President's page, November 2018

Welcomes

01 November 2018

Continuing the struggle

Welcome to November. By the time you read this we will have had the October Budget and no doubt you will all be digesting what the Chancellor announced. Looking back it is astonishing how long many of the current debates in relation to tax have been around; whether it is the differences in how income and capital are taxed, the tax and NIC position of employed and self-employed individuals, or that IR35 that is back in the news, literally! I hope we did not get a raft of major changes. Given the current situation in Westminster and the workload on HMRC caused by Brexit, it is difficult to see how any really significant change to the tax system could be made and over the next couple of years we will all no doubt continue to struggle on with the changes of recent years. That said, NICs may be more important for some from next year. Likewise I trust there were no major changes to tax reliefs; there are as many demands for reform as there are for even more tax relief. As I said at our AGM, we need to understand the economic and social value of tax relief to the UK as a whole before going one way or the other.

The past couple of months have been really busy for me and others in the Institute. The CIOT organised three successful panel events at this year's political party conferences. Deputy President, Glyn Fullelove, took part at the Labour conference. I chaired a panel session at the Conservative conference at which CIOT Council member Claire Hooper took part. I also was part of a panel at the SNP Conferences. The CIOT hosted the Labour and Conservative events in conjunction with the Institute for Fiscal Studies with the SNP Conference being co-hosted with the CBI Scotland. The SNP conference of course meant a trip to Glasgow so before that I took part in the ICAEW Practical Tax conference at North Queensferry, hosting a joint session with Paul Aplin (President of the ICAEW and member of the CIOT Council) on our relationships with HMRC. As part of this session, I was forced to explain why I

don’t do ‘dress down’; I suppose you had to be there!

I also gave a two-hour marathon talk to a combined audience from the Edinburgh Tax Network and CIOT Scotland branch on tax investigations. The Edinburgh event was made more interesting by a large number of HMRC people turning up! In London, my talk to London Branch again on tax investigations was followed by a talk to the HMRC Branch, which emphasised how important HMRC is to us as an organisation.

We should do everything we can to increase HMRC involvement in both the work of the CIOT (and the ATT) and as members. There are now over 600 individuals in HMRC who are members of the CIOT and ATT and adding the students in HMRC and HM Treasury makes clear that the Government is increasingly important to us as an employer of ATTs and CTAs. They will not always be able to engage with us to the extent we might like, they will not always agree with you or you with them, but that does not mean they don’t agree at least in part or that they don’t see the difficulties taxpayers face. All these events also brought home to me how quickly things are changing and the importance of keeping our CPD up to date as well as the dangers of assuming that you are on top of the many changes over recent years and relevant Tribunal decisions.

In September I attended our Autumn residential conference in Warwick. With a strong range of speakers across a broad range of current issues. Our conferences are great value and as well as letting you hear from some leading practitioners they allow you to make and build networks. Peter Rayney (Vice President) and his team are currently planning our 2019 Spring conference in Cambridge as I write!

In September we jointly hosted, with the ICAEW, the General Assembly of CFE Tax Advisers Europe. As part of the Assembly business, two CIOT Council members, Gary Ashford and Ian Hayes, were elected Vice-President and Chair of the Tax Technology Committee respectively – my congratulations to both. This bodes well for our relationship with the CFE and ensures our influence in Europe on tax matters will continue.

Perhaps the most special of the recent events was the President’s reception at the Imperial War Museum. This event was our official celebration of LITRG’s 20th anniversary. John Andrews who, as President in 1997 was largely responsible for getting LITRG off the ground, thanked many of those involved and explained the

tremendous value of LITRG over the years. Another prestigious guest at the event was Lt General Richard Nugee, who gave a memorable address about the 100th anniversary of the end of the First World War this month. For me, a special highlight on the night was being able to award four certificates of merit. Finally I am sure that we all wish Paul Morton, who has stepped down from his role with the OTS, all the very best for the future.

And on that note, all that is left is for me to say is: keep calm and carry on!

Ray McCann
CIOT President