President's page, December 2018

Welcomes

01 December 2018

Christmas time comes around again

Is it just me or does it feel like no time at all since the Christmas tree was packed up and dragged into the loft?

The first present of the season arrived in the form of the Budget. It is disappointing that the Chancellor seems to have been too busy to read last month's Tax Adviser so numerous tinkering changes and a 400-page (or more) Finance Bill will follow. Also, I am sure few of you welcomed the 30th January closure date for the review of trusts. Frankly it is not good enough that an area as complex as trusts is subject to a consultation slap bang in self-assessment return time when you are often at your busiest.

The sharp intake of breath announcement was the Digital Service Tax (DST). To use 'technobabble', Apple, Google, Facebook and Amazon must download a 'critical upgrade' to their UK tax liability, or, maybe not. It seems clear that the DST is a 'shot across the bow' that will never see the light of day if international consensus emerges on how to tax companies that are everywhere and nowhere at the same time. Here we should perhaps be concerned; 'America First' will not make finding consensus easy so it could be the UK faces unhappy tech giants and a US Government threatening retaliation whilst those critical of online companies campaign for tougher measures still!

The other big (expected) announcement was making the end (private sector) 'client' responsible for status within IR35. This was the intended approach originally but as we know responsibility was instead put on the individual. On its own this will not resolve disguised employment issues; a much deeper review is required. In the meantime, the burden of ensuring that those operating through personal service company arrangements are compliant will be significant and costly. If the

Government really wants to reduce the number of individuals operating through companies, more flexible disincorporation relief needs to be introduced so that tax liabilities that would otherwise arise can be rolled over.

Aside from Budget concerns, last month was again a busy one. The annual Scotland Branch Conference took place in the splendid surroundings of Dunblane Hydro with a great line-up of speakers that included Bob Trunchion, Emma Chamberlain, and Pete Miller. My congratulations go to Sean and Richard and the whole of Scotland Branch. Vice-President, Peter Rayney, has been working hard to ensure that our conferences stay great value and as I said in Dunblane, our conferences are one of the ways we promote our educational objectives and finding new ways to engage with you is a key priority. They are great opportunities to connect with other members who might just have an idea to solve the client issue you have been struggling with. If you are a regular attendee why not encourage a colleague to come next time? Dunblane was followed by a ‘meet the President’ round table discussion with the Aberdeen Branch kindly hosted by Deloitte.

My other really big event was the Northern Ireland Branch dinner together with ATT President Tracy Easman. The two of us seem to have an odd effect on the weather; earlier in the year we were trapped in Edinburgh due to the ‘Beast from the East’ and this time it was storm something or other that resulted in the flight carrying the guest speaker being diverted to Glasgow before it ran out of fuel! All was well in the end and thanks go to Malachy McLernon and all the members of the Branch Committee for what was a truly memorable night, notwithstanding the single Jamieson’s with ice that no matter how much I tried never seemed to diminish! It was great meeting so many new members and students and hearing the exciting things they are doing. To paraphrase HMRC, ‘tax does not need to be rewarding, but it very often is’. Malachy quite properly has great pride in what the Branch has achieved and as he said, ‘it can hold its head up with the best of our Branch network’. I have no doubt that the Scottish and Northern Irish branches are in good hands.

We also had our CIOT Council offsite meeting. This is an occasion when the members of Council are able to really challenge each other and examine how the CIOT fulfils its charitable objectives. This year the discussion focused on Council itself: is it too big, small, representative, and so on. As usual the discussion was lively and it will influence how we ensure the CIOT lives up to our claim to be the ‘leading body for tax professionals’. Equally we must always remember a point passionately made in

Aberdeen: many of our members value the ‘family atmosphere’ the CIOT and ATT have always had and we must not lose this as we grow and expand in the UK and overseas.

And on that family note, all that remains is for me to wish all of you, your families and loved ones, wherever you are, the happiest of times over the holiday season. Happy Christmas and I look forward to seeing you in 2019.

Ray McCann
President, CIOT