President's Page, May 2016

Welcomes

01 May 2016

You think it’s all over, it is now!

It is an understatement to say that the last 12 months have seen dramatic changes in the world of tax and in my final President’s Page I would like to look forward as opposed to back. That said, I hope you don’t mind me indulging myself towards the end of this piece when I reflect on some of the many highlights and achievements of the CIOT since May last year.

The tax profession is now at the start of a transformation. The aggressive timetable announced by HMRC on ‘Making Tax Digital’ will change significantly how we interact with our clients and the tax authority in the compliance process. I have no doubt that some of these changes will push additional burdens onto taxpayers, and in turn their agents, especially in the move towards quarterly reporting and the need to keep underlying records digitally. This will be a tough transition, especially for those who are not currently digitally native and careful provision needs to be put in place to assist them on this journey as it would be a travesty to see small businesses that are currently compliant struggle in the new world and fall into the black hole of ‘non-compliance.’ I share the conclusion in James Abbott’s article on page 16 of the April 2016 issue of Tax Adviser, which stated that taxpayers and their advisers do embrace the digital revolution but need more of a say before it is forced on us. The CIOT will of course continue to push for greater consultation and representation in this process, both on behalf of its members and also the wider public interest to ensure the system is fair for all.

In the current political and social climate almost every day brings fresh evidence of the lack of quality in the debate around tax in the mainstream media. The need to grab headlines risks destroying any notion of explaining and interpreting the facts. The scurrilous reporting of the so-called ‘revelation’ that Edward Troup was once a partner in a large city law firm (where the article failed to demonstrate any link

between Mr Troup and other parts of the firm's dealings with Mossack Fonseca on Panama, let alone with any specific wrongdoing) and the many half-baked reports that fail to distinguish vanilla planning from elaborate and highly-contrived arrangements risk undermining public confidence in the tax system far more than the stories themselves actually warrant. We need to reduce not just the tax gap but also the understanding gap and all parties, including politicians, the media, HMRC and tax professionals, have a responsibility to help achieve this by being more open and balanced, not just about the facts but also the context, as opposed to just the elements they find convenient in telling a sensational story.

Due to, as opposed to in spite of, the many challenges our profession has faced this year, I can honestly say that I have thoroughly enjoyed my year as President. To work with such a dedicated and talented team in our head office function at Artillery Row has been a true privilege. I have chaired a number of high quality debates and roundtables set up by our external relations and events teams, I have contributed to some excellent responses to Government and HMRC prepared by our technical experts and have welcomed over 600 new professionals who have passed our CTA and ADIT examinations who have been ably supported by our education department. The CIOT is very well-led by the executive team and I am especially grateful to Peter Fanning our CEO who has been a tremendous source of knowledge and wise counsel.

I have enjoyed going out on the road, and appreciated the excellent hospitality and warm welcome from our members around the branch network who have given me unique insight and ideas that I have fed back into the many forums that we have in our interactions with HMRC, ministers and the media. A lasting memory for me was the discovery last autumn at our conference in Warwick that tax people have natural rhythm when Hilary Davan-Wetton, our after dinner speaker, conducted the audience through a musical extravaganza of clapping and wine glass tinging. It was so good that I wished I had repeated the spectacle at my reception in Abbey Road Studios!

Before finally signing off, I would like to record my thanks to my employer, LexisNexis, for affording me the time to take on this role and even more importantly to my partner Tom and our son Charlie for their patience and forbearance over the past year. On that note, I leave you with a quote from Charlie's favourite author, Dr Seuss, 'Don't cry because it's over. Smile because it happened.'

With my very best wishes to you all.