CIOT President's page: Interesting conversations

Welcomes



25 June 2025

I noted when I took office that I was looking forward to a busy year in office, and it’s just as well I came prepared.

My first event, following the AGM, was to support our joint Tax Technology Conference in Birmingham. The conference, ‘Tax Tech 2025’ was extremely well received. All credit is due to our CEO Helen Whiteman for devising the concept and our event team for pulling off it in such style.

The day kicked off with an insightful and witty keynote speech by Michael Mainelli, an economist, computer scientist and engineer, who is also the former Lord Mayor of the City of London. He was keen to note the fundamental weakness of placing any reliance on AI Large Language models (LLMs) because (as we all should know by now) they select outcomes based on probability of numbers – and not because the AI is capable of making any judgement per se. This is a good thing to remember: AI will catch you out. It’s just a question of when and how.

One great thing about Tax Tech 25 was the enthusiasm of attendees. I lost count of the number of people who came up to me with their suggestions for *next year!*

The Chancellor Rachel Reeves held her spending review in June. Though she did not mention tax in her speech, the published papers show that she included £6.4 billion to cover the already proposed extra funding to modernise and digitalise HMRC and to tackle the tax gap. The government is clearly prioritising capital investment and is not, at this stage, trying to bank any ‘quick wins’ in terms of tax policy. However, HMRC does have a lot of consultations ongoing, and concluding, which are keeping the CIOT’s technical team extremely busy. We expect more as the summer progresses.

Out and about in my new presidential role, I have had interesting conversations with industry stakeholders on the topic of business and agricultural valuations, ahead of the proposed inheritance tax changes. There is a growing consensus that HMRC’s data understates the number of estates likely to be affected. Qualified valuers are in short supply, which will be challenging for both affected estates and HMRC. In the interests of transparency, it would be useful for HMRC to create a practical valuation model. AI would surely be useful here, if it were given full access to the Land Registry’s data.

Government policy often has an unforeseen knock-on effect for tax and so it seems when it comes to reforms in the rental sector under leasehold reform. I have also been hearing reports of big changes in the rental markets as small landlords move out and bigger companies move in to take their place. The prospect of further capital gains tax rate changes is possibly a factor to consider here.

I was not going to mention tax and employment but when I heard that HMRC is going to look at joint and several liability in the context of reforms to combat PAYE avoidance in the ‘umbrella’ market, I could not resist. HMRC normally holds ‘legislation day’ in July. Perhaps we will learn more then…

In June, the CIOT and IFS held a successful debate on the future of international tax co-operation, which highlighted the intrinsic difficulties in reconciling trade policy and tax in a time of tariffs. There are competing interests in the US’s approach with the OECD and UN. Whilst Pillar One may seem ‘dead’ from a US perspective, plenty of administrations in the UN camp support its measures. Conversely, difficulties with Pillar Two include the US’s proposal of its ‘draconian’ section 899 (of ‘the One Big

Beautiful Bill'), which aims to discourage unfair foreign taxation, be it the undertaxed profits rule, digital services taxes or diverted profits taxes. Panellists came from three continents and displayed a commanding use of global tax acronyms – my favourites being GILTI (as in Global Intangible Low Taxed Income) and BEAT (Base Erosion and Anti-Abuse Tax).

Finally, who cannot be absolutely thrilled by the news that Meredith McCammond, Technical Officer at CIOT's Low Incomes Tax Reform Group (LITRG), was awarded the British Empire Medal (BEM) in the King's Birthday Honours List 2025 for services to vulnerable groups. Great work, Meri!

Enjoy the summer, back soon.