A new approach

Professional standards



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Jane Mellor explains the new CPD requirements for CIOT, ATT and ADIT affiliates

Key Points

What is the issue?

From 1 January 2017 the CPD requirements for CIOT and ATT members and ADIT affiliates are changing from the traditional hours based approach, with a minimum number of non-reading hours, to an outputs based approach which focuses more on the learning outcomes. In addition, those not working in tax but who wish to associate themselves with the CIOT or ATT in public by using the designatory titles CTA, ATT or ADIT affiliate, will need to consider what CPD, if any, is needed for their

roles.

What does it mean to me?

We expect this to help you better focus your CPD on topics and learning methods relevant to your professional role and circumstances. It also brings more consistency of treatment across the wide range of activities our members pursue.

What can I take away?

This article sets out an introduction to the new regulations and the guidance available. Members will need to start thinking about this ready to meet their CPD requirements for 2017.

Why have a CPD requirement at all?

CPD is the requirement to maintain and develop the skills and competencies necessary to carry out professional and technical duties competently throughout a member's working life.

The mandatory CPD scheme applying to members of the CIOT, ATT and ADIT affiliates should ensure that members maintain and build on the technical knowledge obtained through their CTA, ATT and ADIT studies and develop the additional skills and technical knowledge required on a variety of subjects as their careers progress. Maintenance of relevant competence and adherence to professional standards is necessary to uphold the highest standards of practice and to enhance public confidence in the integrity and quality of professional services offered by members.

What is the current system and why is it necessary to change it?

CPD became compulsory in 1996 for all members engaged in the practice of UK Taxation and the regulations were last revised in January 2011. At present CIOT members are required to undertake 90 hours of CPD in a calendar year and ATT members are required to undertake 45 hours.

Historically most members have worked within a tax or accountancy practice and have found the current requirements provide a useful yardstick to help them to know they have achieved the required level of CPD. CPD details must be recorded and provided to the CIOT or ATT if they are requested. In general members undertake considerably more hours of CPD than the minimum set by the regulations.

Over time many members have moved away from traditional tax practice roles with more members specialising in niche areas of tax, whilst others have moved into roles in Industry, publishing, lecturing and practice management as well as other occupations. Yet members continue to be proud of their exam qualifications and membership and publically record their standing as CTAs, ATTs and ADIT affiliates. The CPD policy needs to take into account modern career paths for tax professionals and to support members in being adequately equipped for those roles.

Research shows that professional bodies are moving away from the hours based 'input' approach to CPD. Instead they are requiring members to plan their CPD requirements and effectiveness based on the individual member's circumstances. Many of our members belong to other professional bodies which measure CPD in this way. For these members it will be helpful to be able to adopt the same approach to CPD, even if the underlying CPD is somewhat different, reflecting the aims and nature of the different professional bodies to which our members belong

Who do the new regulations apply to?

Details of the new regulations and guidance notes can be found on the CIOT and ATT websites. In summary any member who comes within the rules reproduced below will be required to consider what CPD they need to carry out to perform their duties efficiently and effectively.

> '1.2.1. provide tax compliance services, advice, consultancy or guidance in tax including, without limitation, those in private practice, the public sector, commerce, industry or not for profit sector;
> 1.2.2. do not fall in paragraph 1 above but who use the designation, CTA, CTA (Fellow), ATII, FTII, Chartered Tax Adviser, ATT, Taxation Technician, ATT (Fellow), Taxation Technician (Fellow), ADIT affiliate or International Tax Affiliate of the Chartered Institute of Taxation.'

Use of the designations includes but is not limited to use of the above letters and terms on business stationery, websites, emails and social media.

The major change to the existing rules is that those who are not working in a tax related role but who hold themselves out to the public as a CTA, ATT or ADIT affiliate will be required to consider the extent, if any, of their CPD need.

What is the new CPD requirement?

The new regulations state that:

> '2.2. Members are required to perform such CPD as is appropriate to their duties, subject to any exemptions set out in the guidance.'

CPD requirements must be met over the calendar year.

Good practice would be for a member to start the year with a clear plan of the CPD to be undertaken taking into account existing knowledge, skills and competencies that need to be maintained and areas identified for development. Any plan will naturally evolve over the year depending on the requirements of the role and the CPD opportunities available.

Having undertaken CPD during the year members should record this and consider the outcome and effectiveness of the CPD undertaken.

The CPD hours based approach which has been used historically will satisfy the requirements under the new Regulations provided the CPD is relevant to the work undertaken by the member.

What activities count as CPD?

CPD should be relevant to the role a member has and can come in a wide variety of forms. The CIOT and ATT branches are a particularly valuable source of CPD if meetings are available in your area. Other examples of CPD activity include:

- Learning media including podcasts and computer based training packages.
- Learning at work, such as firms' training meetings, coaching and mentoring.
- Technical discussions on client matters, new legislation and case law.
- Studying for a relevant further qualification.

- Developing and presenting relevant training material.
- Writing books, articles and reviews.
- Reading technical journals such as Tax Adviser.
- Researching the answer to a technical query.
- Reading material relevant to your role such as anti-money laundering or data protection guidance.
- Reading professional standards material e.g. Professional Rules and Practice Guidelines and Professional Conduct in relation to Taxation.
- Non tax technical subjects such as practice management, ‘soft skills’ and IT skills as relevant to your role.

Guidance for members in a variety of roles

In order to guide members already within the CPD regulations and those members who may not have needed to meet the requirements of the previous regulations some case studies have been prepared and included in the guidance on the website. These provide examples of what ‘good CPD’ might look like for those in various roles including:

- Tax practice
- Commerce and industry
- Management
- Lecturers and writers
- Public Sector staff
- Non-tax roles where the designatory letters continue to be used.
- Members of other professional bodies
- Retired members
- Part time workers
- Workers outside the UK

Which members are exempt from undertaking CPD?

Fully retired members and honorary members not also falling within regulation 1.2.1 are exempt from undertaking CPD.

Any members who come within the regulations only because of their continuing use of the designations are required to consider their need to perform CPD as relevant to their role and to be able to explain why the CPD undertaken is appropriate. In some cases their CPD requirement may be minimal.

Those working part time generally require the same CPD as those working full time and no exemption applies here.

Members who are temporarily not working can suspend their CPD for a period although the CIOT and ATT encourages members to maintain CPD on a voluntary basis or bring CPD up to date through an intensive programme on returning to work.

What records should I keep and how will the CIOT and ATT check compliance?

There is no mandatory format which has to be used for recording CPD, however the updated record form which is available on the CIOT and ATT websites provides a way of recording details in an appropriate format (CIOT and for ATT).

Members need to ensure that they are able to substantiate why they consider the CPD undertaken meets the requirements and are required to self-certify this on their annual return.

The CIOT and ATT undertake a check of a sample of member CPD records each year already and will continue to do so under the new regulations. Members are reminded that failure to meet CPD requirements may result in the member being referred to the Taxation Disciplinary Board.

Conclusion

The CIOT and ATT have introduced this new approach to CPD as they believe it brings a more focused approach to CPD with members considering what will be helpful in their role rather than having to meet a set hours figure.

The guidance includes a number of frequently asked questions and also a number of case studies to illustrate what ‘good CPD’ might look like under the new regulations. However if you have any questions please contact us at standards@ciot.org.uk or standards@att.org.uk.