CIOT Vice-President's page, September 2016

Welcomes

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Tumultuous times

Welcome to the September edition of *Tax Adviser*. If you have already had a summer holiday then I hope that you are refreshed and looking forward to the challenges ahead. If like me (at the time of writing) you are still to have your summer holiday then I hope you have a relaxing time. The past several months have been tumultuous and although tax advisers love change (we do, really) I am sure most of us were relieved that the 'emergency Budget' never materialised. Nevertheless there is much for us all to look forward to in the coming months no doubt with a mixture of some excitement, some trepidation and I am sure some concern at the possible additional strain that may fall on you as advisers and on your clients as taxpayers.

The pace of change is unrelenting and there is no end in sight. But the profession we have chosen is one of endless fascination and change even if, at times, it can give rise to endless frustration. 'Brexit' will no doubt bring with it a whole range of new issues for us to grapple with and our VAT members will I am sure be at the forefront of this change since it seems certain that a whole new system of tax will be needed to replace VAT. Some will expect it to pretty much mirror what we have and that is a reasonable assumption but those members who get involved in matrimonial disputes will no doubt know that disentangling all the relationships built up over years can throw up huge problems especially in relation to tax; many of these issues we will only discover once we start untangling the UK from the EU and it is unimaginable that Brexit will not bring significant challenges over and above VAT and these are likely to affect us all.

Closer to home the raft of consultation documents published in August included several addressing various aspects of HMRC's ambitious plan to make tax digital. I have mixed thoughts on this, the sheer commonplace of smart technology these days would suggest that most people are already very digitally advanced but change is always challenging and when added to the continual and tiresome threat of penalties that accompany such initiatives it simply increases the stress levels of those who need to oversee such major changes with our clients. It is time for penalties to be left until major changes have been introduced and there is practical experience of taxpayer behaviour. This is especially so given the long history of ambitious HMRC projects that have "failed to launch". People respond better to support and encouragement not threats and effective compliance design relies upon experience which none of us will have (in HMRC or otherwise) for some time in terms of how a digital tax world operates. It is not being soft on non-compliance it is recognising that the change takes time and an open and honest conversation will be had if we are concentrating on making sure the new world of digital taxation works.

We are also moving into political party season when the CIOT will play an important role in seeking to influence ministers and shadow ministers (again at the time of writing assuming there are some) in how they develop and implement tax policy. There are enormous issues that continue to affect us as a profession, HMRC standards, constant change, the already mentioned digital agenda, agent strategy and of course as already mentioned Brexit to name a few. This year's round of changes to compliance related law sees new criminal offences being introduced and further toughing up on tax avoidance. Despite all of this there seems little end in sight to the substantial resource commitments HMRC makes in tacking avoidance. An important part of our role is to ensure that Government never loses sight of the fact the 'ordinary' taxpayers with everyday problems need help so HMRC service standards must always be a priority. And we all should be proud of the valuable work that the CIOT does to support the vulnerable through its support of Bridge the Gap and the LITRG.

Finally, going into this autumn season a word of thanks to our paid staff and our many volunteers. The amount of work done each year by the CIOT and the ATT belies the fact that the number of paid staff is relatively low. Our volunteers donate a huge number of hours to making the Institute what it is, to all of you thank you for the work you do and the contribution you make. Getting involved in the work of the Institute and the Association does not require much, the Branch network is an easy

way of getting involved, just turn up, who knows where you might go after that.