President's page, March 2018

Welcomes

01 March 2018

The standards expected of all agents

There are a few topics I'd like to touch on this month but let me start with an encouraging development from HMRC in relation to the behaviours they expect from all tax agents. During the discussions that led to the production of the revised PCRT that came into effect last year, one of the key concerns that was shared by all of the seven Professional Bodies that jointly sign up to the rules was the fact that whilst our members would be obliged to comply, those tax agents who were not members of any professional body would have far more limited constraints on their behaviour. This concern was fully recognised by Government and it was therefore pleasing to see the Updated Corporate Report from HMRC on 4 January setting out a revised standard of behaviour that they expect from all agents which, although much briefer than PCRT, very closely mirrors the key wording relating to tax planning. This is further endorsement of the standards to which we all adhere especially at a time when political interest in such standards is reviving. The HMRC Corporate Report can be found on GOV.UK.

This was a topic raised during a speech and roundtable discussion which the CIOT were proud to host with HMRC Chair, and CTA, Edward (now deservedly Sir Edward) Troup and a small group of senior representatives from the tax profession in December. Mr Troup was speaking ahead of his retirement from HMRC at the end of last year. At the event he talked about how he saw HMRC and the tax profession developing in the future, including his belief that government was likely to be tempted to put further responsibilities on tax advisers going forwards. Most eye-catchingly he thought one possible direction was segmentation of tax agents, giving them different levels of 'risk rating', with the scrutiny of their clients' affairs changing accordingly. Mr Troup was very supportive of PCRT saying he genuinely believed it was a 'great thing'. He defended HMRC's sometimes controversial

description of taxpayers as ‘customers’ saying that he genuinely believes the tax authority is a customer-centric business and whilst he acknowledged that the process of digitalisation had been a ‘bit of a journey’ for the department, he regarded it as ‘unstoppable’ given how everything else in our lives is moving in the same direction. One key question he asked was whether it is enough for an agent simply to prepare a return based on the information provided by a client or whether we have an obligation to consider the plausibility of that information? He felt this is likely to be a question that is asked increasingly going forwards. A fuller summary of the discussion can be found on our website on the CIOT website.

As some members may have seen, in February we published the results of the ADIT examinations sat in December 2017 (included in this issue on page 17). These results were extremely encouraging with record numbers sitting one of the papers which reflects an ongoing trend. We now have well over 3,000 people registered to sit the ADIT exams in over 110 countries and this reflects the increasing desire of professionals around the world who specialise in international tax to have a qualification that both reflects and celebrates that expertise. The interest in ADIT is also mirrored in the UK where despite – or perhaps because of – Brexit, the interest in cross border taxation issues and the tax regimes that apply in other countries is of increasing importance. It was particularly encouraging to see that a number of the prizes and distinctions awarded this sitting went to people who work for HMRC. Our sincere congratulations to them and to all others who have recently passed their CTA or ADIT exams. And whilst on the subject of Brexit, I’d like to take this opportunity to thank all our expert volunteers who have been helping us make a significant contribution to assist policymakers during discussion of the Taxation (Cross Border Trade) Bill.

Finally, I did want to say just a brief word about the memorial event that we hosted jointly with LexisNexis on 30 January to celebrate the life and achievements of the late Chris Jones. It was a remarkable event and the fact that around 400 tax professionals joined us and Chris’s friends and family at such a busy time of the professional year shows the love and respect in which Chris was held. As I said in my remarks, Chris was a truly lovely man and a good friend. I will miss him, but I will never, ever, forget him. I know that is a view shared by many.

With very best wishes to all.