# Updated PCRT and new AI Topical Guidance

Briefings



03 February 2026

The start of 2026 heralds an updated PCRT and new AI Topical Guidance.

## Updated Professional Conduct in Relation to Taxation

Professional Conduct in Relation to Taxation (PCRT) has been in place for a number of years and sets out the fundamental principles and standards for tax planning to which all members working in tax must adhere. The last major revision was in 2017, when the tax planning standards were added, and until last year updates had focused on format changes or ensuring links within the document are up to date.

The UK has been at the forefront of setting standards for advisers, particularly in relation to tax planning. However, there has been an increased international focus following the introduction by the International Ethics Standards Board for Accountants (IESBA) of a new ethical standard for tax planning and related services, which became effective from 1 July 2025.

While CIOT and ATT are not required to comply with IESBA standards, four of the seven PCRT bodies are required to do so as members of the International Federation of Accountants (IFAC). The PCRT bodies therefore considered collectively how best to respond to these international developments.

The PCRT bodies agreed that there was strength in all bodies adhering to a single code, rather than splitting into one PCRT for IFAC members (reflecting IESBA wording) and another for non-IFAC members retaining the historical wording. Although the spirit of the IESBA code was already closely aligned with the ethical requirements of PCRT, it was necessary to ensure that the wording was sufficiently aligned to allow IFAC members to demonstrate compliance with the IESBA code.

A considerable amount of work has been undertaken to review individual paragraphs and wording within PCRT. We do not expect the changes to place additional burdens on members, but it is important that you are aware of the revised wording and adhere to it in relation to tax work undertaken from 1 January 2026 onwards.

The updated PCRT is available on both the CIOT website (see tinyurl.com/y4wrjyes) and the ATT website (see tinyurl.com/2vyfkny7).

The latest changes to PCRT include:

- **Objectivity:** Changes to the wording on the standard on Objectivity clarify that a member should disclose the nature of any relationship with a third-party provider of tax planning services to their client. This applies whether the client asks the member to advise on a planning arrangement developed by a third party, or where the member recommends or refers the client to a third party (paragraphs 2.7 and 2.8).
- **Professional Competence and Due Care:** Clarification of the application of the standard on Professional Competence and Due Care confirms that PCRT applies where a member is engaged to provide a second opinion on a tax planning arrangement (paragraph 2.15).
- **Standards for Tax Planning:** Changes to the Standards for Tax Planning in the updated PCRT clarify the actions that a member should take where they disagree that a tax planning arrangement that a member would like to pursue has a credible basis (paragraphs 3.8 to 3.10).

The PCRT bodies have produced a webinar covering the changes in more detail (see tinyurl.com/4c3xdshf) and the accompanying slides are also available (see tinyurl.com/yc4dydd4). Use of the webinar and slides is a helpful way of ensuring that CPD for 2026 covers the PCRT changes.

Work will now proceed to update the PCRT helpsheets to reflect the revised wording in the core PCRT document and related IESBA guidance. Members should look out for updates over the coming year.

As a reminder, following PCRT helps members to protect themselves from potential disciplinary action. Where disciplinary action arises, the version of PCRT referred to by the Taxation Disciplinary Board will be the version in force at the time of the incident giving rise to the complaint. Historical copies of PCRT remain available on both the CIOT and ATT websites for reference where required.

## PCRT Topical Guidance on the Use of Artificial Intelligence

The use of artificial intelligence (AI) in the provision of tax services is increasing. Technological developments have resulted in greater exposure and access to a wide range of AI tools, including publicly available models and purpose-built systems. Some members already use these tools regularly as part of the services provided to clients, whilst others may be exploring AI for the first time.

In early 2025, the PCRT group established an AI working party. Representatives were tasked with developing topical guidance to support the application of PCRT principles when AI tools are used as part of tax work.

The ethical principles set out in PCRT apply to all aspects of tax work, regardless of the tools used. However, the PCRT bodies recognised that additional guidance would be helpful in assisting members to apply these principles when using AI.

Draft guidance was issued for consultation in summer 2025. Feedback was received from committees of each body, as well as from external contacts, including members and firms who had expressed an interest in supporting the development process. Following consultation, the material was developed further and the final version of the topical guidance was published on 19 January 2026. It is available on the CIOT website (see tinyurl.com/5fh45yax) and the ATT website (see tinyurl.com/57bnctt9).

The topical guidance includes some examples of how AI is already being used in the provision of tax services, alongside sections devoted to each ethical principle. The relevant areas of PCRT are highlighted throughout, and a number of examples are included at the end of each section, illustrating real world scenarios that members may encounter.

While AI tools can offer benefits and efficiencies, there are also risks that must be identified and mitigated. It is important to ensure that the ethical principles are considered and incorporated into all aspects of tax work, including:

- maintaining integrity when AI tools are used in the services provided to clients;
- identifying and mitigating the risks of bias impacting work produced with AI assistance;
- ensuring appropriate due care is taken when reviewing AI generated content, including identifying and removing hallucinations; and
- observing client confidentiality when inputting data into AI tools.

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**Members with queries about the application of PCRT or the topical guidance in their day to day work should contact the Professional Standards team at: standards@tax.org.uk.**