

# IFS Newsalert

International Financial Services (IFS) - Ireland



## Issue 7 - May 2005

### PwC Ireland Financial Services Tax Group

PwC is a leading provider of tax services to business in Ireland's IFS sector. This group provides advice and news on Irish and international tax issues - and tax-related business issues - affecting IFS businesses in Ireland. Specialisms within the group include banking, treasury, asset finance, securitization, insurance and investment management.

For issues relating to this Newsalert contact your usual PwC contact or the specialists listed at the end of this document.

Disclaimer: This news bulletin is intended only to provide a general guide to the subject matter.

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## IFRS Update

As set out in previous editions of IFS Newsalert, the introduction of IFRS and the convergence of Irish GAAP with IFRS has wide-ranging tax implications for companies. Legislation was introduced in Finance Act 2005 to begin to deal with the issues arising.

Revenue have now initiated a consultation process with several interested bodies including professional representative bodies, representatives from various industry groupings and professional advisors, with a view to producing a commentary on the IFRS provisions of the Finance Act and possibly, later in the year, a Statement of Practice.

Interested parties have been invited to make submissions to Revenue on the issues which they feel need to be addressed in the commentary. A copy of the PricewaterhouseCoopers submission to Revenue in this regard is attached for your information.

In this submission, the areas on which confirmation and clarification has been requested include:

- IFRS accounts as the basis for tax computations,
- Intangible assets,
- Timing of adoption of / convergence to IFRS and the tax implications of this,
- Bad debt provisions,
- "Bed and breakfast" provisions,
- Anti-avoidance provisions,
- Share-based consideration,
- Preliminary tax,
- Foreign currency and hedging instruments.

IFS Newsalerts will continue to provide updates on this process over the coming months.

If you have any comments on the content of this publication, or have any other issues you would like to raise, please contact your usual tax contact within PricewaterhouseCoopers, or one of the following:

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