CIOT President's page: The impact of our representations

Welcomes

February 2026



29 January 2026

I hope that January went well for everyone involved in filing under income tax Self Assessment. There is just time for a well-earned break before the start of the new era of Making Tax Digital (MTD), which of course commences for income tax on 6 April 2026 for sole traders and landlords with a turnover of £50,000 or more.

One of HMRC’s stated ambitions for the introduction of MTD is to reduce taxpayer error and mistakes under Self Assessment. It is not easy to estimate the effect of different measures in combating the ‘tax gap’. Our legislation continues to evolve, and it is a case of ‘wait and see’ as to whether the tax gap actually reduces.

The current Finance Bill contains various measures to reduce tax avoidance, and MPs are now subjecting the Bill to line-by-line scrutiny as it makes its way through parliament. The CIOT’s Technical Team and Technical Committee have submitted written briefings and representations where we believe we can have a positive

impact. This work forms a core part of the Institute's technical work in the interests of helping make better tax law.

As a charity, our general approach is to stay out of politics. That is, we do not tell governments what their objectives should be or what rates they should set. However, we do advise them when we believe there may be a better way of achieving an objective, or where proposals may have unintended consequences.

There is plenty of evidence in this year's Finance Bill of the impact of the CIOT's representations. The proposal to bring unused pension pots within the scope of inheritance tax from April 2027 raised some very difficult potential problems for pension scheme administrators and personal representatives. We succeeded in securing a right for personal representatives to ask pension scheme administrators to retain 50% of a pension fund for up to 15 months in case inheritance tax is payable. The legislation was also amended to remove liability from personal representatives in relation to pensions discovered after HMRC has issued a certificate of discharge.

On the proposal to restrict agricultural and business property inheritance tax reliefs, we always argued that permitting the APR/BPR allowance to be transferable between spouses would be a straightforward way of mitigating the randomly harsh impact of those changes. It is good to see that the government has taken this approach. It remains a great pity that the government chose not to consult on the inheritance tax changes. I fear that many taxpayers have been pushed into undertaking complex tax planning strategies, some of which may now prove unnecessary in light of recent amendments.

CIOT has also been effective in persuading the government that the proposed strict liability offence of failing to notify a scheme under DOTAS was a bad idea. Unfortunately, the replacement provision in the Bill is also problematic, and we continue to press for further changes. On tax adviser registration legislation, progress has been made through changes to the concept of 'senior manager' and the introduction of additional safeguards, but we do not believe these go far enough. Work continues to strengthen them further. I would like to thank all our staff and committee members for working so hard on these representations.

I am also excited to share updates on education. The Chartered Tax Adviser qualification is undergoing significant evolution. From 2028, CTA students will

benefit from more flexible assessments with a stronger focus on professional skills, ethics and the practical realities of modern tax practice, including the use of technology. This follows extensive consultation with members, employers and students, and aims to create a more progressive, staged pathway while maintaining the CTA’s rigour.

We have also recently launched the Pillar Two Award, a specialist qualification to support advisers working with the OECD’s global minimum tax rules. This award will provide structured, practical learning for those advising large groups in a highly technical and globally significant area. The evolution of our qualifications demonstrates CIOT’s commitment to equipping future CTAs to thrive in a complex and fast-moving tax environment, while keeping our qualifications accessible and relevant.

Finally, I would like to offer my warmest congratulations to those who passed one or more papers at the November 2025 examination session. I look forward to welcoming the new members into the Institute at the next Admissions Ceremony.