital assets), exclusive of tax, from –

- (a) supplies of goods and services, in so far as those supplies would be chargeable to tax if supplied by a taxable person who is not exempt from tax, and
- (b) supplies of immovable goods, services specified in paragraphs 6 and 7 of Schedule 1 and, insurance and reinsurance services, unless those supplies are transactions which are incidental to the taxable person's supplies and activities;

‘Member State annual turnover threshold’ means a threshold set by a Member State for the purposes of the application of the SME exemption scheme in that Member State;

‘Member State of establishment’, in relation to a taxable person, means the Member State in which the person has established that person's business;

‘Member State of exemption’, in relation to a taxable person, means a Member State in which the person is not established and where that person avails of the SME exemption scheme as it applies in that Member State;

‘SME exemption scheme’ means the special scheme for small enterprises set out in Section 2 of Chapter I of Title XII of the VAT Directive;

‘SME exemption scheme number’ means the identification number ending with the suffix ‘EX’ that has been assigned to a taxable person, by the competent

authority of the Member State of establishment, for the purpose of availing of the SME exemption scheme;

‘Union annual turnover’, in relation to a taxable person, means the annual turnover of the person in the territory of the Community during a calendar year;

‘Union threshold’ means €100,000.

**Special scheme for small enterprises where the State is the Member State of establishment**

**92C.** (1) A taxable person –

- (a) who has established his or her business in the State,
- (b) who makes, or intends to make, supplies of goods or services in one or more than one Member State (in this section referred to as a ‘relevant Member State’), in the course of or furtherance of business,
- (c) whose Union annual turnover, in the current calendar year and the immediately preceding calendar year, does not exceed the Union threshold,
- (d) whose annual turnover in the relevant Member State, in the current calendar year and the immediately preceding calendar year, does not exceed the Member State annual turnover threshold for that Member State, and
- (e) who has not been assigned an SME exemption scheme number in another Member State,

may avail of the SME exemption scheme in that relevant Member State.

- (2) (a) A taxable person to whom subsection (1) applies shall notify the Revenue Commissioners of his or her intention to avail of the SME exemption scheme in a relevant Member State before the person commences availing of the scheme in that Member State.
- (b) A notification under paragraph (a) shall be made by electronic means, using such form as is made available by the Revenue Commissioners for the purpose (in this section known as the ‘prior notification form’), and shall include the following information:
  - (i) the name, taxable activity, legal form, and address of the taxable person,
  - (ii) the relevant Member State or Member States in which the taxable person intends to avail of the SME exemption scheme,
  - (iii) the annual turnover of the taxable person, denominated in euro, in the State, and in each other Member State, in respect of the year in which the notification is made and the immediately preceding year.

- (3) (a) The Revenue Commissioners shall establish and maintain a register (in this section referred to as the ‘SME exemption scheme register’) of –
- (i) taxable persons established in the State in respect of whom the Revenue Commissioners are satisfied they meet the requirements to avail of the SME exemption scheme in one or more than one Member State of exemption (in this section referred to as ‘SME identified persons’), and
  - (ii) in respect of each SME identified person, the Member State or Member States of exemption (in this section referred to as the ‘registered Member State of exemption’).
- (b) The Revenue Commissioners shall assign to each SME identified person an SME exemption scheme number ending with the suffix ‘EX’.
- (4) (a) Where a taxable person notifies the Revenue Commissioners of the person’s intention to avail of the SME exemption scheme in accordance with subsection (2), and the Revenue Commissioners are satisfied that the person meets the requirements to avail of the SME exemption scheme in one or more than one Member State of exemption, the Revenue Commissioners shall, within the period referred to in paragraph (b) –
- (i) register the person in the SME exemption scheme register under subsection (3)(a), and
  - (ii) notify the person of the SME exemption scheme number assigned to that person under subsection (3)(b).
- (b) The period referred to in paragraph (a) is 35 working days or such further period as shall be notified to the taxable person by the Revenue Commissioners where additional time is required in order to carry out checks to prevent tax evasion or avoidance.
- (5) An SME identified person who has been assigned an SME exemption scheme number may avail of the SME exemption scheme in a registered Member State of exemption –
- (a) in the case of a Member State of exemption which has been notified to the Revenue Commissioners under subsection (2), from the date the person is notified of the SME exemption scheme number under subsection (4)(a)(ii), or
  - (b) in the case of a Member State of exemption which has been notified to the Revenue Commissioners under subsection (6), from the date the person receives the confirmation referred to in subsection (7).
- (6) (a) An SME identified person shall notify the Revenue Commissioners, in advance –
- (i) of any changes to the information previously notified to the Revenue Commissioners under subsection (2), or under this subparagraph,

- (ii) where the person no longer wishes to avail of the SME exemption scheme in a registered Member State of exemption, or
  - (iii) where the person intends to change, or cease, his or her taxable activity to the extent that the person no longer satisfies the requirements to avail of the SME exemption scheme.
- (b) A notification under paragraph (a) shall be made by electronic means, in such form as is made available by the Revenue Commissioners for that purpose (in this section referred to as an ‘updated notification form’), and shall include the SME exemption scheme number assigned to the taxable person under subsection (3)(b).
- (c) A notification under paragraph (a)(i) or (iii) shall not be required in respect of any information to which subsection (9)(a)(ii) applies.
- (7) (a) An SME identified person shall notify the Revenue Commissioners under subsection (6) before availing of the SME exemption scheme in a Member State other than a registered Member State of exemption (in this paragraph referred to as a ‘new Member State of exemption’) and the Revenue Commissioners shall, where they are satisfied that the person is a person to whom subsection (1) applies, confirm to that person, within the period referred to in paragraph (b), that the person may avail of the SME exemption scheme in that new Member State of exemption.
- (b) The period referred to in paragraph (a) is 35 working days, or such further period as shall be notified to the taxable person by the Revenue Commissioners where additional time is required in order to carry out checks to prevent tax evasion or avoidance.
- (8) Where an SME identified person notifies the Revenue Commissioners, in accordance with subsection (6)(a)(ii) that the person no longer wishes to avail of the SME exemption scheme in a Member State of exemption, that person shall cease to avail of the scheme –
- (a) in a case where the updated notification form is received by the Revenue Commissioners during the last month of a calendar quarter, from the first day of the second month of the next calendar quarter, or
  - (b) in all other cases, from the first day of the next calendar quarter following the calendar quarter in which the Revenue Commissioners receive the updated notification form.
- (9) (a) An SME identified person shall, within one month following the end of each calendar quarter, furnish to the Revenue Commissioners, by electronic means using such form as is made available by the Revenue Commissioners for the purpose, a report

(in this subsection referred to as the ‘quarterly report’) containing the following particulars:

- (i) the SME scheme exemption number assigned to the taxable person under subsection (3)(b);
  - (ii) the annual turnover of that taxable person in each Member State, or a nil return if no supplies have been made in a Member State, during that calendar quarter.
  - (b) For the purposes of paragraph (a)(ii), where a registered Member State of exemption applies different Member State annual turnover thresholds to different categories of taxable activity, the SME identified person shall specify, in the quarterly report, the person’s annual turnover in respect of each category of taxable activity.
  - (c) Where supplies have been made by an SME identified person using a currency other than the euro, the exchange rate to be used for the purpose of expressing the corresponding amount in euro on the quarterly report shall be that published by the European Central Bank on the first day of the calendar year to which the report relates or, if there is no publication on that date, on the next date of publication.
- (10) (a) Where, during a calendar year, the annual turnover of an SME identified person exceeds the Union threshold, the person shall, within 15 working days of the date on which the threshold was exceeded –
- (i) notify the Revenue Commissioners under subsection (6) that the threshold was exceeded, and
  - (ii) furnish a report to the Revenue Commissioners for the period from the beginning of the calendar quarter in which the threshold was exceeded to the date on which the threshold was exceeded.
- (b) Subsection (9) shall, with all necessary modifications, apply to a report under paragraph (a) as it applies to a report under that subsection.
- (c) The Revenue Commissioners shall cancel the SME exemption scheme number which has been assigned to an SME identified person under subsection (3)(b) where the Revenue Commissioners have been notified under paragraph (a) that the annual turnover of the person exceeds the Union threshold.
- (11) The Revenue Commissioners shall amend the SME exemption scheme register, in respect of an SME identified person, as appropriate, where –
- (a) a Member State of exemption notifies the Revenue Commissioners that the person is not eligible for the SME exemption scheme, or the SME exemption scheme has ceased to apply, in that Member State, or

- (b) the person notifies to the Revenue Commissioners of any of the matters referred to in subsection (6)(a)(i) to (iii).

**Special scheme for small enterprises not established in the State where the State is the Member State of exemption**

- 92D.** (1) Section 6(3)(b) shall not apply to a taxable person –
- (a) who is established in the Community and not established in the State,
  - (b) who makes, or intends to make, supplies of taxable goods and services in the course or furtherance of the person's business in the State,
  - (c) who has notified the competent authorities in that person's Member State of establishment of the person's intention to avail of the SME exemption scheme in the State and has received confirmation from that competent authority that that person may avail of the scheme in the State,
  - (d) who has been provided with an SME exemption number by the competent authority of that person's Member State of establishment as a result of a notification referred to in paragraph (c), and
  - (e) whose annual turnover does not exceed the Union threshold in the year in which the notification referred to in paragraph (c) was made, or in the year preceding that year.
- (2) Notwithstanding section 6(3), a person established in another Member State who engages in the supply, within the State, of taxable goods and services and does not avail of SME exemption scheme shall be deemed to have elected under section 6(1) to be an accountable person for the purpose of this Act.”.

10. Schedule 9 of the Act of 2010 is amended by the insertion of the following Part after Part 2:

**“Part 3**

- Section 92B
- Section 92C
- Section 92D”.



GIVEN under my Official Seal,  
6 March, 2025.

PASCHAL DONOHOE,  
Minister for Finance.

## EXPLANATORY NOTE

*(This note is not part of the Instrument and does not purport to be a legal interpretation.)*

These Regulations transpose into Irish VAT law Council Directive (EU) 2020/285, which amends Council Directive 2006/112/EC (hereinafter ‘the VAT Directive’) on the common system of value-added tax.

With the growth in cross border trade, small enterprises bear proportionally higher compliance costs than large businesses due to the more limited resources available to them, and the complexity and differences between the national VAT systems. In this context, Council Directive (EU) 2020/285 introduced the special scheme for small enterprises (hereinafter ‘SME scheme’), in Title XII, Chapter 1, of the VAT Directive, designed to ease the burden of compliance on SMEs in dealing with VAT through the application of the VAT exemption on the supplies of goods and services, resulting in less compliance work.

This set of Regulations transposes Council Directive 2020/285 into Irish law by way of inserting new provisions in a new Chapter 5 of Part 10, and consequential amendments to sections 2, 5, 6, 59, 60, and 80 – into the Value-Added Tax Consolidation Act 2010 (No. 31 of 2010). Under the new provisions, subject to certain conditions, small enterprises may avail of SME schemes in EU member states other than where they are established (hereinafter ‘cross border SME scheme’). The consequential amendments amend the approach to assessing the eligibility of small enterprises established in Ireland to avail of the scheme in Ireland.

**Regulation 1** gives the title of the Regulations.

**Regulation 2** defines, for the purposes of these Regulations, the Act of 2010 as meaning the Value-Added Tax Consolidation Act 2010.

**Regulation 3** inserts a new definition of annual turnover used for assessing VAT thresholds and inserts a new subparagraph in paragraph 4A of section 2 that references a new Part 3 in Schedule 9 which removes Northern Ireland from the definition of a Member State for the operation of the SME scheme.

**Regulation 4** amends section 5 of the Value-Added Tax Consolidation Act 2010 to align it with the new approach to assessing eligibility for availing of VAT thresholds.

**Regulation 5** amends section 6 of the Value-Added Tax Consolidation Act 2010 to provide for a new approach to assessing the eligibility for availing of VAT thresholds.

**Regulation 6** deletes a reference to section 5(2) as a consequence of Regulation 4.

**Regulation 7** limits the VAT deductibility entitlements for persons availing of the cross-border SME Scheme.

**Regulation 8** provides for a new approach to assessing eligibility for accounting for VAT on the ‘money received basis’.

**Regulation 9** inserts Chapter 5 ('Cross border special scheme for small enterprises') into Part 10 of the VAT Consolidation Act 2010. The new chapter comprises several sections:

Section 92B concerns the interpretation of terms used in the Chapter;

Section 92C(1) sets out the criteria to be met for small enterprises established in Ireland to be eligible for a cross border exemption in another Member State;

Section 92C(2) imposes an obligation on small enterprises who wish to avail of a cross border exemption to notify Revenue;

Section 92C(3) sets out the requirement on Revenue to establish and maintain a register of persons established in Ireland availing of the cross border SME scheme;

Section 92C(4) provides for the requirement for qualifying small enterprises availing of the cross border SME scheme to be issued with a SME exemption scheme number by Revenue;

Section 92C(5) sets out the date from when small enterprises established in Ireland can avail of the cross border SME scheme;

Section 92C(6) imposes an obligation on small enterprises established in Ireland availing of the cross border SME scheme to update information when changes to the operation of the cross-border SME scheme occur;

Section 92C(7) provides a mechanism for small enterprises established in Ireland to avail of the cross border SME exemption in additional Member States;

Section 92C(8) sets out the timeframe for when a small enterprise availing of the cross border SME exemption can voluntarily cease availing of it in a Member State;

Section 92C(9) imposes a quarterly reporting obligation on small enterprises established in Ireland availing of the cross border SME scheme;

Section 92C(10) imposes reporting obligations on small enterprises established in Ireland availing of the cross border SME scheme once they exceed the union threshold;

Section 92C(11) sets out Revenues obligations to update the register established under Section 92C(3) when advised of changes in circumstances;

Section 92D(1) sets out the criteria to be met for small enterprises established in another Member State to be eligible for a cross border exemption in Ireland; and

Section 92D(2) provides that a small enterprise established in another Member State not opting to avail of the cross-border SME scheme in the State will be deemed to have elected to register for VAT.

**Regulation 10** inserts Part 3 in Schedule 9 to remove supplies of goods and services in Northern Ireland from the scope of the cross-border SME scheme.

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