CIOT Vice president's page: We are setting standards

Welcomes



23 March 2023

Hello and welcome. Let me give you an update on some of the matters I have been involved with recently on behalf of the CIOT.

There have been significant concerns about HMRC service standards. We continue to raise these issues with HMRC, including when our President and CIOT staff hold meetings at different levels within HMRC. An open letter signed by a number of the professional bodies, including CIOT, has also been sent to the chancellor.

CIOT staff put so much time and expertise into submissions and promoting awareness of tax matters, helping both CIOT members and the wider public. It’s hugely important to collect feedback for HMRC, showing that the current levels of service are unsatisfactory and are holding back tax collection. This feedback is strengthened by sharing the practical experience of our members. Please send your anonymised examples to technical@ciot.org.uk.

Talking of those who give exceptional service to the CIOT, we reported in the February edition of *Tax Adviser* that we have revised the process for recognising member volunteers. Certificates of Merit are awarded to members or non-members who have played a crucial role in the whole Institute, and Branch Certificates of Appreciation are awarded to branch committee members who have significantly contributed to their branch. The full details and nomination forms are at www.tax.org.uk/instituteawards. It is important to recognise the contributions of those who give generously of their time and commitment. Nominations should be sent by 30 April.

A key topic on my desk at present is professional standards guidance. Professional Conduct in Relation to Taxation (PCRT) has been with us for many years and is regularly refreshed. It sets the bar for professional standards in tax in the UK and all CIOT and ATT members are bound by it. However, professional standards are clearly causing some concerns both in the UK and beyond. In January, HMRC issued its refreshed Standard for Agents, much of which chimes with PCRT; the revisions are largely driven by concerns with repayment agents (and hats off to CIOT's LITRG team for their work in this area).

An exposure draft of 'Tax Planning and Related Services' has also been issued by the International Ethics Standards Board for Accountants (IESBA), which requires consideration. PCRT's five fundamental principles are those in the IFAC Code of Ethics and the accountancy bodies that are PCRT co-authors, with CIOT and ATT, are bound by IFAC/IESBA so it is inevitable that this exposure draft will need to be reviewed and the PCRT bodies take account of this.

This wider interest in standards by IESBA may be helpful across the international arena. However, it means that in the UK there may now be three sets of standards to take into account, giving rise to potential differences and conflicts. I hope that meeting PCRT requirements will continue to be the standard for tax practitioners in the UK and, by doing so, they will fully meet both the Standard for Agents and the IESBA Code.

On a separate note, our 'Better Budgets' report was issued six years ago, so it was interesting to take stock of our efforts to improve tax policy making at the debate we held with the Institute for Government and the Institute for Fiscal Studies on 6 March. As the report on page XX makes clear, there have been a few bumps in the road. The early success of Philip Hammond agreeing to hold just one annual fiscal

event has been tested almost every year by seemingly exceptional events (elections, pandemics, energy shocks, changes of chancellor and economic strategy…), which have prompted emergency measures!

However, there are some positive signs. Since Better Budgets came out, the average length of Finance Act legislation per year has lessened. We are seeing more early stage consultation – though still not enough. And, as Jill Rutter pointed out in the debate, our call for the development of deeper tax expertise in the Treasury has been heard. Among other things, the Treasury is now offering full sponsorship for its staff to gain CTA and ATT qualifications. We also run a course for HMT officials on understanding how the tax advice market works.

Last but not least, my work brings me into regular contact with John Cullinane, the CIOT Director of Public Policy, who will shortly be retiring. He has served the CIOT with distinction in a number of roles. For me personally, he has been a wonderful colleague and support over many years. I should like to take this opportunity to say that I will miss him, his wise counsel and cheerful company. All the best, John.