President's page, May 2020

Welcomes

01 May 2020

We do not live in normal times

Normally, the May edition of Tax Adviser carries the last ‘Welcome’ from a President in their year of office. However, we do not live in normal times. As you will be aware, the Institute’s AGM has been postponed and, consequently, I will remain as President for a little while longer. At the time of writing, the arrangements for the AGM and the handover of the Presidency remain to be finalised, but members will be updated on these matters as soon as possible.

The first priority of the Institute as the scale of the spread of COVID-19 in the UK became apparent was the safety of staff and volunteers; I would like to reiterate my thanks to our chief executive, Helen Whiteman, and her counterpart at the ATT, Jane Ashton, on the speed and efficiency with which they moved all day to day operations online and to full out-of-office working. I would also like to thank all the staff at the CIOT for their hard work in ensuring that we continue to execute our charitable objectives and support our members.

We inevitably had to cancel a number of events, notably the Spring Residential Conference in Cambridge and the April CTA Admissions Ceremony, as well as the ADIT conference and admissions ceremony. However, those due to receive their certificates at these ceremonies will be able to do so at a future point in time.
A number of branch events have successfully moved to an online format, and have been open to members nationwide. These have been well subscribed and my thanks go to the speakers for helping us to continue our educational programme in this way.

Those due to sit CTA and ADIT papers in May and June will already be aware that, sadly, this will not be possible. We are supporting our CTA students with weekly emails on study techniques now there is more time to prepare. Student registration periods and existing passes are being extended so there is no impact on

eligibility for membership.

In a wider context, thoughts are already turning to what life will be like after the restrictions we are living under are lifted. I am writing this in mid-April and it is not yet known when any restrictions will be eased; it looks likely it will be many months before life returns to ‘normal’. What the new ‘normal’ will be remains something of a matter of conjecture. Some commentators have argued that there is an appetite for quite drastic changes in our way of life, others have suggested that we will drift back to something not that dissimilar to how we lived in 2019.

I think that there will be changes that will have very widespread support – changes that we will ‘want to happen’ may include more remote working and a much greater use of video-conferencing. Then there will be changes that ‘have to happen’; the government has moved swiftly to support the economy, and the costs of this will have to be met in some form. I think we can expect significant changes in the tax system. The Chancellor has already hinted at what many will see as overdue reform to the National Insurance system.

Many contributions to the debate, though, suggest behavioural changes that commentators think ‘should happen’ – voluntarily or enforced. In terms of the tax profession, this will no doubt feed into the current consultation around raising standards in the tax advice market. The CIOT has been at the forefront of raising the already high standards of most tax professionals in recent years through the development of Professional Conduct in Relation to Taxation (PCRT). We have already gone on record to argue that building on the existing PCRT framework, rather than creating an entirely new regulatory arrangement, is the way forward. This is not to suggest no changes should be made; particularly around those agents who have no qualifications, and around areas where suppliers argue they are not providing tax services, changes are, in my view, definitely required. I suspect any changes may impinge on us all to some extent. In the meantime, I would reiterate that PCRT remains in full force during the current COVID-19 outbreak. No ‘liberties’ should be taken with the government’s support schemes, and any tax adviser advising their clients to ‘bend the rules’ has no place in this Institute.

There are, of course, genuine technical questions arising as to how some of the government’s support measures work in normal commercial operation, and the Institute is working with HMRC and HMT on a daily basis in this regard. With LITRG we have established advice pages relating to the government measures accessible

from the COVID-19 hub page of our website. If you encounter a question not answered by the existing guidance, please email technical@tax.org.uk. We and the other professional bodies are collating questions for HMRC, which they greatly appreciate.

Finally, I wish you and all your families well at this time. Please stay safe.