

# TAXADVISER

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## The CTA of the future

The CIOT's consultation on the proposed changes to the Chartered Tax Adviser (CTA) qualification is your chance to help us keep pace with change.



### Discounts and credits

The pitfalls connected with output tax – and how to avoid them



### E-invoicing proposals

Developing a strategy to cope with cross-border transactions



### Company liquidation

How your approach impacts procedures, costs and potential issues

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# HELEN WHITEMAN JANE ASHTON



## Welcome Tax principles are welcome

The Spring Statement seems far behind us, as we grapple with another new tax year and all the changes that brings. However, the Chancellor did make good (so far!) on her commitment to only one major fiscal event a year, with no new tax changes. Nevertheless, there were still plenty of other things for tax advisers to consider.

Amongst the announcements, we now know that Making Tax Digital will be expanded to those with income over £20,000 from April 2028, and that there are increases in interest and MTD penalty rates, as well as a host of other 'closing the tax gap' initiatives. Closing the tax gap was one of three priorities the government gave to HMRC, along with raising delivery standards and reforming and modernising HMRC's systems. The ATT presentation to its Fellows on 2 April was a timely reminder of how the tax gap is calculated and why it is important to members and their clients.

A flurry of consultation documents was issued, with one really important consultation, 'Enhancing HMRC's powers: tackling tax advisers facilitating non-compliance', requiring responses within just six weeks of its issue (see [tinyurl.com/mstm567r](https://tinyurl.com/mstm567r)). The ATT, CIOT and LITRG technical officers have worked incredibly hard alongside our professional standards team to ensure that responses were made on time, reflecting our support to tackle facilitated non-compliance as long as any measures are just, fair and proportionate. Copies of the response submissions can be found within the respective 'Technical' sections on our websites.

There are still a number of consultation responses which the ATT, CIOT and LITRG technical officers are working on, so if you would like to help shape any of our outstanding responses, we would

encourage you to contact the technical teams and share your thoughts.

Last month, the ATT issued its ten principles for the tax system setting out how we believe the tax system should be designed and operated (see [tinyurl.com/yf5znm6r](https://tinyurl.com/yf5znm6r)). The principles are intended to reflect the ATT's focus on the practicalities of the tax system; and our aim is to ensure that it is workable and as fair as possible for the general public. We will consider these principles when evaluating tax policy, processes and administration, and refer to them in our responses to consultations on the development of the UK tax system.

May is always a special month for us as we support students sitting their exams – this year in record numbers. We wish all our students the very best for the exam season and we are both rooting for you!

Of course, learning continues beyond exams, and continuing professional development (CPD) is a mandatory requirement for all our members, keeping your skills and knowledge up to date, and giving employers and clients comfort in your competence. For those seeking to increase their CPD, bookings for the ATT Annual Conferences are now open. We are running three conferences this year to give people a choice of dates – two virtual sessions on Tuesday 4 and Wednesday 12 June and a face-to-face session on Wednesday 19 June at our London offices in Monck Street. Spaces for the face-to-face session are limited, so we suggest that you book early to avoid disappointment. You can register for the conference at: [www.att.org.uk/attconf2025](https://www.att.org.uk/attconf2025).

We are also looking forward to meeting members at our Tax Technology conference in Birmingham next month. With interactive sessions for small, mid-sized and large firms, there is something for everyone. You can book your place for the conference at: [tinyurl.com/ycrrh9xt](https://tinyurl.com/ycrrh9xt)

Finally, the ATT and the LITRG of the CIOT have had some staff changes. The ATT technical team is growing, and welcomed Autumn Murphy as the first of three new Technical Officers joining this year. And we also congratulate Antonia Stokes in her confirmation as senior manager within LITRG.

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## Data reporting The interest income jigsaw

**Bill Dodwell**

HMRC has launched a consultation on the better use of new and improved third party data acquired under HMRC's bulk data powers. This has raised some key areas for reform, including updating the legislative framework, improving financial account information and receiving greater amounts of card sales data.

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## Restructuring the CTA qualification Have your say

**Kelly Sizer**

On 7 April 2025, the CIOT launched a 12 week consultation on proposed changes to the Chartered Tax Adviser (CTA) qualification to ensure that it keeps pace with change. The CTA of the future will need different skills, such as in tax technology; CIOT would welcome comments from all stakeholders on its proposed changes. This is your chance to give your views and help to shape the CTA qualification. We summarise the proposals and seek your views!

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## Discounts and credits Tips and pitfalls

**Neil Warren**

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Keith Gordon

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[tinyurl.com/2yccppcx](https://tinyurl.com/2yccppcx)

#### CIOT and ICAEW conference report

20 years of HMRC  
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# CHARLOTTE BARBOUR PRESIDENT



## Work to be proud of

“ With more and more people being brought into the tax net at the lower end of the income spectrum, the work of LITRG is increasingly important.

I find it hard to believe but it's almost a year since I wrote my first 'President's page'. I'm very proud to have been President, both in terms of chairing Council and in undertaking external ambassadorial activities.

Council oversees a complex range of functions with the CIOT being a company established under a Royal Charter and also registered as a charity, a professional body with a membership of over 20,000, a qualification awarding body, a regulator of anti-money laundering, and a promoter of standards and ongoing CPD. On a wide number of fronts, there's a great deal going on at any given time.

Before signing off, however, let me mention two areas that I think are important. There's plenty of talk at present about AI. I'm delighted with how the topic has been addressed by the CIOT over my year in office with a focus on AI in tax in the profession, in HMRC and tax collection, and for taxpayers. There has been a range of activities for members over the year, including:

- the CTA Address by Conrad Young last summer, which provided an excellent and thought-provoking overview (and is still available online at [tinyurl.com/CTA24-AI](https://tinyurl.com/CTA24-AI));
- a formal qualification available by means of the Diploma in Tax Technology, as well as the briefer introductory course 'AI in tax'; and
- a tax technology podcast series (much recommended for stimulating discussion about the role and use of AI in our work).

I am also very much looking forward to the Tax Technology Conference on 4 June.

For me, the focus on AI has been hugely informative. My key interests lie in how tax law creates a tax charge and the legislative machinery to collect this.

Technology and AI are probably not my first port of call so involvement in the CIOT's AI programme has been helpful.

The Tax Technology Conference will add to this with sessions on best practices for implementing tax technology, integrating AI solutions in professional service firms (from a large firm perspective) and technical tax updates. It will also discuss safe adoption and advancing ethical AI in tax. I'm delighted too that this conference will be in Birmingham – it's great to see the CIOT out and about beyond London. Do register to attend at [taxtechnology.org.uk](https://taxtechnology.org.uk), support your Institute, network and add to your CPD.

The other topic I want to mention is the CIOT's wonderful Low Incomes Tax Reform Group (LITRG). I worked for LITRG in its early days and it's good to see it going from strength to strength. LITRG was set up in 1998 by CIOT Past President John Andrews, who was much concerned about those on low incomes and how surprisingly complex their tax affairs can be. They can also be burdensome and contain traps for the unwary but, of course, all too often those on low incomes can't afford advice.

The LITRG mandate is: 'To target for help and information those least able in the community to afford tax advice and make a real difference to their understanding of taxation and to work to make the tax system more friendly to their needs.'

With more and more people currently being brought into the tax net at the lower end of the income spectrum, the work of LITRG is increasingly important. LITRG strives to fulfil both strands of its mandate. It works to enhance the public understanding of tax by providing free information and guidance (and has nearly 5 million unique visitors to its website each year). It also works with government and others to improve the aspects of the tax system that impact low-income and vulnerable taxpayers the most. (I recommend the report issued in 2024, 'Self assessment late filing penalties – improving fairness for unrepresented taxpayers'.)

The CIOT Charter, and our charitable status, come with a need to act in the public interest and the LITRG is an important part of this. I am grateful to the LITRG staff and volunteers for their work and in particular to the inspiring leadership of John Andrews, the late Robin Williamson and Victoria Todd.

This comes with my thanks to all who help to make our Institute what it is, and with best wishes to Nichola Ross-Martin as the incoming President.

Charlotte Barbour  
President  
[president@ciot.org.uk](mailto:president@ciot.org.uk)





# Tax Technology Conference 2025

Wednesday 4 June 2025, The ICC, Birmingham

The Tax Technology Conference 2025 sessions will be delivered by our diverse lineup of speakers, who will ensure an engaging experience for all and bring their range of expertise. View the confirmed speaker line-up so far below.



**Paul Aplin (OBE)**  
CIOT Presidential team  
CIOT



**Jane Ashton**  
CEO  
ATT



**Jonathan Athow**  
Director General, Customer  
Strategy & Tax Design  
HM Revenue and Customs



**Charlotte Barbour**  
President  
CIOT



**Dr Sam De Silva**  
Partner & Global Co-Head  
Commercial Practice Group  
CMS Cameron McKenna Nabarro  
Olswang LLP



**Rob De La Rue**  
Tax Technology Partner,  
RSM



**Dr Amy Dickens**  
AI Assurance Lead,  
Department for Science,  
Innovation and Technology



**Anna Kwiatkowska**  
Deputy Director Data Science,  
Chief Data Scientist,  
HMRC



**Professor Michael Mainelli**  
Former Lord Mayor  
of the City of London



**Jane Mellor**  
Head of Professional  
Standards CIOT & ATT  
CIOT and ATT



**Craig Ogilvie**  
Director -  
Making Tax Digital  
HMRC



**Senga Prior**  
President  
ATT



**Emma Rawson**  
Director of Public Policy  
ATT



**Xioshan Sun**  
Tax Technology Lead  
Deliveroo



**Graham Tilbury**  
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WTS Hansuke



**Priya Vijayasarathy**  
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Tax Transformation Leader

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# GRAHAM BATTY

## DEPUTY PRESIDENT



### Never too old to learn

“ We know that ATT members and students have a career long commitment to CPD and realise that – in the world of tax – you can never know it all.

As I sit writing this month’s ATT Welcome, the sun is shining and it feels as if spring is finally here. Looking out of the window, the grass is growing, flowers are blossoming and the birds are singing – all good signs!

Jan, Bess and I are just back from a great holiday in West Wales. We have not visited there before but will certainly be returning. Apart from the glorious scenery and dog friendly beaches (which Bess particularly enjoyed), it was also an object lesson in what a small world it is and the power of social media. A small world in that we discovered that our hosts used to live about a mile and a half from us. As for the power of social media, our hosts generate all their business by posting stunning photographs showing how beautiful the area around their cottage is and how much there is to do there. Their guests always seem happy to share these pictures with their friends!

The ATT is also harnessing the power of social media and is running our Step into Tax marketing campaign again this year to inform students and career changers of the benefits of a career in tax. This will be launched on TikTok and LinkedIn in the summer and I would encourage you to share this with young people who might be interested in tax as a career or who haven’t yet decided what they want to do when they leave school or university. You can help us to inspire the future generation and inform them of the possibilities a career in tax can offer.

The ATT Technical Team regularly post on LinkedIn and will be increasing their presence on TikTok and Instagram over the next few months. Short videos will be used to inform the public about their tax obligations and help them to get things right. For members, the

Technical Team have just recorded another 12 videos which will soon be on our YouTube channel. We will post links to these on LinkedIn when they have been finalised, or you can find them in our Resource Hub on the website.

We know that ATT members and students have a career long commitment to CPD and realise that – in the world of tax – you can never know it all. This is why we produce so much material that you can draw on to ensure that you continue to grow your knowledge and capabilities. Our How to Guides on the website, particularly the MTD one, are receiving a record number of views. If you haven’t yet had a look at them, I would recommend you put this to the top of your CPD list.

If you prefer to meet with other ATT members online or face to face, our Annual Conference is back this year on 10 and 19 June for the virtual sessions and 25 June for the face-to-face session at Monck Street (booking is now open). This year also sees the introduction of our free quarterly webinars for members. The first one on ‘The end of furnished holiday lets’ took place back in February with over 1,100 members registering. The next one on ‘Goodbye to domicile for tax – an introduction to the residence-based tax regime’ is on 13 May.

If you are a Fellow, there are separate Fellow’s webinars designed especially for those with 10 or more years’ experience. If you have been a member for over 10 years and have not yet applied for Fellowship, you can do this at any time on the portal and then you can take advantage of these free events.

There are plenty of changes on the horizon. MTD for Income Tax is now less than a year away, so we need to make sure that our internal procedures are in place and that we educate clients on the impact this will have on them. The mandatory registration of tax agents also comes into force from April next year.

Finally, just over a week after the Chancellor’s Spring Statement came the US government’s announcement (paused for now) of new trade tariffs, bringing huge economic uncertainty. It remains to be seen what impact this will have on the UK. However, it clearly has the potential to disrupt the Treasury’s forecasts – and may lead to tax changes in the Autumn Budget, or even before.

Nevertheless, the sun is still shining (now definitely over the yard arm) and Jan is calling for me to open the wine. So, until next month...

Graham Batty  
ATT Deputy President  
page@att.org.uk





## ATT ANNUAL CONFERENCES 2025

Join us at this year's ATT Conferences, which include a Topical Tax Update given by Barry Jefferd, Tax Partner, George Hay Chartered Accountants. The afternoon sessions will focus on Making Tax Digital, with HMRC representatives joining the ATT technical team.

Please see below the dates for all of our sessions.

- Tuesday 10 June 2025, 9.30 – 16.45 (Live Online Session)
- Thursday 19 June 2025, 9.30 – 16.45 (Live Online Session)
- Wednesday 25 June 2025, 9.30 – 16.45, 30 Monck Street, London (Face to Face Session)

ATT and CIOT members and students **£185** | Non members **£210**

For more information visit: [www.att.org.uk/attconf2025](http://www.att.org.uk/attconf2025)



## SHAPING THE FUTURE OF TAX

### We have exciting opportunities available for ATT volunteers to join our Technical Steering Group

We are looking for volunteers with at least 5 years post qualification experience of working in a tax role to join our Technical Steering Group. We are particularly interested to hear from volunteers who have a corporate tax background.

As one of our Technical Steering Group members you will commit to attending four meetings per annum (either face to face or virtual) plus other ad-hoc help ranging from commenting on consultations and changes in legislation/guidance, to letting us know about practical problems that crop up in your day to day work. Such feedback helps to inform our responses to HMRC.

Volunteer today to help shape the future of tax.

For further information about what is involved with volunteering please visit our website: [www.att.org.uk/volunteering-our-technical-activities](http://www.att.org.uk/volunteering-our-technical-activities). Alternatively, email [atttechnical@att.org.uk](mailto:atttechnical@att.org.uk) with your contact details and we will be happy to talk about the commitment involved and answer any questions.

To apply for a volunteer role please send a current CV, together with a summary of why you wish to join the Technical Steering Group, and what particular skills and experience you have that will help with your contribution to the group to Jane Ashton at: [jashton@att.org.uk](mailto:jashton@att.org.uk)

# Data reporting

## The interest income jigsaw

HMRC's consultation on the better use of new and improved third party data raises key areas for reform.



HMRC released a new consultation on third party data on Spring Statement day, which aims to reform the approach to third party data acquired under HMRC's bulk data powers (see [tinyurl.com/yck89ymw](https://tinyurl.com/yck89ymw)). This came as excellent news to me, as it followed a report from the Office of Tax Simplification in 2021 (and indeed this consultation is kind enough to reference the OTS work). Responses to the consultation close on 21 May, which is presumably to allow time for the team to draft legislation for release later in the year.

The importance of the consultation is shown by the foreword from the Exchequer Secretary to the Treasury, James Murray MP, who says that making better use of third party data has the potential to contribute to all three of his objectives for HMRC: to improve customer service; to close the tax gap; and to modernise and reform the tax system.

As many will recognise, the UK tax system is almost entirely operated by businesses, which collect tax as employers, as suppliers for VAT and other indirect taxes or by bearing a tax directly, such as corporation tax. This means that only 30% of individual taxpayers need to submit a tax return, since for the majority their tax affairs are managed by the PAYE system, including adjustments through their tax code. Plugging the current data gap has the potential to further reduce the number of personal tax returns.

### The key areas for reform

The consultation is based around three main areas:

- Updating the legislative framework for bulk data: For specified categories of data, HMRC would no longer need to issue an annual notice and there would be a standing requirement on financial providers to collect and pass information to HMRC.
- Improving financial account information: This would include bank and building society interest (BBSI) and other interest.

- Receiving greater amounts of card sales data: This would be shared by providers of card acquiring services, such as merchant acquirers. It would not include information on individuals spending money on cards but would cover receipts by sellers.

The consultation also seeks early feedback regarding collecting new data from financial institutions on dividend income and other income from investments.

HMRC already collects interest data from banks and building societies, as well as data on card sales. However, the changes put forward are intended to collect that data in a more useful way.

### Practical applications

When the personal savings allowance was introduced in 2016, the expected benefit was that about 300,000 people no longer paid tax on interest income and 18 million people saw a tax reduction. However, the fixed personal savings allowance and higher interest rates compared to 2016 have meant that more people are liable to income tax on interest income. The document notes recent estimates that 'an additional 2.5 million taxpayers will have to pay tax on their savings by 2028 to 2029 (compared with 2022 to 2023)'. Collecting tax on relatively small amounts is costly for HMRC – and no doubt inconvenient for taxpayers to work out how best to let HMRC know how much interest they have received.

The result of getting better data should mean that many more tax codes can be changed in-year, so that people pay the right amount of tax, and the number of post-year adjustments is reduced. It could also permit pre-population for those within self assessment; again, helping to get the tax right at the same time as making it easier for taxpayers.

The consultation discusses the timing and frequency of reporting by banks and other financial institutions. It points out that millions of individuals have already

submitted their self assessment tax returns by the time that the interest data is currently received by HMRC.

Receiving data after the end of the tax year means that HMRC is faced with collecting tax some time after the income has been received by individuals. The consultation suggests that monthly reporting during the tax year is the government's preferred option, which aligns with the forthcoming monthly reporting for ISAs. The question of reporting after the tax year is also raised; again, a three-month lag as currently would simply not deliver the desired benefits. The consultation asks how rapidly data can be delivered and it notes the desire to build information about interest income into the Making Tax Digital for Income Tax process.

The final pieces of the interest income jigsaw cover a new requirement for banks to collect tax references to support better data matching. Tax references must be collected by banks under the common reporting standard and extending that requirement to domestic payments is an obvious step to improve data accuracy. HMRC notes that it is currently unable to match about 20% of bank accounts to individuals. HMRC also suggests using a single reporting template, where a modified template from the CRS would appear easiest.

This is a major step in data reporting, which should both make reporting simpler for individuals, as well as collecting some tax which is currently unpaid.

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**Email:** [bill@dodwell.org](mailto:bill@dodwell.org)  
**Profile:** Bill is the former Tax Director of the Office of Tax Simplification and Editor in Chief of Tax Adviser magazine. He is a past president of the CIOT and was formerly head of tax policy at Deloitte. He joined the Administrative Burdens Advisory Board in 2019. Bill won the Lifetime Achievement Award at the Tolley's Taxation Awards in 2024 and writes in a personal capacity.



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# Restructuring the CTA qualification

## Have your say

On 7 April 2025, the CIOT launched a 12 week consultation on proposed changes to the Chartered Tax Adviser (CTA) qualification. We summarise the proposals and seek your views!

by Kelly Sizer



© Getty Images

The CIOT is delighted to be in a position to seek views on proposed changes to the Chartered Tax Adviser (CTA) qualification.

On 7 April 2025, we launched a 12 week consultation, together with a draft CTA Qualification Handbook. These can be found on the CIOT website at: [www.tax.org.uk/ctareview](http://www.tax.org.uk/ctareview).

### Get involved

The consultation will close at 5pm on 30 June 2025. Responses to the consultation can be emailed to [ctareview@ciot.org.uk](mailto:ctareview@ciot.org.uk). We would appreciate it if detailed responses could be submitted via our

online form (<https://forms.office.com/e/UtnXS3z3ka>) to assist with ease of analysis.

We would welcome views from our students, members, employers and other stakeholders; including consumers of taxation services, training providers, regulators and other institutions (such as HMRC) who may seek to rely on the CTA qualification and other interested parties.

We realise that responding to consultations means taking time out from your already busy schedules. We very much appreciate any time you can spare to give us your thoughts – we really do need your help to position the CTA for a successful future.

### Key Points

#### What is the issue?

CIOT is reviewing the CTA qualification to ensure that it keeps pace with change and is right for the tax adviser of the future.

#### What does it mean for me?

The CTA of the future will need different skills, such as in tax technology; CIOT would welcome comments from all stakeholders on its proposed changes.

#### What can I take away?

This is your chance to give your views and help to shape the CTA qualification. We look forward to hearing from you!

## WHY IS THE CTA QUALIFICATION CHANGING?



'Being a Chartered Tax Adviser is an exciting, if challenging, profession. It requires both breadth and depth of tax knowledge, experience and relevant skills. Over time, the required tax knowledge changes with annual (or more frequent!) fiscal events and developing case law. The requisite skills also change – for example, understanding technological capability is now vital in the UK economy, especially as Making Tax Digital and accounting systems become a more important part of compliance across taxes.

'For the CTA qualification to remain relevant and robust, it must keep pace with these changes. In October 2023, the CIOT Council embarked upon a review to determine how the CTA qualification should change to meet future needs, taking into account what the tax profession might look like in the next ten years.

'To identify the knowledge, skills and experience required of the future CTA, we have followed a rigorous and comprehensive process of evidence-gathering and consultation with key stakeholders, as well as considering educational trends, including reviewing how other professional qualifications are adapting to our changing external environment to develop the proposed new structure for the CTA qualification.

'We thank those who have already volunteered significant hours of their own time and look forward to hearing your views on our proposals.'

Jo Bello  
Chair of the CIOT's Examinations Committee

Please also share the consultation with your personal and professional contacts so that we get as broad a range of views as possible.

In the proposed new CTA Qualification Handbook, Jo Bello, Chair of the CIOT's Examinations Committee, sets out the context for change (see *Why is the CTA qualification changing?*).

### The objectives for change

We intend the revised CTA to retain our excellent standards, covering both broad tax knowledge and individual tax specialisms, as well as developing professional skills and an understanding of the wider landscape.

We are conscious that the CTA of the future needs to cater to a range of students – from those working in industry to various sizes of tax practice – whose needs might vary. We also need to consider that students take different routes to

qualification – from direct CTA students and those advancing from the ATT qualification, to others moving into tax from accountancy or law. The new qualification is designed to provide inclusive, flexible and accessible routes to qualification for candidates from varying backgrounds.

Our detailed objectives and the proposed changes to meet them are summarised in **Figure 1**.

### Outline structure of the new CTA qualification

The staged progression of the proposed new CTA qualification has been designed to improve student outcomes. The CTA is not an Ofqual-regulated qualification, but the progression has been developed using the equivalent of Level 5 to Level 7 on the Regulated Qualifications' Framework (RQF) (see [tinyurl.com/3ytpkmtmt](https://tinyurl.com/3ytpkmtmt)).

To give an idea of what this means, A-levels are set at Level 3 and a Bachelor's degree is Level 6. Note that Scotland follows the Scottish Credit and Qualifications Framework, which uses a different grading structure – a Bachelor's degree under the SCQF is their Level 9.

The proposed CTA qualification stages are set out below.

#### Foundation stage (equivalent to RQF Level 5)

This stage of the qualification is designed to provide those students who start the CTA qualification without any prior knowledge of taxation with a broad introduction to the subject.

#### Technical Knowledge stage (equivalent to RQF Level 6)

This stage is designed to provide a bridge between the general introduction to taxation and specialist areas of taxation. The modules are based on areas of tax rather than tax specialisations for this stage of the qualification and it is proposed that there are six options:

1. Income Tax and National Insurance (compulsory)  
Plus five further options, from which the CTA student must sit four:
2. Inheritance Tax, Trusts and Estates;
3. Chargeable Gains and Stamp Taxes;
4. Corporate Tax;
5. VAT; and
6. Other Indirect Taxes

#### Tax Landscape: Skills (equivalent to RQF Level 6)

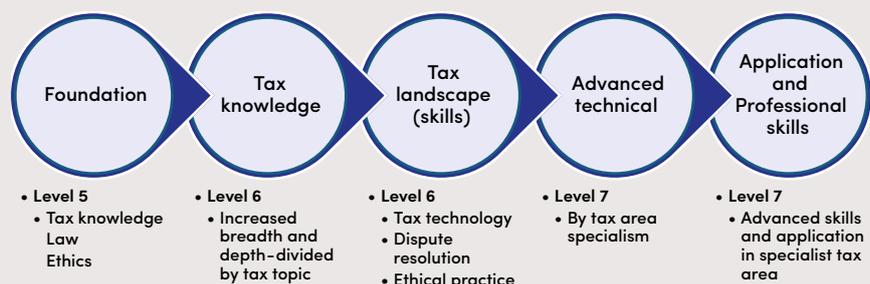
The CIOT is proposing the introduction of this module to improve student understanding of tax in context, including the use of technology, ethical dilemmas and dispute resolution, as well as developing the ability to apply tax knowledge in practical settings.

## FIGURE 1: THE OBJECTIVES FOR THE CTA QUALIFICATION REVIEW AND PROPOSED CHANGES

Objective	Proposal
Create a qualification which meets current and future market need, whilst ensuring that we maintain the high quality and standards expected from us.	Although changes are proposed to introduce staged progression into the qualification structure, the CTA will remain equivalent to a Level 7 qualification overall, retaining quality and standards. In addition, it is proposed to introduce a statement of Professional Skills and Competencies, which defines what a Chartered Tax Adviser is and can do. This statement will ensure that clients and those who rely on the CTA designation are clear about what can be expected from a qualified CTA.
Improve student outcomes by creating an incremental development of tax knowledge and skills.	To restructure the qualification over three academic levels (from the equivalent of Level 5 to Level 7), supporting students to succeed by building knowledge and skills in stages.
Create a more balanced approach to the development of knowledge and skills in the CTA qualification.	To introduce a skills-based paper at the equivalent of Level 6. This is designed to develop the student's ability to apply tax knowledge in practical situations before they sit our final Application and Professional Skills paper.
Include tax technology and dispute resolution into the syllabus and increase the assessment of ethics within the qualification.	Assessments in the new structure will include critically analysing outputs from AI. The new Level 6 equivalent skills paper will cover technology, dispute resolution and ethical practice as part of the overall tax landscape.
Ensure transparency and clarity in our approach to assessment through the provision of clear statements of expected learning outcomes and assessment criteria alongside the syllabus for each module.	The draft CTA qualification handbook provides a clear statement of requirements for each stage of the qualification, setting out the learning outcomes and assessment criteria for each module alongside the detailed syllabus requirements, to improve transparency in the CTA assessment process.

## FIGURE 2: PROPOSED NEW CTA QUALIFICATION

Note: level references are RQF equivalents



### FIGURE 3: CTA SKILLS AND COMPETENCY FRAMEWORK: A SIMPLIFIED OVERVIEW



(Full details can be found with the draft CTA Qualification Handbook on the CIOT website.)

- Taxation of Larger Companies and Groups; and
- Indirect Taxation.

#### Skills and Competency Framework

The new CTA qualification is supported by a Skills and Competency Framework, a simplified version of which can be found at **Figure 3. CTA Skills and Competency Framework**. Full details are included in the draft Qualification Handbook, published alongside the consultation.

The detailed version of the framework is designed to ensure that the necessary skills and competencies required at the point of qualification as a CTA are identified and assessed, as well as providing a framework to support lifelong learning as a tax professional.

The skills assessed in the qualification will be mapped to the framework and other essential day-one skills will be assessed in the workplace and recorded in a light-touch training log. Other skills within the framework are aspirational in nature and will provide a point of reference for qualified CTAs to plan continuing professional development.

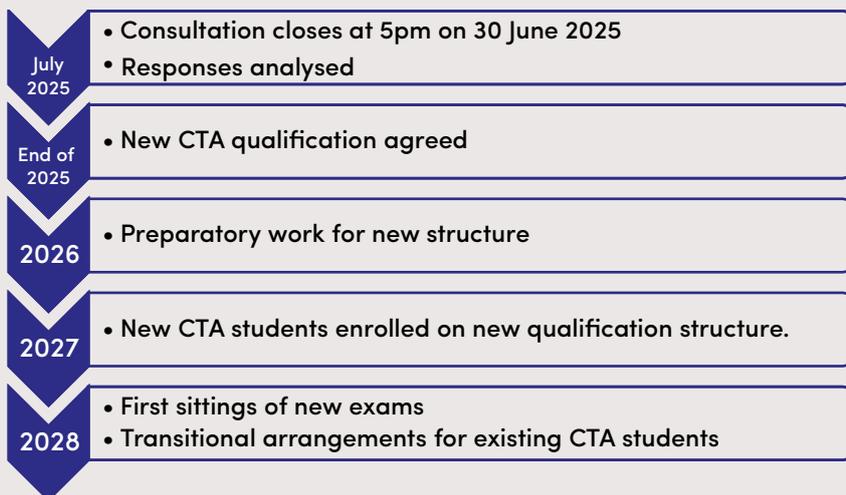
#### When is it changing?

Making significant changes to a qualification takes time. After the consultation closes, we will analyse the responses and make any necessary alterations before agreeing the final structure. Further behind-the-scenes work then needs to be done to prepare the new examinations and for the tutorial bodies to put together study materials etc. following the new structure.

All being well, we hope to launch the new CTA in 2027, with the first examination sittings to be held in May 2028. Transitional arrangements will be put in place for those already studying. The proposed timeline is summarised in **Figure 4. Draft timeline**.

Please do get involved – remember, the consultation closes at 5pm on 30 June 2025. Any contribution is welcome, however brief or detailed!

### FIGURE 4: DRAFT TIMELINE FOR NEW CTA QUALIFICATION LAUNCH



#### Advisory stage (equivalent to RQF Level 7)

The proposed new qualification retains the Level 7 equivalency through its final Advisory stage. To balance the qualification and to ensure that the requirements are not significantly different from the current CTA qualification in relation to overall study and assessment requirements, there are

two components to this stage:

- Advanced Technical paper; and
- Application and Professional Skills.

Students will choose one specialism and sit each paper within that specialism. The proposed specialisms are:

- Taxation of Individuals;
- Inheritance Tax, Trusts and Estates;
- Taxation of OMBs;

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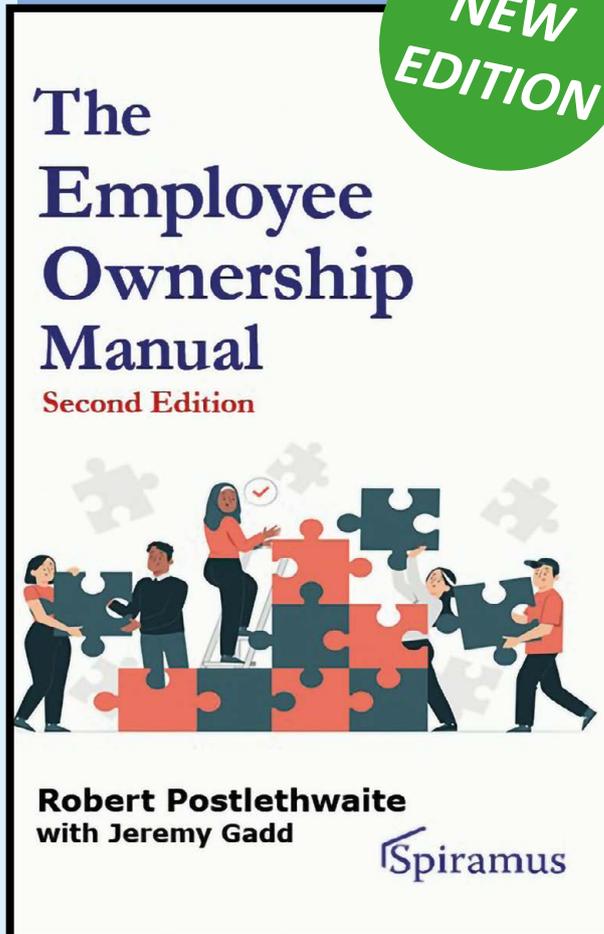


**Profile:** Kelly Sizer is Head of Qualifications Development for the CIOT and ATT, having previously worked for CIOT as Senior Manager for the Low Incomes Tax Reform Group. She is a CTA (Fellow), which was awarded in 2018 for her thesis on the complexities of tax-incentivised savings for the low-income population.

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# Discounts and credits

## Tips and pitfalls



We consider some practical issues about output tax issues, including a reference to two past tribunal cases.

by Neil Warren

The Utopian outcome for any business deal is to issue a sales invoice and get full payment from your customer; e.g. Betty issues an invoice for £100 plus VAT and gets paid £120. But what happens if the amount paid by Betty's customer is different from the invoiced amount, perhaps because of a prompt payment discount or – in some cases – because they refuse to pay the full amount due to faulty goods?

In this article, I will focus on the VAT challenges with the most common situations that involve giving discounts, credits and refunds.

### Credit note or bad debt?

A credit note cannot be issued to write off a bad debt. They are only relevant to the correction of trading issues. This could be if a sales invoice charged the wrong price or the wrong quantity of goods or – more likely – the customer has returned some goods and wants a credit.

There is a subtle timing issue in the legislation about credit notes and bad debt situations. A business will sometimes argue that a credit note is justified, rather than a claim on the next return for bad debt relief. The reason is because a bad debt claim is time barred at four years and six months from the date of the original supply, or due payment date if later, whereas credit note reductions – often referred to as a 'decrease in consideration' – are not time barred.

The relevant legislation is at Regulation 38 of the VAT Regulations 1995. HMRC Guidance is available in the VAT Traders' Manual (VATREC) at: [tinyurl.com/yismm7jzu](http://tinyurl.com/yismm7jzu)

### The case of *Barlin Associates*

To share one of my favourite cases – I can't believe that 11 years have passed since it was heard in the First-tier Tribunal – the key issue in the case *Barlin Associates Ltd* [2014] FTT 957 was whether a reduction in the amount owed by a customer related to a bad debt or credit note situation.

- Barlin was a trademark attorney, who made sales of £871,000, including VAT of £127,000, to Autonomy Corporation between 2005 and 2010. All of these were unpaid because Autonomy contested the fees. Legal proceedings resolved the dispute in December 2012.
- The court's verdict was that Autonomy had to pay £260,000 to Barlin, including VAT of £45,000. Barlin issued a credit note that included VAT of £82,000 in December 2012 and sought to reclaim this tax from HMRC.
- HMRC argued that the sales reduction from £871,000 to £260,000 did not represent a reduction in the value of supplies made by Barlin to Autonomy but a bad debt situation which was time barred in 2012.

The tribunal rejected HMRC's view that a bad debt situation was evident,

### Key Points

#### What is the issue?

It is important to be clear if output tax reductions must be adjusted by issuing a credit note to a customer; claiming bad debt relief from HMRC; or issuing another document to support the reduction. This process is important because bad debt claims are time capped, whereas price reductions are not.

#### What does it mean to me?

In some situations, there is no output tax to declare or reclaim, such as for refundable deposits and compensation payments made by a customer.

#### What can I take away?

A credit note must always give value to a customer; e.g. a bank repayment is made or the credit is offset against other unpaid invoices. If this does not happen, the supplier cannot reduce their output tax on a return.

stating: 'Autonomy owes Barlin nothing ... there is no debt so there is nothing to write off.'

### Non-refundable fees

In the case of *RDS Driving Services Ltd* [2017] UKFTT 660, the First-tier Tribunal considered whether the company could issue credit notes and reduce its output tax liability if students did not complete their three-stage driving instructor courses. The answer would be 'yes' if the students got a refund. That was not the case here, though, as the fees were fully paid in advance and non-refundable.

To cut to the chase, RDS accounted for output tax when it received the

advance fees. However, it then claimed that if a student dropped out of the course and never started Parts 2 and 3 or Part 3, the output tax on the original payment should be reduced accordingly, even though no refund was given. The director argued that the element of the fee which was relevant to the uncompleted parts of the course did not relate to a supply of goods or services and was therefore outside the scope of VAT. Needless to say, HMRC disagreed.

The tribunal supported HMRC's view that the advance payment created a tax point for the **right** to carry out all three stages, and that outcome did not change if students dropped out part way through their studies.

### Refundable deposits

Imagine the following situation: a business hiring out goods receives a deposit at the beginning of an agreement to cover the cost of potential damage. If the goods are returned in pristine condition, the deposit will be fully refunded.

There are no output tax issues here because the deposit does not relate to a taxable supply of goods or services. And even if the customer forfeits their deposit – because of a damage issue – there is still no output tax to declare; the payment is compensation to the business owner for the time and cost needed to repair the goods, so the deposit is outside the scope of VAT.

### Customer refunds: a change in the law

VAT enthusiasts will recall an important change to the legislation that took effect on 1 September 2019, the intention being to prevent a business from issuing a credit note to a customer but not giving any 'real world' value to the customer for that credit; i.e. the credit is neither repaid to the customer's bank account nor immediately offset against other unpaid invoices for the same customer (see HMRC Supply and Consideration Manual VATSC06635).

To share an example, imagine that Builder Bob has agreed to build an extension at the home of a wealthy customer for £200,000 plus VAT and is paid £240,000 in advance by the customer before a brick is laid. The job goes wrong – Builder Bob becomes Bodgit Bob – and Bob agrees a credit of £60,000 plus VAT to appease a very annoyed customer. However, Bob cannot afford to immediately repay £72,000 because of cash flow problems, so agrees to pay £1,000 plus VAT each month for the next five years.

In this situation, Bob can only reduce the output tax on his VAT returns when he

pays each refund; the credit note is irrelevant. He should issue a credit note to the customer within 14 days of each refund being made and not in one lump sum. If the customer is registered for VAT, they will reduce their input tax claim in the period that includes the repayment dates (see HMRC Notice 700 para 18.2.6).

### Prompt payment discount

A prompt payment discount incentivises customers to pay their dues by a certain date, such as a 10% price reduction if payment is made within 30 days:

- VAT must be paid to HMRC according to the amount paid by the customer in cases where prompt payment discount is offered by a supplier. The original sales invoice must therefore charge VAT on the full value of the supply in case the discount offer is not taken.
- A major concern when the legislation was revised in 2015 was that a business would need to issue many credit notes to customers taking advantage of discounts. Revenue and Customs Brief 49 (2014) issued on 22 December 2014 confirmed that this is not necessary as long as suppliers

give clear instructions on their sales invoice that customers must reduce their input tax if they claim the discount. Suppliers will reduce their output tax.

See **Teapot sales: prompt payment discount**.

### Conclusion

A business must consider many issues when the original VAT charged on an invoice is reduced: bad debts, discounts, pricing errors, issues with faulty or returned goods or a poor quality service. To summarise some important issues, see **Credit notes and discounts: five practical tips**.

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**Position:** Independent VAT consultant

**Company:** Warren Tax Services

**Profile:** Neil Warren is an independent VAT author and consultant, and is a past winner of the Taxation Awards Tax Writer of the Year. Neil worked at HMRC for 13 years until 1997.



## TEAPOT SALES: PROMPT PAYMENT DISCOUNT

Betty sells ceramic teapots to Sally for £5,000 plus VAT, offering a 10% prompt payment discount if Sally pays within 30 days. Betty's original invoice must charge £1,000 VAT; i.e. 20% of the full selling price. She will reduce her output tax by £100 if Sally takes advantage of the discount. As long as Betty makes it clear on her invoice that Sally must reduce her input tax if the discount is taken, then Betty will not need to issue a credit note.

Note: The wording to be used on Betty's invoice is not specified in law. HMRC gives a suggested wording: 'A discount of X% of the full price applies if payment is made within Y days of the invoice date. No credit note will be issued. Following payment you must ensure you have only recovered the VAT actually paid.' (See HMRC Notice 700 para 18.2.2.)

## CREDIT NOTES AND DISCOUNTS: FIVE PRACTICAL TIPS

1. A credit note issued to a customer does not need to adjust the original VAT charged on the invoice if both parties agree. This outcome will only be relevant if the customer can fully claim input tax on their expenses. The document raised must clearly state: 'This is not a credit note for VAT.' (See HMRC Notice 700 para 18.2.3.)
2. If a credit note is raised without adjusting the original VAT charged on the invoice, both parties must adjust the inputs and outputs figures in Boxes 6 and 7 of their VAT returns; i.e. to reflect the reduced price of the original supply.
3. A credit note only has legal status when it is **issued** to a customer; the customer will need the document to support their input tax reduction if they are registered for VAT.
4. It is sensible to review HMRC's published guidance about the contents of 'valid credit notes'. For example, they must include the number and date of the original sales invoice(s), giving a clear link between the original supply and subsequent price reduction. (See HMRC Notice 700, para 18.2.3.)
5. A business must never raise a credit note in a bad debt situation. A supply of goods or services has still taken place and a bad debt outcome does not change that outcome.



# E-invoicing and real-time reporting

## An opportunity-shaped burden

We assess the current state of e-invoicing in the UK and globally, the latest challenges and the perceived direction of travel.

by Chris Taylor

Real-time reporting and e-invoicing requirements have been part of the changing regulatory landscape globally for many years, most notably with regards to VAT in Latin America. However, a rush of domestic obligations across the EU over the next few years will reach a crescendo following the adoption of the VAT in the Digital Age (ViDA) proposals, one pillar of which will impose e-invoicing and real-time reporting requirements on cross-border EU transactions by July 2030.

From this point on, millions of invoices between businesses within the EU will be subject to e-invoicing rules, imposing specific structure, data points and regulations to invoicing in order for these documents to be considered valid for VAT purposes. The ViDA initiative is further complicated by many EU countries having introduced their own digital reporting rules before the EU-wide rules come into force. (Globally, around 130 countries have or are in the process of implementing e-invoicing structures and standards.)

This will be the most significant expansion to digital reporting requirements across the EU in decades, increasing pressure on businesses to integrate e-invoicing and e-reporting into their strategic framework.

### The UK position

Following HMRC's Making Tax Digital for VAT initiative, it has now made its next significant digital move for VAT reporting purposes, by launching a public consultation on e-invoicing – 'Electronic invoicing: promoting e-invoicing across UK business and the public sector' (see [tinyurl.com/2wrr7jxb](https://tinyurl.com/2wrr7jxb)) – to capture views from UK businesses on the type of standard it should consider.

E-invoicing is the digital exchange of invoice information directly between buyers' and suppliers' financial systems, even if these systems are different. The outcome is an invoice that is automatically written into the buyer's financial system without manual processing.

There are some interesting elements within the consultation:

- HMRC extensively states the benefits of e-invoicing. It highlights that 'industry estimates suggest that moving to e-invoicing reduces invoicing costs by 60% to 80%'.
- The consultation states that centralised e-invoicing models, such as those adopted by Chile and Italy, 'do not always improve business efficiency and are costly for tax authorities to implement'. In a centralised model,

the tax authority receives the invoice via a central platform before taking any required action and sending the invoice on to the customer. This would be challenging and costly, requiring additional resources and technology, and HMRC has confirmed that it does not plan to explore this model in detail.

- The government is not yet looking to identify a specific standard or standards to adopt in the UK, but is rather seeking broader views on how those standards could be used to support e-invoicing adoption and increase potential benefits.
- The UK does not currently mandate standards for e-invoicing, other than requirements set by NHS England for its suppliers. The consultation refers to the current e-invoicing requirements around NHS procurement as an example of standard setting in the UK. It is possible that this may provide the foundation for a further expansion of e-invoicing requirements.

The consultation is unsurprising, considering the global direction of travel and criticism from some quarters suggesting that the UK is behind the curve compared to other countries' digital

## Key Points

### What is the issue?

In the EU, the VAT in the Digital Age (ViDA) proposals will mandate e-invoicing for cross-border transactions by July 2030. This shift necessitates businesses to integrate e-invoicing into their strategic frameworks to comply with new standards. HMRC has initiated a public consultation to gather views on potential standards.

### What does it mean for me?

Businesses must adopt a standardised strategy to manage the complexity of varying e-invoicing requirements. Key considerations include identifying obligations, deploying suitable technology and ensuring that systems can provide necessary data. An impact assessment can help businesses to understand the implications and prepare effectively.

### What can I take away?

Businesses should act promptly to develop a strategy, engage stakeholders, and prioritise essential steps for e-invoicing success. A piecemeal approach may no longer suffice as more countries adopt e-invoicing. Planning for system upgrades and aligning them with digital strategies is crucial.

requirements and ambitions. Whilst there is no commitment around timelines for the introduction of e-invoicing, the publication of the consultation certainly hints at HMRC's intentions to implement e-invoicing in the future.

Given the extensive e-invoicing experience of businesses and advisers in other countries, the consultation can help to inform UK policy both in theory and in practice.

### Why introduce e-invoicing?

E-invoicing requires businesses to submit more information more quickly and more accurately, which should mean less room for error and fraud. The consultation quotes a 10% error rate when manually processing invoices. With a VAT gap in 2023-24 of £9.5 billion, this could represent almost £1 billion in additional revenue for the Exchequer, potentially avoiding or deferring the need for tax rises.

For businesses, the consequences of non-compliance with e-invoicing regulations are more pronounced than ever. Ultimately, if businesses are not ready, invoices could be blocked from reaching customers.

On the other hand, once automation is embedded successfully, it should result in reduced error and time saving, allowing more time for value-add activity. However, such benefits won't come easily at first,

with dedicated projects and technology solutions required to achieve compliance.

### An effective strategy

With the growing complexity of country-specific e-invoicing requirements, businesses need to adopt a standardised and centralised strategy. Failing to be proactive in this area can lead to disruption, added costs and alignment issues.

An effective strategy helps to answer the three key questions businesses need to consider when addressing e-invoicing:

1. Where and when will the business be obliged to send and receive e-invoices?
2. Which technology solutions could be deployed to transmit e-invoicing data?
3. Are the business's current processes and systems capable of providing the data points required to the technology solution?

Especially for businesses struggling with where to start with e-invoicing, a structured approach is the foundation for success. At its core, e-invoicing is underpinned by simple principles.

### Impact assessment

First, businesses need to have in place the required technology to transmit invoicing data. They then need to be able to feed that technology with the right data points, in the right format, in a timely and accurate manner. Assessing your current systems, processes and data is just as important as understanding what e-invoicing technology could be deployed.

An impact assessment is a non-disruptive way to quickly understand where and when a business will be impacted by e-invoicing and underpins that business's roadmap for dealing with the challenge. Start the process as early as possible to avoid scrambling for solutions later down the line. That may sound obvious but businesses often underestimate how long implementation will take.

A well-executed impact assessment can also provide clarity as to whether current processes capture the data required in different jurisdictions and how to make adjustments to close gaps in transactional data.

### Timelines

An additional complexity for many businesses when planning for future e-invoicing obligations will be changes to the current business systems landscapes, including upgrades or changes to enterprise resource planning (ERP) systems.

Any roadmap for e-invoicing compliance must be tied to the expected sources of e-invoicing data. Overlaying a timeline of e-invoicing mandates for a business can help to identify pinch points

or areas of high risk. As with all timelines, it is also wise to expect some degree of delay and to plan accordingly.

A business with a clear strategy and roadmap for e-invoicing will reap the benefits of knowing what activity is required, how this should be prioritised and the ability to secure appropriate budgets from the outset. Make sure that readiness planning is taken early and the right stakeholders are lined up.

### Data quality

The data-focused nature of e-invoicing regulations has further accelerated the importance of improving transactional data quality. In any country where e-invoicing is live, the onus is now on businesses to produce accurate transactional data at the time it is created, rather than relying on processes during compliance activity to capture any errors or inaccuracies.

The disparities between various e-invoicing regulations pose challenges too. Compliance with different invoicing and reporting regimes can vary significantly in terms of data requirements. Some countries may require 200 to 300 data fields, while others may only need around 50. Reconciling the different data fields required by a country can also be challenging and businesses must leave enough time to address this.

### Delivering e-invoicing compliance

E-invoicing cannot be owned unilaterally by one function within a business. From the outset, there will need to be involvement from IT, finance and tax functions as a minimum, each playing different roles and potentially managing varying priorities.

The most effective adopters will create a cohesive relationship between internal departments with regard to e-invoicing. With increased scrutiny from tax authorities on submitted data, any errors will burden finance. Tax has a key role to play, by ensuring that finance knows the requirements that must be met. Given the need for technology solutions to transmit data, IT must also be central to any project.

So, who should take overall ownership of e-invoicing implementation? Helping businesses to understand how to break this down and position tax internally so the right stakeholders are involved from the outset is vital. One effective method of agreeing individual responsibilities of different teams and stakeholder groups is through an internal RACI – an acronym for the different type of responsibilities within a project (Responsible, Accountable, Consulted and Informed). A clear, concise RACI, combined with a specific e-invoicing strategy and roadmap, gives the business clarity on what needs to be done and exactly who is responsible for which aspect of delivery.

### The opportunity presented by e-invoicing

It is important for businesses to view regulatory changes as an opportunity to future-proof their indirect tax functions. E-invoicing can be the final element of a tax-led business case to secure data, process and systems improvements. Using regulatory change as a key driver not only provides an opportunity for a business to be compliant, but also results in better quality data, more automation and less manual intervention, reducing error potential and freeing up time.

Many of our clients have for a long time known about shortcomings in the processes by which transactional data is produced. However, there was always an opportunity for data to be cleaned and improved before being submitted to the tax authorities, meaning that businesses were less inclined to invest in making improvements. The introduction of e-invoicing changes this, and we have seen many business cases for investment moving forwards given the more pronounced risk and potential exposure to non-compliance.

### What should businesses do now?

In a future where e-invoicing and real-time reporting requirements continue to spread across the globe, a summary of the key takeaways discussed throughout the article may be useful to focus an approach:

- Act now to develop the right strategy. Businesses often underestimate how long it will take to get budget, resource and the right technology in place.
- Effective readiness planning is key. Take the time needed to map the footprint of the business against existing and future e-invoicing and real-time reporting requirements. This will help to mark key milestones and stay on track.
- Identify the right stakeholders and get them on board from the outset.
- Prioritise the next steps on areas that are essential for e-invoicing and real-time reporting to succeed; for example, improving data quality.

Globally, many businesses are revisiting the approach of taking each country's rules independently. A piecemeal country-by-country approach may no longer be sufficient, particularly as more countries come online in quick succession across the EU. Where there are imminent business changes or plans for systems upgrades, think about how these will impact any digital strategy a business has in place.

### In conclusion

In addition to the consultation, the government will engage with businesses to gain the views and input from a wide range of interested parties, including business round tables and other events through

which you can contribute to future policy development. If you would like to be involved in these events, please email [einvoicingengagement@hmrc.gov.uk](mailto:einvoicingengagement@hmrc.gov.uk).

If we look further into the future, it is likely that we will see a global move to pre-populated VAT returns, as well as the increased use of GenAI. A well-formed, collaborative and strategic response to any upcoming changes is essential for future-proofing the VAT function.

One thing is clear: the trend of digitalisation for VAT is here to stay. Early adopters have more time to act, to gain greater insights and to deliver systems which work effectively. Laggards risk having retrofit systems, losing the opportunity to gain data benefits and suffering greater costs as deadlines near. Which approach will you take?

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# Time to go

## Options for company liquidation

We consider the processes for removing a company from the register, and the issues to watch out for.

by **Steven Edwards and Simon Crookston**

A company can generally be removed from the register of companies at Companies House in one of two ways:

- members' voluntary liquidation (a solvent liquidation process); and
- voluntary strike off and dissolution.

The result of both processes is the same in that a company is removed from the register. The processes, outline costs and matters to consider with each option are outlined below.

### Members' voluntary liquidation

The members' voluntary liquidation process requires the appointment of a licensed insolvency practitioner as liquidator, and the agreement of the board of directors and at least 75% of a company's shareholders (members) before it can proceed. The appointment of a liquidator reduces the risk to a board of directors from the threat of future litigation and personal liability.

### Key Points

#### What is the issue?

We examine the two primary methods for removing a company from the register at Companies House: members' voluntary liquidation and voluntary strike off and dissolution.

#### What does it mean to me?

Both processes result in the company being removed from the register, but they differ in terms of procedures, costs and potential issues.

#### What can I take away?

The strike off route is generally cheaper than liquidation but requires directors to manage the process. A member's voluntary liquidation provides peace of mind by formally ending a company's affairs, ensuring no outstanding matters remain. It is beneficial for companies with unknown potential liabilities, as it advertises the company's closure and invites claims.

### Tax benefits

If a decision is made to wind up a company, any distributions declared to shareholders are received as capital distributions. Accordingly, shareholders can take advantage of capital gains tax rates (at 18% or 24%).

Shareholders can also possibly take advantage of business asset disposal relief (at 14% from April 2025 and 18% from April 2026) on proceeds up to £1 million, being the lifetime allowance.

Conversely, distributions declared by a company (outside of a liquidation) are subject to higher dividend or income tax rates. However, it should be noted that there is an anti-phoenix tax targeted anti-avoidance rule, which can reclassify the capital gains treatment for individuals on a company liquidation as a dividend distribution (at rates up to 39.35%). This applies if the business owner liquidates a company, seeks to get capital gains tax treatment and is carrying on, involved with or starts up a similar trade within two years of the capital distribution received.

There are four conditions for the targeted anti-avoidance rule to apply, including a purpose test that the avoidance or reduction of a charge to income tax was one of the main purposes for the liquidation. We would always recommend that these conditions are considered in advance of any liquidation to ensure they won't bite.

**Summarised process**

Before commencing with the initial formal liquidation meeting (as noted below), it is recommended that the tax position of the company is assessed, particularly if the company is part of a group, to ensure that no pre-liquidation actions need to be taken before liquidation commences. The tax outcome of some transactions can be different if they happen pre- or post-liquidation.

It is also recommended that, where possible, any tax liabilities owing to HMRC, even if not due, are settled prior to a company being placed into liquidation. This avoids HMRC, as a creditor, seeking statutory interest at 8% on any outstanding tax balances for the period from liquidation commencement until the date of payment.

The directors swear a Declaration of Solvency, supported by a balance sheet, and hold a board meeting to convene a shareholders meeting. At this meeting, a resolution is passed to place the company into liquidation and appoint a licensed insolvency practitioner. These meetings can be held with little or no notice with the consent of the shareholder(s). The convening of these meetings and all associated documents and filings at Companies House will be dealt with by the proposed liquidator.

The liquidator's appointment is advertised in the *London Gazette*, and a notice to creditors must be publicised, allowing potential creditors to submit

claims against the company. After 21 days, the liquidator can distribute any assets to the members either in cash or 'in specie'.

Once the liquidator has completed their work, which will generally be to realise any assets and distribute the surplus funds to the shareholders, tax matters can then be finalised with HMRC. Following this, the liquidator files a final return at Companies House and the company is automatically dissolved three months after the filing of the final return and struck off the register.

Generally, no claims against the company that were not registered with the liquidator can be made subsequently.

Although a liquidated company can be reinstated to the register within six years, it is exceptional for this to happen where the dissolution is a consequence of a members' voluntary liquidation process.

The costs of a members' voluntary liquidation are wholly dependent upon a company's specific circumstances and the work required to be done.



**Tax liabilities can arise as part of the cleansing process if items are not dealt with in an appropriate manner.**

**Voluntary strike off and dissolution Summarised process**

In advance of a company strike off, it is recommended that a company is appropriately 'cleansed', depending on what balance sheet assets and liabilities it has, to make it ready for strike off. This is particularly the case for entities that may be part of a group and have historic intercompany positions that need to be settled, novated or written off. The aim is to leave no assets in the company that will pass to the Crown (the state) on strike off.

Tax liabilities can arise as part of the cleansing process, particularly if items are not dealt with in an appropriate manner. It is therefore recommended that tax advice is sought in advance of any actions being taken to minimise any such liabilities.

To strike off a company, the board of directors should consider all the steps to be taken at a meeting of directors or by way of a written resolution of the directors and approve the application for a strike off. On approval of the directors, Form DS01 (Striking off application by a company) must be completed, be signed

by a majority of the directors and be submitted to Companies House along with a fee (currently £44).

The law permits all, or a majority of a company's directors, acting on behalf of a company, to close the company down if it is no longer needed by getting it struck off the companies register and dissolved. However, this only applies if the company:

- hasn't traded for three months;
- isn't threatened with liquidation;
- hasn't changed name in the last three months;
- hasn't disposed of any stock in the last three months; and
- has no agreements with creditors, such as a company voluntary arrangement.

**What does a board have to do?**

There are safeguards built into the procedure for those entities that are likely to be affected by a company's strike off or dissolution. When directors apply to strike off and dissolve a company, they have certain responsibilities to close the business down properly. A large number of directors do not follow this procedure, which leads to the strike off and dissolution being delayed or, in some cases, abandoned.

Before applying to strike off a company, directors must close it down legally, which involves:

- announcing the plans to interested parties, including HMRC, creditors and employees. A breach of these rules could result in the director being fined and prosecuted;
- making sure that employees are treated according to employment law provisions;
- dealing with business assets, including closing any bank accounts in the company's name; and
- bringing the company's accounts up to date.

A copy of the completed strike off application form must be sent, within seven days, to those interested parties who could be affected.

**What happens next?**

The fee and strike off application are submitted to Companies House and this will be registered on the company's record. The application will be advertised in the *London Gazette* (allowing interested parties the opportunity to object).

If there is no reason to delay, the registrar will strike the company off the register within two months of the date of the notice. The company will be dissolved on publication of a further notice in the *London Gazette*. A board must keep the company's business documents for

six years after a company is struck off and dissolved. These include, inter alia, bank statements, invoices and receipts, VAT, PAYE and employee records.

**Risk of a company being reinstated to the register**

If a company has net assets at the time that it applies to be struck off, these assets become the property of the Crown (i.e. the state). A company can be reinstated to the register within six years (or indefinitely in the case of personal injury claims) if a court order is applied for by:

- any former director or creditor;
- any person with a contractual relationship or potential legal claim; and
- any other person who appears to the court to have an interest in the matter.

When a members' voluntary liquidation process has been concluded, the liquidator files their report and after three months Companies House removes the company from the register. As the members' voluntary liquidation has been carried out by an independent liquidator, there is limited potential for a company to be reinstated to the register.

With a dissolution process, it is vitally important that all creditors are advised of the directors' intentions to have a company struck off. If a creditor is not so

advised, they can apply to have a company restored to the register and commence legal action to recover their debt. For a board, there may be personal implications if a company is dissolved when it has outstanding liabilities.



**It is vitally important that all creditors are advised of the directors' intentions to have a company struck off.**

**In conclusion**

If the board receives assistance in dealing with the process, utilising the strike off route will be cheaper than a liquidation, ignoring internal management time. Even if assistance is provided, the strike off route is the responsibility of the directors.

In a members' voluntary liquidation, once the liquidation has been completed, generally no further claims may be brought against a company. The members' voluntary liquidation route advertises that a company is coming to an end and that all claims must be made, which may be useful for companies where details of all potential liabilities

may not be known by the current management.

A liquidation brings with it peace of mind as a liquidator is appointed to bring a company's affairs to a formal end, leaving no outstanding matters.

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# Where agencies fear to tread

## The definition of employment

We look at a case which blurs the distinction between employment and self-employment.

### by Keith Gordon

I remember Lord Carnwath (then ‘a “mere” Lord Justice’) addressing the London Branch of the CIOT back in about 2008. He pointed out how much of tax law treats pairs of concepts as fundamentally different and irreconcilable (such as ‘employed versus self-employed’ and ‘capital versus income’); whereas, in the real world, cases often arise where a set of facts could lead to either conclusion being reached.

When we have correctly categorised a particular situation, however, then at least the tax treatment should be relatively clear. For example, income is either from an employment, in which case the rules in the Income Tax (Earnings and Pensions) Act (ITEPA) 2003 and the PAYE regulations apply, or it is from self-employment, in which case the Income Tax (Trading and Other Income) Act 2005 code becomes relevant – and, perhaps more relevantly, the ITEPA 2003 and PAYE rules can be set to one side.

However, as the recent case of *Harbron Recruit Ltd v HMRC* [2025] UKFTT 23 (TC) demonstrates, there are some cases where it is dangerous to rely on this apparent dichotomy.

#### The facts of the case

The company, Harbron Recruit Ltd (Harbron), operates in the construction industry sector. Its business is to provide workers for other businesses that actually carry out construction work. At all relevant times, Harbron sourced the workers from agencies who then ‘on’ supplied the workers to the construction businesses via the company.

Historically, Harbron treated the agencies as its own subcontractors. Therefore, it would apply the Construction Industry Scheme (CIS) rules (currently found in the Finance Act 2004 Part 3 Chapter 3) on its own payments to the agencies. This meant that it would effect a deduction from its payments to the agencies unless the agencies were themselves registered to receive such payments gross (as per the provisions of Finance Act 2004 s 60).

The situation changed, however, following the substitution of ITEPA 2003 s 44, which came into effect from 6 April 2014. This tightened up the rules in cases involving the supply of workers by agencies. Provided that the worker is under a person’s supervision, direction or control (or is subject to the right of such supervision, direction or control), then the worker is to be treated as an employee of the agency for income tax purposes. Accordingly, all remuneration received by the worker in consequence of providing those services is to be treated for income tax purposes as earnings from that employment. Similar changes were made in relation to NICs.

A number of matters specific to the company also arose around the same time as the Finance Act 2014 rules came into force. First, the managing director’s mother (who had previously operated the company’s CIS compliance) retired for health reasons and two other members of the company’s finance staff left the company. As a result, the managing director instructed a local and well-respected firm to help him carry out the CIS compliance, as well as to assist the company to recruit and interview new staff with the appropriate finance skills.

Furthermore, as a result of the changes in the rules, the company received a large number of marketing

### Key Points

#### What is the issue?

Harbron Recruit Ltd faced issues with the Construction Industry Scheme (CIS) rules. It sourced workers through agencies and historically treated these agencies as subcontractors, applying CIS rules. However, changes in the law in 2014 required workers to be treated as employees for tax purposes if they were under supervision, direction or control, complicating the company’s tax obligations.

#### What does it mean to me?

In 2020, HMRC investigated Harbron for non-compliance with CIS rules, proposing a significant tax charge. Harbron sought relief under Regulation 9, arguing they took reasonable care and that any failure was due to a genuine belief that the rules did not apply.

#### What can I take away?

The case highlights the ongoing need for care with regards to the CIS rules. Companies involved in implementing the CIS rules should obtain expert advice, as the rules can be complex and have significant financial implications.



newsletters giving warnings about the risk of non-compliance with the new rules. In particular, the company was warned that leaving workers within the CIS scheme and failing to deduct the sums due under the PAYE and NIC rules would risk leaving the company exposed to the PAYE and NIC under-deductions. As a result, the company instructed a large regional firm of accountants with specialist knowledge of the CIS to provide advice on the company's ongoing CIS obligations in the light of the new rules.

As a result of the advice given, the company's director understood that the workers would all be taxed under PAYE on their earnings and that, accordingly, the company did not need to apply any deductions under the CIS in relation to its payments to the agencies. With effect from the beginning of the 2017/18 tax year, the company then started to make nil returns for CIS purposes.

In May 2017 (a few days after the company's first nil return), HMRC opened an investigation into the company's CIS compliance but this was quickly shut down with no further action being taken.

However, in October 2020, HMRC again started to investigate the company's compliance, this time citing the PAYE, VAT and CIS rules. On 8 March 2021, a 'warning letter' was issued advising Harbron that HMRC was proposing to charge the company over £480,000 in relation to income tax that should have been deducted under the CIS rules. HMRC's warning letter was anticipating a determination under Regulation 13 of the Income Tax (Construction Industry Scheme) Regulations 2005. In response, the company sought a direction that would excuse it from liability for any underpaid tax under the provisions in Regulation 9.

There are two statutory bases for a contractor's application for relief under Regulation 9:

- Condition A applies if the contractor can show that reasonable care was taken to comply with the CIS deduction rules and that any failure was down to either an error made in good faith or a genuine belief that the deduction rules did not apply.
- Condition B applies if the payments have been appropriately taxed upon by receipt the payee – in other words, there has been no real loss of tax.

The whole purpose of the CIS rules was to address concern that payments made to subcontractors in the construction industry were not being properly accounted for with regards to tax by the subcontractors. As a result, the CIS rules seek to ensure that an approximation of the eventual tax liability is deducted at source so as to

reduce the impact of any non-compliance further along the contractual chain. As a result, in cases where the tax has eventually been accounted for by the subcontractor, there is no need for the Exchequer to effect a double recovery.

In response to the company's application, HMRC reduced the amount in question by just under £130,000 in accordance with Condition B. That related to the payments made to one of the agencies with which the company had worked. However, HMRC did not accept that Condition A applied. In accordance with the provisions in Regulation 9(7), Harbron then appealed against the 'refusal notice', arguing that the terms of Condition A were in fact satisfied.

In the course of its internal review, HMRC advised Harbron that the refusal notice was issued because it did not consider that 'the company had met the requirement at Regulation 9(3)(a) of the CIS Regulations that reasonable care had been taken to comply with ... the CIS regulations'.

Harbron's appeal was then duly notified to the First-tier Tribunal.

### The First-tier Tribunal's decision

The case came before Judge Anne Redston.

By the time that the judge considered the case, the parties were agreed that HMRC was technically correct. Although the agency rules meant that the workers were deemed to be employees of the agencies (and therefore were required to have PAYE and NIC deducted from the payments made to them by the agencies), this did not exempt the company's payments to the agencies from still being liable to deductions under the CIS rules.

The judge also acknowledged that the company had no right of appeal against any refusal notice so far as it relates to Condition B. Thus, the judge's decision focused on Condition A.

She quickly dismissed HMRC's arguments which sought to argue that ignorance of the law cannot amount to a defence. Although HMRC argued that 'the tribunal has routinely [expressed or endorsed] that view', the judge pointed out that that was not true. Indeed, the Upper Tribunal put it beyond doubt in *Perrin v HMRC* [2018] UKUT 156 (TCC) that the defence of ignorance of the law *can* be a defence, provided that the circumstances warrant it.

HMRC had also relied on the fact that HMRC's own CIS guidance made it clear that agencies come within the scope of subcontractors for the purposes of the CIS rules, meaning that payments to agencies can be liable to deduction under the rules. However, the judge pointed out that the same guidance made it clear that the CIS rules do not apply to employees and that,

when agencies are involved, the workers should almost invariably be treated as employees.

The judge also observed that some of HMRC's own arguments revealed a lack of understanding as to how the rules operated, which served to 'support [the company's] case that the interaction between the two sets of rules is not straightforward'.

Finally, the judge said she had 'no hesitation' in agreeing with Harbron that it had acted with the level of care which a reasonable person in the company's position would have showed. In particular, the interaction of the two sets of rules was technically complicated, and Harbron acted reasonably when it properly instructed two reputable firms with the relevant expertise to assist it. Furthermore, Harbron had expressly sought advice not just on the PAYE/NIC side but also in relation to the CIS rules.

Thus, although Harbron had mistakenly failed to deduct tax under the CIS, it had taken reasonable care.

In addition, the judge commented on a further point. In HMRC's Statement of Case, it was pointed out that the reason that the refusal notice was given in relation to Condition A was solely because HMRC had concluded that Harbron had failed to take reasonable care. HMRC argued that if the company was successful on that point, as indeed proved to be the case, the tribunal should remit the case back to HMRC so that it can then decide whether the other limb of Condition A was satisfied (being that any failure was down either to an error made in good faith or to a genuine belief that the deduction rules did not apply).

However, the judge considered that to be inappropriate. In particular, she noted that Regulation 9(6), which governs refusal notices, requires HMRC to state 'the grounds for refusal'. The correspondence between the parties indicated that the 'grounds' were, in fact, the singular one, being the assertion that the company had failed to take reasonable care. In any event, the judge concluded that the regulation did not support the idea that HMRC is permitted to issue a succession of refusal notices covering different aspects of Condition A.

As the company was successful in relation to the only part of Condition A that was in dispute, the company's appeal was allowed.

### Commentary

It is hard to see any fault with the judge's decision in this case. However, the case does highlight a number of different issues of interest. As someone who does not regularly work with the construction industry, I must admit to having wondered whether, unlike the early 1970s when the

CIS was first introduced, the industry still needed a special scheme to combat non-compliance. However, the figures in this case were an eye-opener. HMRC's decision in relation to Condition B showed that one of the agencies used (and used only in the 2017/18 tax year) had accounted for corporation tax in relation to all the payments made by the company. As for the four other agencies used across the four tax years under review, HMRC's conclusion on Condition B indicates that some £354,162 has gone missing in the system. There can of course be multiple reasons for that money not being accounted for. However, my previous view has certainly changed and I can now see at least a good *prima facie* case for the rules remaining in place.

That does, however, lead to two further points.

First, how did so much go missing? Could HMRC have done more (and sooner) so as to stop these tax leakages from occurring? Why was there a gap of over three years between HMRC's first (albeit aborted) intervention and its second investigation?

Secondly, in relation to the £129,000 that had been properly accounted for, what would have happened had the company not asked for relief under Regulation 9? In that case, Harbron would have been liable for that £129,000 even though that sum had been fully accounted for further down the contractual chain. That would have given HMRC a double-recovery. Should HMRC not be required to take steps to avoid that without taxpayers expressly asking for it?

### What to do next

If you have a client that operates in the construction industry, this case should serve as a clear reminder that deductions under the CIS might still be due even though the worker is treated as an employee for tax purposes under the agency rules. The rules have been judicially described as complex. In such circumstances, it is advisable for taxpayers to obtain suitable expert advice.

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# Management incentive planning

## The options available to OMBs

The introduction of a long-term incentive plan as a complementary option could lead to enhanced staff loyalty, accelerated business growth and reduced payroll costs.

by Ian Parsons and Daniel Andreca



### Key Points

#### What is the issue?

When devising a remuneration plan, it is important for elements of both a traditional scheme (i.e. salary, bonus and/or benefits) and an unconventional scheme (i.e. a share plan) to be considered in order to achieve a cost efficient incentive plan which enhances staff attraction and retention while also boosting the company's financial performance.

#### What does it mean to me?

Advisers need to be able to guide on the implementation of a tailored compensation package which enhances staff productivity and boosts growth, while considering each company's specific circumstances and commercial objectives.

#### What can I take away?

Choosing the appropriate remuneration strategy to attract and retain key staff can be a complex decision which depends on many factors. Tailored advice and guidance should be sought.

In the Autumn Budget, the Chancellor of the Exchequer announced a wide range of fiscal measures, most of which are likely to have a detrimental effect on businesses and individuals alike. In relation to employers, from 6 April 2025, the rates of Class 1, Class 1A and Class 1B employer NICs have increased from 13.8% to 15%, while the NICs secondary threshold (i.e. the amount from which an employer will start making NIC payments in respect of an employee) has reduced from £9,100 to £5,000. Employers will be entitled to a £10,500 employment allowance, which may mean that for the smallest businesses the changes have only a modest impact.

These measures will likely lead to increased payroll costs and reduced profitability, which mean lower funds are available to attract and incentivise staff, especially key employees. Many employers are struggling to find suitably skilled workers and, when found, businesses face fierce competition. It is more important than ever for businesses to reconsider the compensation packages offered and, if necessary, to devise alternative ways of attracting and retaining key senior employees that could drive the business forward.

### Traditional remuneration

Traditionally, an executive's remuneration package is usually

structured to include a fixed level of reward (i.e. salary), as well as a discretionary remuneration element (i.e. bonus), payable once various performance related targets have been reached by the individual and/or the employer. A senior employee's compensation package also tends to include benefits such as a company car, fuel, company phone, healthcare and dental insurance.

However, it is becoming increasingly costly for businesses to keep improving an executive's remuneration package to attract and keep them motivated. On the payment of a salary and/or a bonus, a senior employee will personally be liable to income tax and NICs at a combined rate of up to 47%, while the employer will also be liable to make Class 1 NICs at a rate of 15% on the amount exceeding the updated threshold of £5,000.

Similarly, on the receipt of various benefits which are non-cash convertible, the 'cash equivalent' value of those benefits will be subject to income tax at a rate of up to 45% in the hands of the employee and at a rate of 15% by the employer. Any benefits which can be converted into cash (such as vouchers) would be taxed as a salary or a bonus.

The employer will, however, be able to claim corporation tax relief on the actual value of any salary, bonus and cash convertible benefit provided, and the 'cash equivalent' value of any non-cash convertible benefit, as well as on any employer NICs due on the provision of these rewards.

### Alternative remuneration

Considering the recent increase in employment costs and the need for businesses to constantly stand out from competition regarding talent acquisition and retention, an alternative remuneration option which could operate alongside a traditional remuneration package is a share plan.

In essence, a share scheme allows the owner(s) of a business to give away some of the equity as a way of attracting and incentivising key staff and aligning their interests with those of the shareholder(s). The release of equity occurs only once the pre-determined conditions, which are normally set at the outset and include performance related targets, have been satisfied. The introduction of a share plan generally increases staff loyalty and motivation and leads to improved business productivity.

A non-tax advantaged share plan can be suitable where a tax advantaged scheme would not be feasible or provide the necessary flexibility

around participating employees or the value of share awards. However, a tax advantaged share plan would generally be preferable, achieving the same commercial benefits but also generating significant tax savings.

Specifically, the award of shares at undervalue under a non-tax advantaged share plan will almost always give rise to an income tax liability to the participating employee and possibly a NIC charge to both the individual and the employer, if the shares awarded qualify as a 'readily convertible asset'. Such an award under a tax advantaged share plan can be undertaken at a significantly



### A growth share plan can be perceived as a 'high reward, low risk' reward strategy by the current equity holders.

lower cost to both parties, where various conditions are met and the scheme is correctly structured.

### Non-tax advantaged share plans: the growth share plan

One of the most popular non-tax advantaged share schemes is a growth share plan. Under this discretionary arrangement, a new class of shares is created with limited or no rights to income and generally no voting rights. The growth shares have capital rights which entitle their holder to participate in sharing the economic value of a company once a pre-determined valuation (i.e. hurdle) is reached.

This means that the other shareholders' economic interests are diluted only if the set hurdle in relation to the economic value of the company is achieved and exceeded.

The issue of growth shares will not generally give rise to any income tax and/or NICs liabilities, provided that the shares are acquired at market value. As the initial market value of the growth shares is depressed by their limited rights and by the hurdle being set at an aspirational level, the employee's cost of acquiring the growth shares is usually manageable.

As growth shares lack voting rights, their future disposal is unlikely to attract the lower capital gains tax rate of 14% (for disposals occurring up to and including 5 April 2026) or 18% (for disposals occurring on or after 6 April 2026) available under business asset disposal relief. Therefore, the entire capital gain realised will be subject to



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capital gains tax at a rate of up to 24%, once the annual exempt amount and any available capital losses have been considered.

A growth share plan can be perceived as a 'high reward, low risk' reward strategy by the current equity holders, since any ownership will only be surrendered once the economic value of a company reaches a specific target. However, its implementation is a complex process from both a tax and a legal perspective. As such, professional advice should always be sought.

### Tax advantaged share plans

There are four types of tax advantaged share option plans:

- a share incentive plan;
- a Save As You Earn (SAYE) option scheme;
- a company share option plan (CSOP); and
- an enterprise management incentive (EMI) plan.

Whilst a share incentive plan can only be implemented by large, listed companies which do not form the subject of this article, the other three plans can be successfully implemented by owner managed businesses. As such, a brief overview of each of these three schemes is provided below. In all cases, professional advice is recommended in view of the requirements of each type of scheme.

### Save As You Earn option scheme

Under a SAYE plan, employees are granted options that permit them to acquire shares in the employing company after three or five years. The price at which options are granted over company shares can be discounted by up to 20% of the market value of the shares at the date of grant.

The SAYE scheme must be operated on an 'all-employee' basis, which means that all employees must be invited to participate. Each employee must enter into a savings arrangement for the same period as the length of the option under which monthly savings of up to £500 are made from post-tax salary.

The grant of the options under a SAYE plan will not give rise to any income tax or NICs implications. If the employee decides to exercise the options, the shares are also acquired free of any income tax or NICs charges irrespective

of the value of the asset acquired at that date. (The individual can also let the options lapse and withdraw their savings at the end of the savings period.)

On the sale of the shares acquired under a SAYE plan, the lower capital gains tax rates available under business asset disposal relief are unlikely to apply since the employee will probably have less than 5% ownership in the employing entity. Therefore, any resulting capital gain will be subject to the standard capital gains tax rates of up to 24% once the annual exempt amount and any available capital losses have been considered.

The implementation of a SAYE scheme can improve staff retention as there is a wait time of between three and five years before the employee can acquire the shares. The successful implementation of this plan relies upon the satisfaction of various conditions and practical considerations.

**Enterprise management incentive plan**

Considering their flexibility and the significant tax benefits offered, it is not surprising that EMI schemes represent 89% of the total employee share schemes implemented, according to HMRC statistics (see [tinyurl.com/27bj6vjz](https://tinyurl.com/27bj6vjz)). Whereas SAYE plans are implemented by a smaller number of larger, listed organisations, EMI share plans are widely popular with a higher number of smaller, unquoted entities. Among other requirements, EMI schemes are generally available to UK trading companies with gross assets below £30 million and fewer than 250 full time employees.

Under this discretionary arrangement, qualifying employees can be granted options that allow them to acquire shares in the company upon satisfaction of various conditions. These requirements can be flexibly set around an employee's length of service and performance, as well as the occurrence of specific future events (for example, a future sale of the company). However, in order to preserve their tax benefits, EMI options must be capable of being exercised within ten years from the date of grant.

The grant of options will not give rise to any income tax or NICs implications. However, compared to a SAYE plan, the exercise price must equal the market value of the shares under option at the date of grant in order to ensure an income tax and NIC free award of the shares. Once any annual exempt amount and capital losses have been considered, a capital gain arising on the sale of shares

acquired under an EMI scheme will be subject to capital gains tax at the standard rates of up to 24%, unless the lower 14% rate (or 18% for disposals occurring on or after 6 April 2026) is available for the first £1 million of the capital gain under business asset disposal relief.

Despite an EMI plan being more flexible and having the potential to deliver much higher rewards than other share plans, its successful introduction and operation hinges on

**“**  
**While not as rewarding as an EMI scheme, a CSOP is still a highly beneficial option.**

the satisfaction of multiple detailed conditions.

Following the implementation, a constant awareness of the factors that could count as 'disqualifying events' and lead to a loss of the various tax benefits would also be required.

**Company share option plan**

A CSOP operates similarly to an EMI plan in the sense that it allows eligible employees to receive options that for a cost could be exchanged for shares in the company, subject to various conditions being met.

However, important distinctions exist between a CSOP and an EMI plan. A CSOP is less restrictive since there are no specific requirements concerning the trading status of the employing entity and the working requirement regarding the participating employees is relaxed. It is also less generous, however, as the maximum value of shares over which an

employee can hold options is £60,000 (compared to the £250,000 limit available under an EMI plan). Additionally, to ensure a charge free award of shares, the options available under a CSOP must be exercised after a minimum period of three years but within ten years from the date of grant.

Whilst not as rewarding as an EMI scheme, a CSOP is still a highly beneficial option, especially for entities that do not qualify for EMI and want to introduce a share-based incentive programme.

**Corporation tax deduction**

Provided certain conditions are met, a corporation tax deduction would be available to the employing company in the period in which an employee acquires shares under both a non-tax advantages and an advantaged share plan. The deduction available equals the amount on which the employee either is or would have been subject to income tax (if not for the benefits of a tax advantaged share scheme).

**Reporting requirements**

The above share schemes have strict reporting requirements that need to be followed in relation to each event consisting of a grant of options, exercise of options/award of shares and sale of shares respectively. Failing to adequately report these events to HMRC might invalidate a share plan and result in adverse tax implications.

**In conclusion**

Considering that traditional remuneration plans are becoming costlier to implement, share-based plans are becoming an increasingly popular way to attract and incentivise key employees in a tax efficient way which can be aligned with the company's key commercial objectives.

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# Action required: It's time to renew your AML Supervision



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If you are supervised for Anti Money Laundering by the ATT or CIOT it is time to submit your 2024/25 AML renewal. This **must** be completed, and your AML fee should also be paid by **31 May 2024**.

It is a legal requirement for members in practice to be supervised for AML: Failure to complete your renewal on time or make payment will result in a fine or a referral to the Taxation Disciplinary Board.

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# The role of tax leaders

## Bringing about transformation

As finance transformation continues to be a top priority for CFOs, tax leaders need to more effectively support their management's change efforts.

by Pavlo Boyko

We all have bosses. We all need to manage up. As John Baldoni, an internationally recognised leadership coach, put it, managing up is about being the most effective employee you can be, creating value for your boss and your company. For tax leaders or chief tax officers (CTOs), understanding the agenda of the chief financial officer (CFO) is a must.

### The priorities of the chief financial officer

There are numerous studies and surveys on this topic; however, two concepts are ubiquitous in the past few years: finance transformation and digital talent.

As business leaders seek real-time insights, digital skills in finance around data and analytics are becoming pivotal. A survey by Gartner, the 'Top five finance trends and priorities for CFOs in 2025' (see [tinyurl.com/2s36589n](https://tinyurl.com/2s36589n)), reveals that CFOs continue to make investments in the autonomous finance function of the future. It concludes that sourcing and retaining digital talent is in the top five priorities for CFOs. The surveyed CFOs predict that by 2027, one in two finance employees will be 'digital talent' (employees who create, modify, configure or customise finance technology capabilities) – compared to the current one in five.

### Finance transformation: the key ingredients

Finance transformation programmes should align with broader organisational initiatives. A well-run finance

transformation programme usually has the following ingredients:

**A high-level sponsor:** This would typically be the CFO, who will ensure support throughout the process and address potential bumps in the road.

**Clearly defined roles:** The necessary roles should be established for the overall programme, including an executive sponsor and a programme manager. Additionally, each workstream should have an assigned leader. For the tax workstream, it is expected that the CTO will assume the leadership role.

**A clear structure:** Establishing a roadmap with defined stages, visual steps and described outputs is key. Transformation initiatives are projects or collections of projects, and using project management terminology and tools is recommended. Resources such as the Project Management Institute offer comprehensive guidance in this area (see <https://www.pmi.org>).

**Open communication:** The importance of keeping every stakeholder up to date is difficult to overestimate. Crisp and friendly periodic status updates from the programme lead, endorsed by the executive sponsor, can go a long way.

A successful finance transformation programme has three key elements:

- Be market driven: the team should routinely aim for sustainable revenue growth through client acquisition and retention.

### Key Points

#### What is the issue?

Tax leaders, or chief tax officers (CTOs), play a crucial role in supporting finance transformation efforts led by CFOs. As finance transformation and digital talent become top priorities, tax leaders must align with these goals to effectively contribute to organisational change.

#### What does it mean for me?

CTOs should focus on developing efficiencies and enhancing the digital aspect of tax within their departments. This involves assessing tax capabilities, considering outsourcing, ensuring scalability and improving processes and technology. Tax departments are also increasingly integrating technology to bridge the digital gap with the rest of the finance function.

#### What can I take away?

Embracing change and aligning with finance transformation goals are essential for success.

- Be efficient: profitability growth and performance improvements should be measured by various KPIs.
- Be digital: digital transformation is increasingly important, including systems, processes and talent.

CFOs are now frequently being asked to lead more enterprise initiatives outside of finance, so CTOs can support finance transformation efforts beyond just the tax workstream. We will now examine how tax leaders can contribute to wider finance change efforts in two different lanes – both within and outside the tax department.

## IN PRACTICE: THE RESULTS OF EFFICIENCY IMPROVEMENTS

We recently came across an example concerning the corporate income tax processes of a global organisation with presence in over 60 countries across four continents. The tax team was forced to manage inconsistent deliverables coming for approval from a mix of in-house teams and third-party vendors, which proved painful and far from efficient.

While the team was looking into technological solutions, they undertook a series of 'baby steps' improvements. Among them was a two-layer approach to draft tax returns:

- A small, centralised team would look into tactical checks, such as formatting, business logic and clarity of explanations.
- After that, a strategic review followed, with tax experts making judgement calls on important tax aspects.

Surprisingly, the time savings accounted for hundreds of hours for the tax team, allowing faster and more accurate tax filings.

## IN PRACTICE: OVERCOMING LEGACY

A recent example of how tax can help other departments is that of a large multinational firm that used to run two separate versions of an enterprise resource planning (ERP) system: one for their APAC region; and another for the rest of the world. The decision was rooted in legacy, based on the previous treatment of some statutory requirements that later became obsolete.

The tax team completed an assessment along with the legal department and the company moved to an ERP single-instance model, which uses a single ERP system for all business operations, both front-end and back-end. This greatly increased visibility and efficiency.

### Transformation Lane 1: within tax

Within Transformation Lane 1, which is inward-looking, CTOs mostly need to contribute to developing efficiencies, and to the digital aspect of tax.

#### Efficiencies in the tax department

To identify and pursue clear business aims which the transformation can deliver, CTOs will need to consider the following:

- **Tax capabilities:** A good first step is a complete and documented inventory of tax capabilities, including identifying those that contribute to overall growth and better align with the rest of the finance function.
- **Sourcing:** Upon a thorough review of tax capabilities, a CTO should question which are best outsourced and which should be retained.
- **Scalability:** Consider which approach – regional, local or hub-and-spoke – would be most efficient for the department's various undertakings. (A hub and spoke model is a network structure where a central point (the hub) serves as a connecting point for multiple other locations (the spokes), facilitating efficient communication, distribution and resource management.)
- **Processes:** In the tax world, data duplication and resulting inefficiencies are usual suspects.
- **Technology and data:** Reviewing the tax stack and the use of shared data

points might uncover real benefits for a CTO.

In practical terms, the change might initially look small and not worth pursuing; however, many tax leaders find the results of efficiency improvements to be remarkable. See *In practice: the results of efficiency improvements*.

#### Technology in the tax department

On the digital front, it is often assumed that tax might be a 'chokepoint' in the transformation of finance technology, where a historical lack of interest in tax and local complexities has been preventing technology advancements. Making tax less of a black box and addressing the digital gap between tax and the rest of the finance function is a clear priority for CTOs these days.

Driven by this demand, the tax technology market is booming, with start-ups entering this market at an unprecedented pace. A brief period of research would reveal a tax technology universe of thousands of systems and solutions, from tax engines and pillar two reporting to tax analytics and tax research. These technological advances can lead to a certain democratisation of tax technology, previously mostly employed by big global businesses.

A further indication of the above is the recent launch of dedicated educational programmes, such as the Diploma in Tax

Technology by the CIOT. This can help tax professionals in small and medium enterprises to boost their niche digital skills, along with representatives from larger multinationals.

No one can avoid artificial intelligence (AI) when discussing the digital aspect of tax. The good news for tax professionals is that there is no longer a handicap here when compared to the rest of the finance function. The most impressive developments, especially in GenAI, are relatively new and the language barriers or unstructured data are no longer showstoppers.

We should also consider the AI journey of critical tax player: tax administrations. A recent report by the OECD found that four in five tax administrations report using or implementing AI for future use (see [tinyurl.com/cee9evpa](https://tinyurl.com/cee9evpa)). HMRC is adopting AI to enhance its tax compliance and enforcement strategies, with the aim of significantly reducing the workload of tax agents while greatly increasing the tax revenue. There is a clear parallel between government tax administration and company tax department dynamics.

### Transformation Lane 2: outside of tax

Remember those three key elements of a finance transformation outlined earlier: market driven, efficient and digital.

Let's now have a look at how, within Transformation Lane 2, CTOs might contribute to the market-driven pillar, which revolves around a relentless client focus and the growth of revenue and sales.

Any transformation involves a standardisation of processes but there is an important caveat. Deviations are still allowed (and needed) for local legal, regulatory or tax reasons. This is exactly where tax comes into the spotlight, so that the historical deviations are critically assessed and the new ones are smartly implemented. See *In practice: overcoming legacy*.

The area perhaps most susceptible to a dependency on tax is billing. With the advent of e-invoicing, the CTO's elevator pitch for a new tax initiative has become more compelling than ever.

In the UK, e-invoicing is currently voluntary for most businesses. A consultation is currently being carried out by HMRC to promote the wider adoption of e-invoicing. However, many European countries, including Poland, Greece, Turkey, Belgium, Portugal, Germany and the Netherlands, have implemented mandatory B2B e-invoicing, and in France a phased introduction will be mandatory from September 2026. Ignoring e-invoicing can bring operational

## IN PRACTICE: LOCAL RELATIONSHIPS

One of the leading global professional services companies recently made some serious efficiency gains in Brazil.

In TMF Group’s Global Business Complexity Index (see [tinyurl.com/yppwtmmd](https://tinyurl.com/yppwtmmd)), Brazil is consistently ranked as one of the most complex jurisdictions in which to do business. It’s no surprise that a local statutory invoice must contain a lot more data points than the average, such as the details of the municipal tax authority.

The company reviewed its processes around statutory invoices for all its locations, with major changes implemented for Brazil. It developed a clear one-to-one relationship and cross-referencing capabilities between commercial and statutory invoices. This move alone saved hundreds of hours in receivables processes and also improved the collection metrics and client satisfaction levels.



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disruptions, with non-compliant invoices being rejected.

The requirements for international billing could be even more extensive. In certain countries, a commercial invoice in English produced by the central finance system might not be sufficient. Instead, a statutory invoice, in local language, format and with additional local data points, might be needed as well. See ***In practice: local relationships.***

### Practical tips for CTOs

The three key elements we have identified above – being market-driven, efficient and digital – should serve as a good framework for an aspiring CTO. Some dos and don’ts include:

#### Being market-driven:

- Start by aligning to your organisation’s business objectives. Wider finance transformation objectives must be the guiding star for any CTO.
- Go beyond just your industry and function for inspiration. Materials from the OECD and local governments might also add value to your transformation efforts.

#### Being efficient:

- Start by putting down on paper all your tax processes and capabilities. Tax-as-a-black box times are over.
- Drive efficiency efforts both within and beyond tax. Remember Transformation Lanes 1 and 2.

#### Being digital:

- Upskill yourself. Digital literacy nowadays is akin to oxygen, and we all know what the airlines advise when it comes to oxygen masks!
- Map out the functional versus digital talent needs for tax today and in ‘X’ years’ time. This will help to drive your talent retention and acquisition strategy.

#### In conclusion

To paraphrase a somewhat sombre old adage, nothing in this world is certain, except death and taxes – and now change. It is becoming increasingly hard to tell whether CTO stands for Chief Tax Officer or Chief Transformation Officer in today’s business world. Both versions have their merits.

## Advance your career: Diploma in Tax Technology

Embrace technology in tax for exciting opportunities and career growth. The CIOT’s Diploma in Tax Technology (DITT) is designed to help tax professionals to:

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- Stay up-to-date on revolutionising technologies like GenAI and machine learning

Take advantage of the insights and learning in the Diploma in Tax Technology, build your expertise, and future-proof your tax career.

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[www.tax.org.uk/ditt](https://www.tax.org.uk/ditt)

# What is ADHD?

## Raising awareness in the tax profession



There are many ways that we can help those with ADHD to thrive in the workplace. Here are some good places to start.

by **Emma Barklamb, David Brodie, Ruth Punter and Matthew Spiller**

Inspired by the openness, success and gravitas of Susan Ball talking about dyslexia during her CIOT presidency, and in line with our Equality, Diversity and Inclusion Committee's plans for 2025, we held a webinar on 19 March which asked the question 'What is ADHD?'

The Member Services Team are always looking out for topical issues relating to continuing professional development (CPD) but this was a bit different. The webinar was part of our Neurodiversity Week. It was a tough subject but attracted an enormous amount of interest. With over 700 registrations, it is clearly a topic that many of our members want to learn more about!

We realised very quickly that we weren't going to be able to do a lot more than scratch the surface – but it did give us a chance to explore what is meant by ADHD (or, to give it its full title, attention deficit hyperactivity disorder). So why is awareness important? And why is it especially

important to raise awareness in the tax profession?

If you missed the webinar you can catch up with it by registering at [tinyurl.com/ATTCIOT](https://tinyurl.com/ATTCIOT) and a link to the recording will be sent to your email address.

### What is ADHD?

ADHD is a disorder that is defined through analysis of behaviour. People with ADHD may show a persistent pattern of inattention and/or hyperactivity-impulsivity that interferes with day-to-day functioning and/or development. Guidance on this subject is very clear. It strongly favours formal diagnosis and guards against self-diagnosis. That being said, a formal diagnosis can take a long time, so no one is suggesting that there are easy answers here.

This article aims to raise awareness of ADHD, to signpost guidance and other resources, and to provide some hints and tips that can help you if you suspect that you

have ADHD. We also hope that it will help you to support others who have a diagnosis and who might be with you at work.

ADHD is a neuro-developmental condition, so it develops as your brain develops in childhood. It is often associated with other neurodevelopmental conditions, such as dyspraxia, dyslexia, Tourette's syndrome and what are generally called autistic spectrum disorders.

This article includes the experiences of ATT member David Brodie, who was generous enough to share his story with us. We all hope that you find it as inspiring as we do!

### Common workplace struggles and strategies

Whilst it is important to remember that the experiences and challenges posed by ADHD are different for everyone, it is useful to be aware of some common areas of struggle in the workplace and strategies that may help. Here are a few.

#### Time management and organisation:

This can include difficulty with prioritising tasks, meeting deadlines, managing workloads and maintaining an organised workspace. Strategies for managing this include digital reminders, visual to-do lists, colour-coded filing systems, breaking large tasks into smaller steps and breaking

## DAVID BRODIE: MY OWN ADHD DIAGNOSIS JOURNEY

Dr Ned Hallowell, a Harvard-trained psychiatrist and leading expert in ADHD, talks about finding your 'right kind of difficult' – a challenge that sparks your interest, engagement and passion. For me, that challenge has always been taxation.

Even before I had the language to explain it, my neurodivergent traits fuelled my interest and strengths. I was curious, driven by complexity and constantly spotting connections in technical legislation. When I started as a graduate tax trainee in 2013, I quickly gravitated towards detailed areas like trusts and inheritance tax. My brain thrived on nuance and depth – the more intricate, the better. My neurodivergence, I believe, gave me the drive to deep-dive and hyperfocus. It helped me to excel.

But while I found the work intellectually stimulating, it wasn't always comfortable. I didn't understand why I often felt overwhelmed. I hadn't heard terms like 'neurodivergent' or 'executive function'. I just knew that I was constantly battling fluctuating energy, time issues, burnout, chronic pain and social fatigue – all while putting pressure on myself to keep up and fit in.

There was (and still is) no public health pathway where I live to explore adult ADHD or autism. For years, I was left without answers. Eventually, I couldn't ignore the signs that something deeper was clearly going on.

Getting an adult ADHD diagnosis was a turning point but not a magic fix. It was the beginning of a long process of unlearning, understanding and adjusting. The diagnosis gave me access to the right information, language and frameworks, but it has taken over two years to fully process what it means and how it has shaped my life and career.

Since then, I've professionally trained as an ADHD coach and developed a much deeper understanding of ADHD and autism (AuDHD). I now support other neurodivergent professionals – particularly in tax, law and finance – who are navigating similar challenges around masking, burnout, executive function and misfitting in rigid work environments. These are complex, often overlapping conditions, and I'm always learning every week.

ADHD in the workplace isn't just about difficulties with time or attention. It often comes with creative problem-solving, pattern recognition and a deep motivation to master complexity. Intelligence doesn't cancel out ADHD. They simply exist on their own spectrum.

If you're a manager, colleague or employer, try to spot strengths first. Acknowledge what someone does well, then support them in the areas they find difficult. You don't need to be an expert – just take a person-centred approach. Making reasonable adjustments can benefit the whole team. An adaptive employer won't just improve wellbeing – they will also attract and retain great talent.

With more support, awareness and inclusion, neurodivergent professionals can stop masking, explore their unique strengths, start thriving and find their own 'right kind of difficult'.

*David Brodie*

## I'M JUST WIRED DIFFERENTLY...

Throughout my life, I've always felt like I didn't fit in even though outwardly I seemed confident. I thought everyone had a brain full of noisy squirrels 24/7, that we all had to fight not to talk over people in conversation, and use all of our emotional resources to recover from the devastation of what was just a minor criticism from our boss.

The penny dropped mid assessment when the psychiatrist nodded knowingly and said: 'You've had a lot of short-lived jobs, right?' It was a relief to have a professional reassure me that my brain was just wired a little differently to most and that I wasn't a broken, unlikeable person.

It's only been eight months and I'm still coming to terms with it and trying to find new coping mechanisms, but I'm optimistic that things will improve from here.'

*Heather Barnes*

up working time into intervals. The 'Pomodoro Technique', for instance, involves working for 25 minutes at a time, followed by a five minute break, with a longer break after four consecutive work intervals.

**Maintaining focus and attention:** It may be difficult to sustain concentration, with a tendency to get sidetracked, especially in busy or stimulating environments. A quieter work environment or noise cancelling headphones may help with



**It is important to remember that the experiences and challenges of ADHD are different for everyone but there are some common strategies that might help.**

this. Breaks and focus-enhancing techniques can also help to prevent mental fatigue and procrastination. In particular, 'body doubling' is where someone else works alongside you, doing their own work, in order to create accountability – and novelty.

**Working memory limitations:** It may be difficult for the person to remember instructions, follow multi-step processes and retain information that is shared verbally. To provide support, written instructions and summaries are helpful, as is repeating back communications to confirm understanding. Visual aids and memory tools, like checklists and flowcharts, can help too. Online calls can be easily transcribed and summarised using AI, so notes of actions and written summaries can be shared as a matter of general best practice – and is something that will benefit everyone!

We should take note of David Brodie's advice: 'From my experience of coaching those with ADHD, multiple tools and practices are combined through trial and error. While these can help, it is important to remain mindful of managing the potential for overload.'

### How can we help?

Our Education Team are pleased to provide Alternative Arrangements and Special Considerations for our students who require additional time or support.

Students are required to fill out our application form: they should complete Part 1 themselves, and a GP or medical professional should fill in Part 2. (Students can also submit medical evidence, such as a diagnosis report or medical letter, instead of asking their doctor to complete Part 2.)

### Support for exams CTA, Tax Pathway and ADIT:

The application form is at: [www.tax.org.uk/extratime](http://www.tax.org.uk/extratime).

- We do have a deadline for CTA applications prior to the exam sitting, which is usually six weeks prior to the exam week. We cannot facilitate

alternative arrangement applications past this point for CTA exams, as our third-party centre provider will have finalised their test centre sittings and operational requirements.

- ADIT applications would need to be completed a week prior to the exam sitting.

**ATT:** The application for ATT is at: [tinyurl.com/yjpxh8hw](http://tinyurl.com/yjpxh8hw).

- ATT applications would need to be completed before the last day of the week prior to the exam sitting.

Each application is assessed individually, with medical recommendations from professionals carefully considered to provide students with the best possible support.

However, please be aware that both institutions must adhere to their policies, examination regulations and the imperative of safeguarding exam integrity, which may limit the implementation of certain support recommendations.

#### Special considerations

We are also able to offer special considerations to students. Candidates can apply for special considerations

for issues and events that occur before or during their examinations. These considerations are most commonly, but not limited to, bereavement, sickness, life events, etc.

Applications are presented to the CIOT Examination Committee and the ATT Exam Steering Group; however, any decision made falls on the committee's discretion and does not guarantee additional marks.

*We would like to thank Ruth Punter (RHP Coaching) and Matthew Spiller (Education Officer, CIOT/ATT) for their help with this article.*

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#### Information for CTA and Tax Pathway students is at:

[www.tax.org.uk/special-considerations](http://www.tax.org.uk/special-considerations)

Information for ATT students is at:

[www.att.org.uk/alternative-arrangements-extra-time-and-special-consideration](http://www.att.org.uk/alternative-arrangements-extra-time-and-special-consideration)

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**Profile:** David is a part-time tax consultant specialising in Isle of Man and UK taxation, and an ADHD/AuDHD coach – both of which he is passionate about. With over 10 years of experience in tax consultancy and a deep focus in the last few years on ADHD and AuDHD coaching, he brings a unique blend of skills to the table.



# AI for Tax

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# Technical newsdesk

## WELCOME

### Richard Wild

Head of Tax Technical Team, CIOT  
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## May Technical newsdesk

Not everything that can be counted counts, and not everything that counts can be counted. Whether you attribute this advice to Albert Einstein, William Bruce Cameron or even Billy Bragg, it makes you think about the usefulness of numbers and statistics.

This is currently on my mind as, with input from volunteers and colleagues, I led the CIOT's response to the recent HMRC consultation on the changes they propose to make to their statistics publications. There is a summary of our comments in this month's Technical Newsdesk.

A significant amount of statistical information is published across a variety of taxes and topics. They can be found at [tinyurl.com/yrvf5x9f](https://tinyurl.com/yrvf5x9f), although you have to dig a bit deeper to find some of them. For example, the VAT annual statistics are located within the collection 'VAT, excise duties and other minor industry specific duties and levies' under the sub-heading 'Business taxes statistics'. As a former VAT specialist, I wonder whether I should be a bit miffed that VAT appears described in this way!

Publication of statistical information is useful to stakeholders like us when we engage with HMRC and HM Treasury and comment on the likely impact of proposed tax changes, or the impact of existing measures. Other users, such as policymakers, academics and the media will also find them informative.

But, when faced with this wealth of information, it is useful to think about what else would be helpful to know, so that the tax system can be continually evaluated and improved. For example, HMRC attributes approximately 60% of the tax gap to small businesses; however, their definition of 'small'

(below £10 million turnover and fewer than 20 employees) results in 95% of businesses in the UK being treated as small.

While we recognise that published figures need to have a certain confidence level (and so may need to be published on a trusted or 'experimental' basis), we suggested in our response that a more granular breakdown between turnover levels, industry sector, etc. could help businesses and their advisers to focus on the areas of greatest non-compliance.

In a recent meeting, HMRC shared with professional bodies some surprising information about simple assessment. The information is not in the public domain, so I am unable to share it here. But it is clear from what HMRC told us that more is needed (and indeed HMRC are planning) to increase awareness of the simple assessment regime, improve the customer journey, and hence timely payment of the associated liability.

Several years ago, when meeting with HMRC to discuss their tax agent strategy, we talked about the potential to share industry-specific information – either publicly or just with agents. This would enable businesses and their advisers to see the 'norms' for their industry, and therefore sense-check the correctness of their figures and declarations if they fell outside these parameters. Again, this is not without risks, as unscrupulous businesses or agents might then feel they know the boundaries within which they can operate. But again, this could be done on an experimental basis to start with, to see whether it improves compliance.

We will continue to encourage HMRC to publish more statistical information – at least that which counts.

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### Contact

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GENERAL FEATURE

## CIOT technical team successes

An outline of the changes influenced by the CIOT's technical team, alongside the recognition of efforts made by the CIOT to deliver on our charitable objectives for a better, more efficient tax system for all affected by it. Here are our successes for the quarter ending 31 March 2025.

### Changes to draft legislation, guidance, interpretation and procedure

- Following representations made by CIOT, HMRC have changed their guidance on Condition C of the LLP salaried members rules to reflect the position as it was understood to be pre-February 2024. Revised guidance published in February 2024 suggested that a capital contribution made into an LLP by a member would be caught by the rules if their remuneration increased and a contribution was subsequently made to avoid the application of Condition C. The more recent amendments to the guidance now confirm that a further contribution like that, if made as a genuine and enduring investment, will not trigger Condition C.
- Following concerns raised by CIOT (and others), the government has decided not to introduce an obligation on employer businesses to report the number of paid hours worked by employees because of the administrative burden it would create. The draft Income Tax (Pay As You Earn) (Amendment) Regulations 2024 will not be progressed further after the results of a consultation were published on 28 January 2025 (see [tinyurl.com/bdde6ayb](https://tinyurl.com/bdde6ayb)). The CIOT warned in May last year that the estimated one-off cost to businesses of £58 million and ongoing costs of £10 million – an average per business of £29 and £5 respectively – were ‘significantly underestimated’ and that gathering additional data to provide to HMRC would lead to extra work for many employers. It was also not clear why HMRC needed the information or what they would do with it.
- Following questions asked by the CIOT about discrepancies between the data published annually by HMRC and the Ministry of Justice in relation to appeals at the First-tier Tax Tribunal, both organisations have said that they are exploring including

an explanatory footnote alongside future data tables.

- Following representations made by CIOT, amendments were tabled to the Finance Bill 2024/25 during its passage through Parliament concerning employee ownership trusts. Concerns were raised about the narrow statutory exemption from income tax treatment for contributions to the trust by the trading company. The perimeters of that allowance were extended by the amendments to cover most share purchase costs and associated expenditure. Other government amendments within the Finance Bill concerning non-dom reform were also tabled to reflect concerns which the CIOT had put forward. These amendments are reflected in Finance Act 2025 that received Royal Assent on 20 March 2025.
- Suggestions made by CIOT have been incorporated into the guidance for the Digitalisation of VAT Grouping Forms 50/51.
- HMRC have fully adopted 57 of the 69 suggestions made by CIOT for the Economic Operators Registration and Identification (EORI) Customs Technical Handbook (see [tinyurl.com/yedysz6b](https://tinyurl.com/yedysz6b)). A further two suggestions have been partly incorporated.
- The CIOT raised a technical question about student loan repayments being calculated on payrolled benefits-in-kind for taxpayers in self-assessment when benefits-in-kind should be excluded from the calculation. HMRC have confirmed that the 2025 self-assessment return has been amended to ensure that payrolled benefits-in-kind are excluded from the self-assessment calculation. An announcement of this change was included in March's Agent Update (see [tinyurl.com/4k2franj](https://tinyurl.com/4k2franj)).
- Following a submission by the CIOT to the Guidance Strategy Forum, HMRC confirmed that it will remind VAT content designers that ‘change notes’ in VAT public notices should include enough information so that users can understand what has changed without visiting the page. HMRC also confirmed that our points on change notes have been disseminated to the Making Tax Digital team for learning.
- Following a submission by the CIOT, HMRC have fixed the printing issues for the VAT forms VAT1614A (option to tax land and buildings) and VAT642 (error correction) for taxpayers using paper applications.
- On 11 March, James Murray, Exchequer Secretary to the Treasury,

announced at the joint ICAEW and CIOT conference that HMRC will be introducing a new service for agents on 31 March to help escalate and resolve PAYE and self-assessment queries. An escalation service for complex cases was one of our ten key recommendations from our joint CIOT and ICAEW report ‘Tackling HMRC's customer service challenge’, which was published in December 2024 (see [tinyurl.com/y5hwuszc](https://tinyurl.com/y5hwuszc)).

- The CIOT had previously made representations recommending permitting employers to ‘self-service’ that ‘section 690 directions’ can be applied by them to a particular employee. Income Tax (Earnings and Pensions) Act 2003 s 690 allows employers to request a direction from HMRC that they can limit the application of PAYE to the proportion of a qualifying employee's employment income that will relate to work duties that are physically performed in the UK. Applications to HMRC for section 690 directions have been subject to long delays. Finance Act 2025 makes changes such that HMRC approval will no longer be required for section 690 treatment to apply and an auto acknowledgement from HMRC on submission of the application is all that is required. Essentially, HMRC will be adopting the process now, check later approach that the CIOT recommended in 2023.

### Parliamentary mentions

- At the Public Bill Committee stage of the passage of the Finance Bill 2024-25 through Parliament, the CIOT received 38 separate mentions in the debates, including for the ‘excellent CIOT’ and the ‘now-famous CIOT’. These mentions were made with respect of changes to the rules for:
  - employee-ownership trusts;
  - furnished holiday lets;
  - alternative finance;
  - annual tax on enveloped dwellings; and
  - non-dom foreign income and gains, and inheritance tax.
- In the Scottish Parliament, LITRG was called upon to give in-person evidence before the Housing and Planning Committee on the issue of council tax. The CIOT was also cited in a debate on the increase in employers' NIC.

### Other recognition of the CIOT's contribution

- The CIOT is recognised as a key stakeholder in the Welsh

government's Tax Policy Report for 2024 (see para 152 at [tinyurl.com/yc4wwrvz](https://tinyurl.com/yc4wwrvz)).

- The CIOT has been invited to join the Valuation Office Agency's Agent Working Group, which is helping to design and deliver changes to the business rates system to implement the new information duty that will begin to be rolled out from April 2026.

Chris Thorpe

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GENERAL FEATURE

## Changes to HMRC statistics publications 2025: CIOT response

CIOT has responded to a recent HMRC consultation on proposed changes to their statistics publications.

HMRC state they are committed to producing high value and good quality statistical publications that meet the needs of their users, while using their resources in the most effective ways. HMRC periodically consult on these publications so they can prioritise improvements to publications which are important to their users. In January 2023, we responded to HMRC's previous consultation on changes they were proposing to make (see [www.tax.org.uk/ref1047](https://www.tax.org.uk/ref1047)). In January 2025, HMRC launched a further consultation (see [tinyurl.com/bdcsfxze](https://tinyurl.com/bdcsfxze)), with a long list of further changes proposed.

In our response, we said that we support HMRC's commitment to producing high value and good quality statistical publications. This is because they help us and other stakeholders to evaluate whether government policy is meeting its stated objectives.

We took the opportunity to make some general points regarding HMRC's statistics, including:

- We believe that increased or more targeted publication of statistics could support the government's objectives for HMRC, particularly to reduce the tax gap. We recommended that HMRC consult with interested parties like us to explore how that might be achieved.
- We recommended the greater use of charts and tree maps, which can present large amounts of data in a clear manner, and bring to life what

might otherwise be largely indigestible data.

- We recommended that the full range of statistical data sets are made easier to find.
- We suggested that HMRC consult to identify any gaps in the statistics they produce, and whether those gaps can be filled.

Turning to the specific proposals, we welcomed that HMRC are exploring publishing more data in a machine-readable format, as this should help better analysis of the data and evaluation of trends. Regarding individual publications, our feedback included:

- Capital gains tax statistics: We said that these statistics might also be expanded to include data on cryptoasset disposals, as they will be separately reportable from 2024-25 onwards.
- Employee share scheme statistics: The proposal is to publish further statistics on the share incentive plan with regards to shares taken out of plan. We thought this information would be useful to users and that the burden of providing additional information to HMRC would be relatively minor.
- HMRC tax receipts and National Insurance contributions for the UK: We said that the statistics per heads of tax and the proportion they represent of GDP remain useful, as does Table 5: Annual Contribution by Tax, and they should be maintained.
- Tax-free childcare statistics: We referenced the anecdotal evidence of people reducing working hours to remain below £100,000 of adjusted net income (exceeding that threshold means tax-free childcare is lost) and whether HMRC might be able to identify (and consider publishing) information which reveals income levels for those with and without children, to detect any potential behavioural response to the income cliff-edge.
- Tax relief statistics: We queried what HMRC were planning by the proposal to 'shorten the length and to improve the accessibility of the commentary on the non-structural tax relief statistics'. We said that non-structural reliefs are one of the greatest areas of interest as they include policies which are designed to change or incentivise particular behaviours, so we cautioned against any proposals which reduce the extent of the data presented, as this will inhibit attempts to evaluate whether the reliefs are having their desired effect.

Our full submission can be found at: [www.tax.org.uk/ref1460](https://www.tax.org.uk/ref1460).

Richard Wild

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## PROPERTY TAX OMB LARGE CORPORATE Transforming business rates: CIOT response

The CIOT has responded to the government's discussion paper on Transforming business rates.

The government's objectives for reforming the business rates system in England are to protect the high street, encourage investment and create a fairer system. By 'fairer', the government means a system in which everyone pays their share and valuations are responsive to economic reality.

A broad theme of our engagement with business rates reform is that while historically business rates were regarded as more of a property cost, they are now increasingly recognised as part of the wider tax system, albeit one charged by reference to rental value rather than profit. There is therefore a case for considering business rates reform holistically in the context of the wider UK tax regime, while also recognising that business rates are integral to local government financing. Considering the relative importance and interaction of business rates and other tax factors (such as capital allowances) as part of the discussion is therefore a welcome part of a more holistic approach by the government.

We thought that the introduction of permanent lower multipliers for retail, hospitality and leisure (RHL) properties from April 2026/27 ends uncertainty about what future level of relief may be available to the sector annually through temporary reliefs. A stable permanent regime is better than a series of temporary measures. However, there is a clear need for ongoing evaluation of the changes (and of current reliefs) to ensure they meet their objectives.

However, the ability to introduce lower and higher multipliers for properties based on rateable value adds new cliff edges. Cliff edges are likely to be contrary to the government's objective of a 'fair' business rates system.

The additional lower multipliers (from 2026/27) based on property use (qualifying RHL use) will add complexity to the business rates system for ratepayers and for local government in terms of

valuation points and the nature of property use.

In terms of reliefs, we question whether awareness of improvement relief is sufficiently high among small businesses. The mechanism for granting the relief (demonstrating to the Valuation Office that the qualifying works condition and the occupation condition are satisfied followed by the issue of a certificate) imposes administrative burdens on the ratepayer and the Valuation Office.

The new obligations to notify changes in business rates liability should mean that the fact that improvements are being made will be notified to the Valuation Office. An easier approach for the ratepayer, and one more consistent with the wider tax system and 'self-declaration', would allow the claiming of the relief at the same time as the information notification is made.

The higher multiplier for properties with a rateable value of £500,000 is intended to fund the reduction in revenue from the new lower multiplier(s). However, we note that some non-domestic properties with rateable values of £500,000 or above are public buildings such as government buildings, and therefore the business rates liability is effectively funded by the government and the public sector. It would therefore appear that the 'base' available to fund the lower RHL multipliers is potentially inflated. We suggest that consideration might be given to evaluating the administrative and transparency benefits of removing public buildings from the rating system altogether.

A commitment to review the thresholds at the point of revaluation, particularly if the new multiplier for rateable value of £500,000 or above is recording a surplus, would appear consistent with the government's principles of a fair system and of encouraging investment.

The multipliers increase with inflation each financial year as measured by the Consumer Price Index (CPI) in order to maintain revenues in real terms but this can create adverse results in times of volatility. For example, in September 2023 CPI was 6.7% but by the time new rate bills came out in March 2024 it was half that amount. Consideration might be given to an alternative mechanism to smooth out short-term volatility in CPI.

The government's 'forward look' for business rates reform (see [tinyurl.com/4cx72sxj](https://tinyurl.com/4cx72sxj)) published on 17 February 2025 is helpful and welcome. We note that it covers announcements at Autumn Budget 2024 onwards and therefore does not include the information duty and

transparency reforms legislated for in the Non-Domestic Rating Act 2023 that will be rolled out from 2026 onwards. For completeness, we think it would be helpful to include these reforms in the timeline to remove any uncertainty arising from their omission.

The government's proposals for reform of business rates are understood to be *within* the current business rates system. There is no indication in the consultation document of an intention to consider a wholly new system of business property taxation or even fundamental structural reform of the current business rates regime. Such reform, affecting the tax base and/or the incidence of charge, could have significant effects, such as on lease structures, the rent rates equation within the rental market and property investment more widely. It would be helpful therefore if the government sets out a broad statement or mission statement on the *scope* of intended reform.

Kate Willis

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## INDIRECT TAX

### VAT and error corrections

The CIOT has been considering opportunities to simplify and/or improve VAT's error correction procedures and declaration routes. As part of its membership of the Joint VAT Consultative Committee and its sub-groups, the CIOT can submit its suggestion directly to HMRC for consideration.

These are some ideas that we have considered recently.

#### Thresholds

If businesses find errors in their VAT records, they can declare the correction amounts in the next VAT return only where the balancing value of such errors is below specific thresholds, calculated by adding all under and over declarations made in the previous four years, and comparing the balance due or repayable to HMRC with the thresholds. The amount can be corrected in the next VAT return if it is:

- less than £10,000; or
- if between £10,000 and £50,000, it is less than 1% of the total Box 6 outputs figure in the VAT return period where the error was discovered.

However, these thresholds do not apply to deliberate errors, which must be separately disclosed to HMRC and must be excluded from other error calculations.

The current error correction thresholds have been in place for VAT accounting periods that began on 1 July 2008 or later, so almost 17 years. Whilst it is unlikely that HMRC would change to an annual threshold review for error corrections, it would seem reasonable to undertake an uplift each decade or so. If we apply the Consumer Price Index from 2008 to the current day, the thresholds would be approximately £16,000 and £83,000. Increasing the thresholds for error corrections to be made via the next VAT return would reduce the amount of error correction declarations for both businesses and HMRC, reducing costs and resource time.

For further information, see VAT notice 700/45 'How to correct VAT errors and make adjustments or claims' (see [tinyurl.com/euazsdjc](https://tinyurl.com/euazsdjc)) or Regulation 34 to VAT Regulations 1995.

#### Method of declaration issues

Outside of the VAT return, there are three ways to declare an error correction of VAT:

- the online portal in the Government Gateway;
- VAT Form 652, which can be emailed or posted; and
- a long form written submission.

We discussed the reasons why businesses decide to opt out of using the online portal, which was mainly due to difficulties and the format of some questions, including identifying the date of error; that is, is it the first day the error was found, or later when the final figures are known/approved? There are also limited text boxes to provide explanations for complex errors.

#### Administration issues

The main issue was the difficulty of the timing of the payment to HMRC and we would like it to be easier to pay at the time of declaration without other administrative issues arising. As default interest is added to error corrections where a balance is due to HMRC, some businesses want to pay at the same time as making the declaration, particularly where the error is a large amount. However, this can result in an automatic refund or various misallocation issues which take resource time and costs to resolve.

#### Get involved

If members are aware of other error correction issues or have simplification or improvement suggestions, we would be interested in hearing from you. Please contact [technical@ciot.org.uk](mailto:technical@ciot.org.uk).

Jayne Simpson

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GENERAL FEATURE

## UK practitioners sought for participation in an international study on tax advisers

To gain a deeper understanding of tax advisers and their role within the tax systems of different countries, including the UK, a team of international researchers is seeking to interview UK tax practitioners willing to share both their perspectives and experiences.

This research is being carried out by Till-Arne Hahn (from HEC Montréal), Professor Dirk Kiesewetter and Josef Wunderlich (both from the University of Würzburg). It is part of a larger initiative on fiscal citizenship, initially led by Lynne Oats of the University of Exeter. An account of an event we attended last summer, hosted by the research team, which focused on the concept of fiscal citizenship, can be found in October 2024's Tax Adviser (see [tinyurl.com/3pac44ya](https://tinyurl.com/3pac44ya)). The article also contains a summary of some interesting and helpful preliminary insights from an exploratory sub-project, looking at why

people do and do not use tax advisers in different countries.

For the next phase of their research, the team aims to engage with about ten advisers in the UK to gather their experiences and perspectives. The team emphasise that this step is crucial for advancing the existing understanding of UK tax advisers' work and their role within society more widely, particularly given the dynamic nature of the field.

The team is particularly interested in hearing from sole practitioners and those working in small practices, as well as from professionals who cater for individual clients or the SME market. However, anyone willing to offering to share their insights is invited to participate. Given the focus of the broader project, it would be a bonus if practitioners have experience of serving immigrant communities, but this is not a prerequisite.

The results are expected to impact policies affecting practitioners and help in the development of the profession.

### Practicalities

Interviews will be around an hour in length but really depend on how much any given person is willing to share, in terms of their perceptions overall. The team's hope is to complete the

discussions by the end of July 2025 at the latest, but they are quite flexible in terms of timing.

For now, the plan is to conduct the discussions virtually (via Teams or Zoom), but conducting them in person could be an option, if there is a clear preference by some individuals for this (and if the team schedule enough discussions together, so that it would make sense logistically).

If you would like to participate in the research or would just like to know more about the fiscal citizenship project in general, please email me, with the subject line 'Fiscal citizenship project' and I will put you in touch with the team.

Meredith McCammond [mmccammond@litrg.org.uk](mailto:mmccammond@litrg.org.uk)

GENERAL FEATURE

## Scotland: Inquiry into the Scottish Budget process in practice: CIOT response

The Finance and Public Administration Committee of the Scottish Parliament published an inquiry into the Scottish budget process in practice. The CIOT responded.

The CIOT responded to the Finance and Public Administration Committee's inquiry into the Scottish budget process. The aim of the inquiry was to identify improvements that could be made to the budget process, ahead of the next five-year session of Parliament.

The CIOT focused their submission on the lack of a legislative vehicle that the Scottish government can use to implement the tax policy changes that are set out in the Scottish Budget.

There have been several instances where changes to tax policy have taken a considerable length of time to resolve. This is because there has been a lack of time available to introduce primary legislation into the parliamentary calendar. The Aggregates Tax and Devolved Taxes Administration (Scotland) Act 2024 is a recent example of tax legislation that highlights the need for a finance or tax bill, as a number of

long-awaited legislative changes were tagged onto Part 2 of the Act. The CIOT believe that a finance or tax bill would lead to more coherent and timely delivery of tax legislation, improving the effectiveness of the Scottish Budget and tax policy making.

The CIOT also touched on the importance of Scottish Budget engagement evolving with the way that Scottish taxpayers interact with the tax system and obtain their information on Scottish taxes. Budget Day generates a natural peak of engagement and interest in Scottish taxes but perhaps different communication strategies could be used to sustain engagement and improve understanding of devolved taxes.

The CIOT's response to the consultation can be found here: [www.tax.org.uk/ref1464](http://www.tax.org.uk/ref1464)

Lindsay Scott [lscott@tax.org.uk](mailto:lscott@tax.org.uk)

GENERAL FEATURE

## Scotland: Aggregates tax regulations: CIOT response

In January 2025, the Scottish government published a call for views on the proposed administrative regulations for the Scottish aggregates tax. The CIOT has responded.

The CIOT responded to the call for views on the proposed administrative regulations for the Scottish aggregates tax (SAT). Prior to the publication of the consultation, the CIOT provided feedback informally on the draft regulations through our involvement in the Scottish Aggregates Tax Advisory Group. As part of our input, we queried whether the issue and definition of a separate aggregates invoice was to be mandated for SAT.

The CIOT highlighted that there may be a commercial impact on operators of mandating the inclusion of the levy on their invoices, as this forms part of the operator's consideration when commercially pricing a supply. There are also cross border complexities. Despite the Partial Business and Regulatory Impact Assessment (which was completed as part of this consultation) stating that the recommendation was that SAT regulations were aligned with the fundamental structure of the UK aggregates levy, the UK aggregates levy regulators do not define a UK aggregates invoice.

If the definition of an invoice is to be mandated, we raised several points in the draft SAT regulations that would

require further clarity. The draft regulations provide that there is deliberate penalty under Revenue Scotland and Tax Powers Act 2014 s 182. We asked the Scottish government to consider the harshness of this where there may be unavoidable circumstances, such as weighbridge breaks or waiting for a weighing method to be agreed by Revenue Scotland.

The regulations proposed that a registrable person must make a return not later than 30 days following the end of the accounting period, which we highlighted is generally a short submission window, and much shorter than most other UK taxes.

From our engagement to date, we understand the Scottish government's desire to use the aggregates invoice and

returns to gather more information on the sector. We cautioned that increased administrative requirements are burdensome to taxpayers and it is important that this does not become disproportionate to the revenue being collected from SAT.

The Revenue Scotland and Tax Powers Act (Involved Third Party) Order 2015 is also to be updated to include third party inspection powers. The introduction of SAT is an opportunity to refresh and increase compliance in the sector in Scotland and avoid the longer-term impacts of non-compliance. We await further information on the plans for on-site compliance and inspection, but perhaps the delegation of such powers to a third party would be helpful given the practicalities of on-site

compliance checks across the country and to free up Revenue Scotland's capacity for dealing with the SAT in all other respects.

Detailed discussion on cross border transactions was scoped out of this consultation. The SAT will be one of the first devolved taxes in Scotland where there is a significant level of cross border transactions, some of which have an added degree of complexity where multiple parties or 'middlemen' are involved. Further consultation on cross border transactions is expected over the coming months.

The CIOT's response to the consultation can be found here: [www.tax.org.uk/ref1452](http://www.tax.org.uk/ref1452)

Lindsey Scott

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**CIOT**

**Date sent**

Transforming business rates <a href="http://www.tax.org.uk/ref1410">www.tax.org.uk/ref1410</a>	26/03/2025
Inquiry into the Scottish budget process in practice <a href="http://www.tax.org.uk/ref1464">www.tax.org.uk/ref1464</a>	27/03/2025
Scottish aggregate tax administration regulations <a href="http://www.tax.org.uk/ref1452">www.tax.org.uk/ref1452</a>	07/04/2025
Changes to HMRC Statistics Publications 2025 <a href="http://www.tax.org.uk/ref1460">www.tax.org.uk/ref1460</a>	08/04/2025

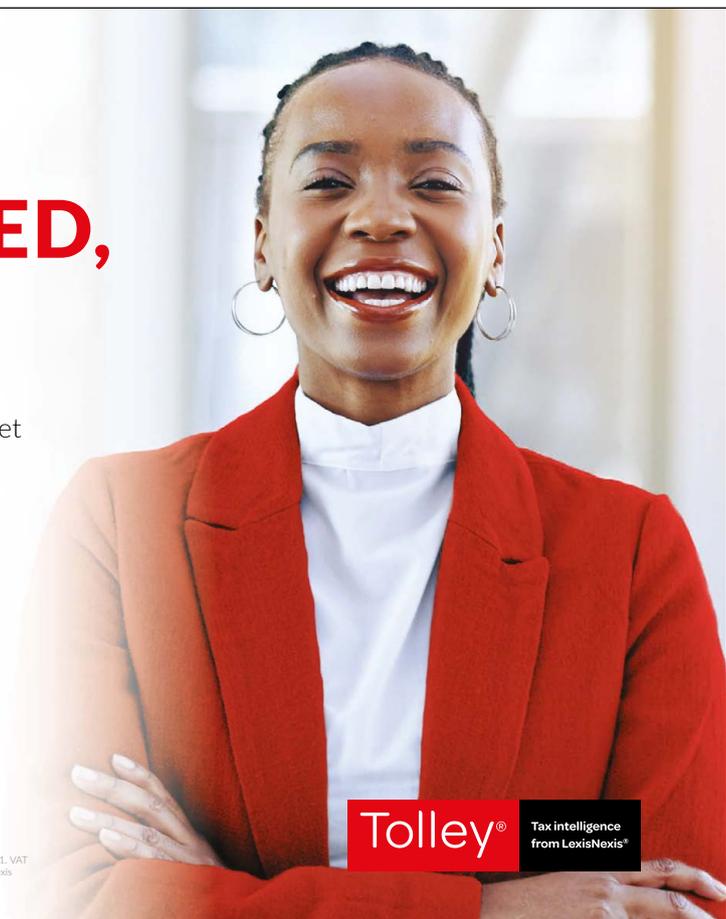
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## CIOT Officers

### CIOT's new team

CIOT has announced its new team of Officers for 2025-26. Current Deputy President Nichola Ross Martin will become the new President, with Paul Aplin as Deputy President and John Barnett as Vice-President. The appointments were formally approved by the CIOT's Council earlier this year and the officers will take up their new roles on 29 May at the Institute's AGM.



**Nichola Ross Martin** is the founder and former managing director of the Rossmartin.co.uk online tax resources and the Virtual Tax

Partner support service. She is now a tax consultant with 2020 Innovation, a lecturer, writer and web innovator. She

is a specialist in owner managed business taxes, reorganisations and reconstructions, share schemes, tax appeals and investigations.



**Paul Aplin** is a well-known tax writer and speaker, particularly on issues around tax administration and technology.

He previously worked as a tax partner at AC Mole & Sons and is currently an adviser to several software businesses. He chairs the Diploma in Tax Technology Committee. As a former president of ICAEW (2018-19), and expected to take the presidency of CIOT in 2026-27, he is set to become the first person to hold the position for both organisations.



**John Barnett** is a partner at law firm Burges Salmon. He is a specialist in private client taxation and chairs the Institute's Technical Policy

and Oversight Committee. He was a contributor to the 2020 Wealth Tax Commission, is a member of the CenTax Advisory Board and is a former chair of Presiding Judges for the STEP Private Client Awards.

Nichola Ross Martin said: 'I am thrilled and honoured to be taking on the role of President of CIOT at the end of May. I look forward to working alongside my fellow officers to help drive forward the Institute's important work and build on the work of my predecessor, Charlotte Barbour.

'I am looking forward to working with CIOT Council members and staff in 2025-26, and using my presidential year to meet more members, staff and other colleagues.'

## Making Tax Digital

### Rushed MTD timetable could lead to problems

The 'rushed' timetable for Making Tax Digital (MTD) gives no time for feedback and refinement of the new digital tax return regime, says ATT.

The Spring Statement included the announcement that MTD will be extended to 900,000 individuals with property or self-employment income of £20,000 or more from 6 April 2028. They will follow the previously confirmed start dates of April 2026 for those with more than £50,000 of income from these sources; and April 2027 for those with £30,000 and over.

Tax returns for the first group of MTD taxpayers will be due by 31 January 2028, meaning that HMRC will have just two months to review their experiences and make any necessary changes before the additional 900,000 taxpayers are brought into the regime from April. The ATT has warned this there is not time to conduct an effective review of MTD and that any problems are likely to be rolled over onto subsequent cohorts of taxpayers.

Emma Rawson, ATT's Director of Public Policy, said: 'This announcement

came as a surprise. Almost one million more taxpayers are due to be brought into the scope of MTD in April 2028, just two months after the first wave of taxpayers have completed their first compliance cycle under the new regime.

'We're concerned that this rushed timetable won't allow for sufficient time to review outcomes for the first group of MTD taxpayers, and to make any changes needed before the newest cohort comes in. This risks exacerbating any initial problems with the regime.

'The April 2028 expansion of MTD will also bring in lower income taxpayers, who may be less able to afford professional advice and specialist software to help them transition to and comply with MTD. This makes having an efficient, simple MTD compliance process and clear guidance all the more important.'



## CTA

### Changes to the CTA qualification

A quick reminder! The CIOT is inviting feedback on proposed changes to the Chartered Tax Adviser (CTA) qualification.

The Institute is aiming to modernise the qualification so that it remains relevant to the market and fit for the future, while retaining its high academic quality and standards.

To facilitate this, we are conducting a 12-week consultation, open from 7 April to 30 June, and are seeking input from students, prospective students, members, employers and other stakeholders. The consultation outlines our proposals for the CTA qualification and introduces a Professional Skills and Competencies Framework, which defines the skills and competencies expected of a qualified Chartered Tax Adviser.

Full details of the proposed changes can be found in the article by Kelly Sizer on page 10. You can also read the consultation document and respond at: [www.tax.org.uk/ctareview](http://www.tax.org.uk/ctareview)



## LITRG

## Third party software concern

CIOT's Low Incomes Tax Reform Group (LITRG) has expressed concern about HMRC's plan to require taxpayers in the Making Tax Digital programme to complete their Self Assessment tax returns using third party software, making it harder for some unrepresented taxpayers to meet their tax obligations.

Sharron West, technical officer at LITRG, said: 'Since Making Tax Digital was first announced, we have been clear that HMRC should provide free software, like they do for Self Assessment, rather than rely on third party companies to help people comply with the new record keeping and reporting rules.'

LITRG has pointed out that while HMRC say there will be free software available to meet the needs of smaller businesses, there are currently a very

limited number of free packages on the market. Additionally, it is not yet clear what functionality the free products will have, what limitations there might be, and what kind of support will be offered (if any) to users who run into difficulties.

'HMRC are unlikely to be able to directly support taxpayers with their Self Assessment filing, pushing them towards third party software companies to get the help they need,' said Sharron. 'This is unsatisfactory and does not align with HMRC's charter commitment to support people to meet their tax obligations.'

LITRG has called for HMRC to consider granting more MTD exemptions and delaying the imposition of penalties for late filing or inaccurate tax returns until the system beds in to help those who struggle with the new requirements.

## In the news

Coverage of CIOT and ATT in the print, broadcast and online media

'We welcome the government's focus on simplifying the tax system and improving customer service – rightly two key priorities for HMRC as the tax authority heads into its third decade. A more straightforward, easy to navigate tax system could free up business owners and managers to focus on growing their businesses, rather than spending their days overcoming bureaucratic hurdles.'

*CIOT's Ellen Milner, quoted in Your Money (Daily Mail) and more than 90 regional titles, commenting on the tax minister's announcements at the CIOT-ICAEW conference marking 20 years of HMRC, 13 March*

'Professional bodies acknowledge that HMRC has a difficult balancing act to protect the public purse from the R&D credit abuse it has suffered, while also supporting legitimate claims. "It is a challenging compliance landscape, people are walking away from claims and that's a failing of the relief but at the same time, there was a lot of fraud and error and they've got to do something about that," says Emma Rawson, director of public policy at the ATT.'

*Financial Times, 14 March (article also quoted CIOT)*

'It's really important to note that the amount you can get tax free is staying at £1,000. The only thing that's moving is when you have to file a tax return... HMRC are going to have to be incredibly clear when they write out to people in their communications.'

*Emma Rawson of ATT on Radio 4 Money Box, 15 March. ATT's Helen Thornley appeared on the same show on 29 March*

'As well as those selling "goods" on sites such as eBay and Vinted, those who sell "services" via online platforms may also be liable for tax. According to the LITRG, "seller statements" may also get sent to the likes of Uber drivers and Deliveroo delivery drivers.'

*Telegraph, 21 March*

'The Chartered Institute of Taxation, a body for tax professionals, says getting in sync with other countries would increase efficiency and reduce friction.'

*The Economist, 27 March, exploring why the tax year ends on 5 April*

## Compliance

## Institute comments on tax debt plans

The Spring Statement announcement of additional resources for debt collection and compliance was welcomed by CIOT but the Institute is calling on the government to target its compliance efforts appropriately.

The government has said it will invest a total of £201 million in HMRC over the next five years to collect more unpaid tax debts, including recruiting an additional 600 debt management staff and boosting existing partnerships with private sector debt collection agencies, which is forecast to bring in an additional £2.8 billion in tax over the period.

Ellen Milner, CIOT Director of Public Policy, said: 'Whilst we have no sympathy with those taxpayers who are refusing to pay what they owe and we support the government's attempts to tackle them, there will also be people who are struggling to pay and those who are legitimately disputing HMRC's figures.'

'Using debt collectors in those situations is unlikely to be appropriate or successful. Instead, HMRC will need to provide these people with the right support and help so that their debt issues can be resolved in a timely and efficient fashion. In short, the solution to tackling the overall level of unpaid tax debt demands a holistic approach from HMRC.'



Ellen Milner

We would like to see this emerge over the coming months and years.'

The government has also announced increases to late payment penalties, to 3% (currently 2%) of the tax outstanding where tax is overdue by 15 days, plus a further 3% (currently 2%) where tax is overdue by 30 days, plus a charge of 10% per annum (currently 4%) where tax is overdue by 31 days or more.

Spotlight



# Technical Spotlight on the Customer Services for Tax Agents and Representative Bodies Working Group

The Customer Services for Tax Agents and Representatives Bodies Working Group (CSTARB) was initially formed in 2024 to focus on HMRC agent dedicated customer service for personal tax.

The CSTARB Working Group was set up by HMRC in late 2024 in response to the continuing issues around declining HMRC customer service. Membership of the group includes HMRC (from Personal Tax Operations), the ATT, the CIOT, other professional bodies and tax agents in practice. The group currently meets every two months but there is opportunity for more regular informal discussions with HMRC if required.

The main aim of the group is to provide a regular opportunity for tax agents and professional bodies to provide feedback on current service levels and work collaboratively to suggest improvements to HMRC agent dedicated services. The activities of this group include the following:

- **Monitoring the operational performance of agent dedicated services:** There is an opportunity for attendees to provide feedback on

performance to HMRC, as well as for HMRC to share current or emerging risks to services, and to gather insight as to the impact to tax agents and their taxpayers.

- **Improve and develop customer services for tax agents:** One of the main objectives of this group was to share the challenges and experiences of HMRC agent customer services. It seeks to develop mutual understanding of the issues between HMRC, professional bodies and tax agents, and to identify potential opportunities for improvement. The group will then work collaboratively to explore these potential ideas for improvement, both during design and post-implementation.
- **Insight, feedback and other opportunities:** Beyond feedback on current performance, there is an opportunity to share insight, ideas

and feedback with HMRC to help shape new strategies in agent services. There is the opportunity for this group to be used for bespoke tasks and to identify opportunities for digital and technical training for tax agents and HMRC advisors.

The group has recently been working collaboratively with HMRC on the introduction of a dedicated escalation route for agents with Self Assessment and Pay as You Earn queries that are over four weeks old. The CIOT welcomed the introduction of this service on 31 March, which was one of our ten key recommendations from our joint CIOT/ ICAEW report ‘Tackling HMRC’s customer service challenge’.

This service can be accessed via the Tax Agents Handbook on GOV.UK at [tinyurl.com/askydx3r](https://tinyurl.com/askydx3r) (under ‘Check progress and service levels’). It currently operates via a dedicated email mailbox, although this may be updated and changed in the future.

The service is currently focused on PAYE and Self Assessment queries but may be extended in the future.

**We welcome member feedback on this new escalation service, and any other aspect of HMRC customer service, to feed into our ongoing work in this area and with the CSTARB group.**

**Please send any feedback to us at  
CIOT: [technical@ciot.org.uk](mailto:technical@ciot.org.uk) or  
ATT: [atttechnical@att.org.uk](mailto:atttechnical@att.org.uk).**

CIOT



## Introducing our newest ADIT Champion

We are delighted to welcome a new ADIT Champion, to lead the fast-growing ADIT community in Egypt.

Mohamed Abdelfatah will represent around 200 tax professionals across the country who have chosen to pursue ADIT certification, while helping us to spread the word about the practical and career benefits of international tax learning.

A Certified Management Accountant and US Certified Public Accountant, Mohamed is a partner at ATC Group with extensive experience in local and international tax practice. With an extensive contact network, Mohamed is equipped to help the CIOT build relationships with key employers and

stakeholders across Egypt and inspire fellow tax practitioners to choose ADIT.

Speaking of his aims as an ADIT Champion, Mohamed says: ‘International tax is a dynamic and evolving field, and I am deeply committed to continuous learning and professional engagement. As an ADIT Champion, I am eager to promote the qualification and strengthen the International Tax Affiliate network in Egypt. I plan to achieve this by attending webinars, events and collaborations with local tax societies and professionals. Egypt presents a strong opportunity for growth in this field, as there is a growing demand



Mohamed Abdelfatah

for expertise in international tax.

‘I am honoured to contribute to the ADIT community in this capacity and look forward to the possibility of working closely with the CIOT to enhance awareness and engagement in Egypt.’

**Nine ADIT Champions, all of whom hold the qualification, now serve our communities in countries and regions around the world. To find out more about our Champions, visit: [www.tax.org.uk/adit/champions](http://www.tax.org.uk/adit/champions).**

## Anti-money laundering

# Anti-Money Laundering Supervision: your 2025/26 AML renewal

Handy tips and guidance for completing your submission.

Members currently AML supervised by CIOT and ATT will receive an email reminder to renew their supervision at the beginning of May when the 2025/26 renewal application process goes live. Here are our top tips to help you complete this year's renewal:

1. You can access your renewal either through the link in the email, or by logging into your member account at: [tinyurl.com/yy7j459v](https://tinyurl.com/yy7j459v)
2. The form works best if accessed through the following browsers:
  - Microsoft Edge v86 or higher
  - Google Chrome v86 or higher

Members have reported problems when using Firefox and Internet Explorer so these browsers are best avoided.

3. Your AML renewal form and fee payment **must** be completed by midnight on **31 May 2025**. You will be directed to pay online immediately after you have submitted the form. **If your fee payment is outstanding after 31 May, you will have failed to renew your AML supervision on time** (see point 4 for consequences).
4. It is a **legal obligation** under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended, to be supervised for AML. If you fail to

renew on time, you will be fined or referred to the Taxation Disciplinary Board.

5. The cost of annual supervision for 2025/26 is £350. The AML supervision year covered is from 1 June 2025 to 31 May 2026.
6. Please ensure the name of your business is correct, particularly if you intend to register as an Authorised Corporate Service Provider (ACSP) at Companies House. If you need to change the name listed on your AML renewal form, please email us at [aml@tax.org.uk](mailto:aml@tax.org.uk). You can still submit your form as we will update the details directly on the register.
7. There is a new question (Q.49) included this year regarding cyber-attacks and data breaches. If your firm has experienced a cyber-attack or data breach in the last 12 months, please provide details of the attack and how it was addressed.
8. From our review of answers in the form, some members appear to be unclear on what Trust or Company Service Provider (TCSP) work constitutes. We recommend that you review the guidance (see links below) on TCSP work **before** you begin completing the form to be able to answer this question correctly.

See the sections on 'HMRC TCSP register Q&A for businesses' for CIOT members ([tinyurl.com/v46x9tyk](https://tinyurl.com/v46x9tyk)) or ATT members ([tinyurl.com/](https://tinyurl.com/)

3vw8zu58) for further information on these services.

9. At Q.35, you are asked: 'Do your AML policies and procedures ensure you undertake all sanctions related checks necessary as part of your client due diligence procedures to ensure you are allowed to act for a client?' This continues to be important given the ongoing Russian sanctions in place following Russia's invasion of Ukraine. Further information can be found on the CIOT website ([tinyurl.com/bdcyr58y](https://tinyurl.com/bdcyr58y)) and the ATT website ([tinyurl.com/2nr26dkn](https://tinyurl.com/2nr26dkn))
10. For sole practitioners or sole traders, on questions that relate to 'all staff and principals', you should include yourself as a principal in your response (except for Q.39, which relates to communicating policies and procedures to staff where you can put 'N/A').
11. When putting the number of beneficial owners, officers and managers (BOOMs) on your form at Q.52, please remember to include yourself. See section 3.2.5 of AML Guidance for the Accountancy Sector ([tinyurl.com/25pw6naw](https://tinyurl.com/25pw6naw)) to assess who is included as a BOOM.
12. Relating to Q.53, you do not need to repeat criminality checks for existing BOOMs but you do need to carry out criminality checks for any **new** BOOMs appointed on or after 1 June 2024 (if you have not done this already) and email the results to us separately at [aml@tax.org.uk](mailto:aml@tax.org.uk).
13. There is a function at the end for you to review your answers and, if necessary, edit any errors before you submit the form. This is particularly helpful when completing the form on a mobile phone, as experience has shown that it is easy to hit the wrong button and give an erroneous non-compliant answer.

## AGM

# Chartered Institute of Taxation: Notice of Annual General Meeting

The Annual General Meeting of Members of the Chartered Institute of Taxation will be held on Thursday 29 May 2025 at 16.45. The meeting will be held via Zoom.

Civica have been appointed as scrutineers for the CIOT AGM 2025. Access to the AGM Notice, Annual Report

and Statutory Accounts and information regarding those standing for election to Council was provided through links in an email, sent to members by Civica in late April. The Civica proxy voting site can also be accessed via that email, together with information on how to book attendance at the virtual AGM.

There will be a reminder email sent in May.

If you prefer to receive a hard copy of the proxy form, please email: [support@cesvotes.com](mailto:support@cesvotes.com) or telephone: 0208 889 9203 and a form will be sent to you in the post with a reply-paid envelope. You will have until 27 May 2025 at 10am to return the form.

 **A copy of the proxy form, AGM Notice and Annual Report and Statutory Accounts are also available on the Institute's website at: [www.tax.org.uk](https://www.tax.org.uk)**



## Conference

# Join CIOT and ATT for the inaugural Tax Technology Conference: 4 June 2025

Step into the world of Tax Technology at the new dedicated in-person conference, taking place at the ICC Birmingham on 4 June 2025, designed for a range of professionals working in the tax sector.



## Tax Technology Conference 2025

Wednesday 4 June 2025, The ICC, Birmingham

Whether you're a sole practitioner, part of a small, mid-size or large firm, or working in a government or in-house tax team, this event is relevant for you.

### Why attend?

Whether you are new to AI and tax technology, or already implementing these advancements, the conference offers something for everyone. You will gain insights from expert keynote speakers, join interactive breakout sessions, explore the demonstration and exhibition area, and network with peers and industry leaders.

### What to expect

The educational programme structure will provide a balanced, informative and engaging experience of the current and future tax technology landscape, and what that means for tax practices in terms of preparation, safe adoption and advancing ethical AI in tax.

Highlights include:

- technical tax updates covering recent changes in tax laws, regulations, Making Tax Digital (MTD) and anti-money laundering (AML) compliance requirements;
- an AI Tax Tool Showcase with live demonstrations and hands-on experiences;
- a panel discussion on 'Ethical considerations in AI Tax Solutions'; and
- experience breakout sessions offering interactive workshops on various AI and tax technology topics.

### Featured sessions

- A Keynote Address will explore the intersection of tax, technology and the impact of AI on the profession, delivered by Professor Michael Mainelli, Chairman of Z/Yen Group and former Lord Mayor of the City of London.
- Technical Tax Updates will focus on the latest updates on HMRC's Transformation Programme including digitalisation, AI and MTD, and updates on the principles of professional conduct in relation to tax (PCRT) and other professional standards, as they relate to the use of AI.
- Best practices for implementing tax technology, where you will learn about the key principles of the AI Management Essentials (AIME) tool, which offers practical support to SMEs on existing AI regulations, standards and frameworks enabling you to assess and improve your current and future AI management systems and practices.

Plus many more... All of the sessions will be delivered by our diverse lineup of expert speakers, who will ensure an engaging experience for all and their range of expertise.

### Speakers

The conference will be hosted by Helen Whiteman, CEO of CIOT, and Jane Ashton, CEO of ATT. It will be chaired

by Paul Aplin OBE, of the CIOT Presidential team, and includes an impressive speaker lineup including:

- Jonathan Athow, Director General, Customer Strategy and Tax Design, HMRC;
- Dr Amy Dickens, AI Assurance Lead, Department for Science, Innovation and Technology;
- Xiaoshan Sun, Tax Technology Lead, Deliveroo;
- Craig Ogilvie, Director of Making Tax Digital, HMRC;
- Graham Tilbury, Partner, WTS Hansuke;
- Priya Vijayarathy, Director of Data & AI, Deloitte; and
- Matthew Woolgar, PwC, Tax Transformation Leader.

As well as exploring the latest advancements and best practices in AI and technology in taxation, by attending you will also benefit from:

- networking opportunities throughout the day with peers, industry leaders and innovators;
- enhanced professional development with lectures that count towards your CPD; and
- a closing drinks reception hosted by both the CIOT and ATT Presidents to wrap up the day.

 **Secure your place now to be part of the future of tax technology at: [www.taxtechnology.org.uk](http://www.taxtechnology.org.uk)**

## Awards

# ATT awards recognition



The ATT is delighted to have been shortlisted in the Outstanding Contribution to Taxation in 2024-25 by a Not-for-profit Organisation category at the Tolley's Taxation Awards 2025.

This represents the third time in a row that the ATT have been shortlisted in

this category.

ATT Director of Public Policy, Emma Rawson said: 'Being shortlisted yet again for this prestigious award is a testament to the ongoing hard work and dedication of the ATT technical team. We are up against some strong competition but are

Finalist of

**Tolley's** **TAXATION**  
Awards 2025

hoping to repeat our success from 2023 and bring home the trophy once more.'

The winners will be announced at the Taxation Awards ceremony in London on 8 May. Keep an eye on the ATT website and social media channels for more updates.

## Volunteering

### How can you help?



Tom Wallace shares his story of volunteering with the ATT, how you can use your own skills and experience to benefit other members, and how it can help your own career progression.

**H**ave you ever taken a moment to understand how the ATT's operational structure works? If you have, you may have realised that at its core is a network of dedicated volunteers – members who give their time alongside their day jobs to contribute their knowledge and expertise. This effort ensures the Association continues to operate as the leading professional body for those in tax compliance, and to meet its charitable aims of education, development and the public interest.

But have you ever thought about how *you* could help?

#### How I became involved

My own volunteering journey with the ATT began two years ago when the Online Branch was first being formed. As a new Branch, it was looking for volunteers to sit on the committee and support the Chair in finding engaging speakers and arranging relevant events for members. I'd built up a strong network over my career, and when I saw the call for volunteers, I thought: 'I can help here.' I had connections with people doing interesting things in the tax world – technical experts, industry voices and policy specialists – and I wanted to bring that value to the membership.

That first step quickly led to more involvement. Through Branch work, I got to know the ATT's technical officers and began to understand the vital work they do – and how it's supported by the Technical Steering Group (TSG). I expressed interest in joining the TSG, was invited to observe a meeting and soon after that became a full member of the group. Then, at the end of last year, I applied to join Council and was voted on at the December meeting.

These three areas – Branches, technical work and Council – felt like natural places where I could contribute, based on my experience to date. But what's clear to me now is that *any* member can find their place in the ATT's volunteer structure.

#### How can you benefit?

With seven steering groups and committees, a thriving Branch network that spans the UK and beyond, and the Council itself, there are opportunities to get involved at all levels – and in a wide

variety of ways. What you get in return is far more than the satisfaction of giving back – though that's certainly part of it. Volunteering with the ATT offers real professional and personal development.

You will build skills that translate directly into your day-to-day career – from understanding how a charitable organisation is governed to engaging with HMRC and government. You will also learn many more practical things, such as how to chair meetings effectively, how to contribute meaningfully to technical consultation responses, and even how to communicate your expertise on social media.

There are CPD opportunities along the way, both formal and informal, and the chance to learn from fellow volunteers from every corner of the tax profession.

#### How can you help?

So, what is the Association looking for in a volunteer?

To start with, you don't need to have decades of experience or a senior title in your firm. Whilst a handful of committees have minimum post-qualification requirements, most don't. In fact, many roles simply require that you're a current member and are willing to engage. The key qualities are reliability, curiosity and a willingness to share your own perspective.

All that's asked of you is to attend meetings regularly, prepare thoughtfully and contribute to discussions with the knowledge and experience you already have. If you can do that, you will be adding value from day one.

And don't underestimate what *you* might bring to the table. Whether you're from a big firm or a small practice, an in-house team or self-employed, just starting out or well-established – your insight is relevant. The ATT needs a wide range of voices and experiences to reflect its diverse membership. It's through that variety that the Association can remain responsive, inclusive and forward-looking.

If you've read this far and feel a flicker of interest, I'd encourage you to take the next step. Reach out to your local Branch. Get in touch with the ATT team and ask what opportunities are available. You don't have to commit to a major role straight



Tom Wallace

away – there are many ways to get involved on a smaller scale, from helping with a single event to contributing to a piece of guidance or writing for the website.

Volunteering has been one of the most rewarding parts of my professional journey. It has broadened my network, deepened my knowledge and given me a sense of being part of something bigger – something that helps shape the profession I care about.

So, if you've ever wondered how the ATT works behind the scenes – or how you might play a part in it – now is the time to explore. You never know where that first step might lead.

*Tom Wallace*

#### SCHOOLS AND CAREERS FAIRS

You could also consider volunteering at schools and careers fairs, as sharing your knowledge and passion for tax can inspire the next generation to consider a rewarding career in the profession. Whether you're presenting to students about real-world tax challenges or showcasing the diverse opportunities in this field, your role as a volunteer helps demystify tax and highlights its critical importance in society.

ATT's Technical Officer Steven Pinhey leads on ATT's involvement in schools and careers fairs. If you are a member and are interested in going into a school as an ATT representative to present or have a stand at a careers fair please can you let Steven know. We also have resources and merchandise available to support you, please take a look at our Volunteering at Schools and Careers Fairs page: [www.att.org.uk/volunteer-schools-toolkit](http://www.att.org.uk/volunteer-schools-toolkit).

# Disciplinary reports

## CONSENT ORDER

### Mr Rezahussain Hooda

On 28 January 2025, with the agreement of Mr Rezahussain Hooda of Fareham, United Kingdom, a member of the Chartered Institute of Taxation (CIOT), the Investigation Committee of the Taxation Disciplinary Board made an Order pursuant to Regulation 8.2 of The Taxation Disciplinary Scheme Regulations 2014 (as amended 2016 and 2024) that Mr Rezahussain Hooda be:

- censured; and
- fined the sum of £500 for the proven Charge; and
- required to pay a sum of £730 by way of costs.

The Order was in respect of alleged breaches by Mr Rezahussain Hooda of the following Rules of the Professional Rule and Practice Guidelines 2018 (as amended 1 January 2021):

1.7 A member owes a duty not to act in such a way as to bring CIOT/ATT into disrepute, or in any way which would harm the reputation or standing of CIOT/ATT. Further, a member may have duties and obligations to other regulators and professional bodies, for example, HMRC or the Financial Reporting Council, and should have regard to these as relevant.

#### 2.6.3 A member must not:

- perform their professional work, or conduct their practice or business relationships, or perform the duties of their employment improperly, inefficiently, negligently or incompletely to such an extent or on such number of occasions as to be likely to bring discredit to themselves, to the CIOT or ATT or to the tax profession;
- breach the Laws of the CIOT or ATT; and
- conduct themselves in an unbecoming, unlawful or illegal manner, including in a personal, private capacity, which tends to bring discredit upon a member and/or may harm the standing of the profession and/or the CIOT or ATT (as the case may be). For the avoidance of doubt, conduct in this context includes (but is not limited to) conduct as part of a member's personal or private life.

## CONSENT ORDER

### Ms Kathryn Louise Varney

On 24 June 2024, with the agreement of Kathryn Louise Varney of Bury St Edmunds, a member of the Chartered Institute of Taxation (CIOT), the Investigation Committee of the Taxation Disciplinary Board made an Order pursuant to Regulation 8.2 of The Taxation Disciplinary Scheme Regulations 2014 (as amended 2016 and 2024) that Kathryn Louise Varney be:

- censured; and
- required to pay a sum of £730 by way of costs.

The Order was in respect of alleged breaches by Kathryn Louise Varney of the following Rules of the Professional Rule and Practice Guidelines 2018 (as amended 1 January 2021):

2.14.1 A member must inform the CIOT or ATT in writing addressed to the Head of Professional Standards CIOT or ATT as appropriate, within two months if they are:

- arrested on suspicion of, charged with or convicted of a criminal offence (a criminal offence includes an offence committed in the United Kingdom or abroad);
- on or after 1 January 2021, convicted of Summary only road traffic offences; or
- on or after 1 January 2021, have accepted a caution for a criminal offence.

A member must supply details of the nature of the allegation, conviction or caution and provide such relevant information in relation to it as is reasonably requested.

## CONSENT ORDER

### Mr Neil Heavens

On 31st March 2025, with the agreement of Mr Neil Heavens of Swindon, a member of the Chartered Institute of Taxation (CIOT), the Investigation Committee of the Taxation Disciplinary Board made an Order pursuant to Regulation 8.2 of The Taxation Disciplinary Scheme Regulations 2014 (as amended 2016 and 2024) that Mr Neil Heavens be:

- censured; and
- required to pay a sum of £730 by way of costs.

The Order was in respect of alleged breaches by Mr Neil Heavens of the following Rules of the Professional Rule and Practice Guidelines 2018 (as amended 1 January 2021):

1.7 A member owes a duty not to act in such a way as to bring CIOT/ATT into disrepute, or in any way which would harm the reputation or standing of CIOT/ATT. Further, a member may have duties and obligations to other regulators and professional bodies, for example, HMRC or the Financial Reporting Council, and should have regard to these as relevant.

#### 2.6 Professional behaviour

##### 2.6.2 A member must:

- uphold the professional standards of the CIOT and ATT as set out in the Laws of the CIOT and ATT;
- take due care in their professional conduct and professional dealings.

##### 2.6.3 A member must not:

- perform their professional work, or conduct their practice or business relationships, or perform the duties of their employment improperly, inefficiently, negligently, or incompletely to such an extent or on such number of occasions as to be likely to bring discredit to themselves, to the CIOT or ATT or to the tax profession;
- breach the Laws of the CIOT or ATT; and
- conduct themselves in an unbecoming, unlawful, or illegal manner, including in a personal, private capacity, which tends to bring discredit upon a member and/or may harm the standing of the profession and/or the CIOT or ATT (as the case may be). For the avoidance of doubt, conduct in this context includes (but is not limited to) conduct as part of a member's personal or private life.

 The consent orders can be found on the Taxation Disciplinary Board's website at: [www.tax-board.org.uk](http://www.tax-board.org.uk)

The Taxation Disciplinary Board is an independent body that runs the complaints and disciplinary scheme for the CIOT and the ATT. It is currently recruiting new tax professional panel members. For further information, please see: [tax-board.org.uk/vacancies](http://tax-board.org.uk/vacancies)

## Appointment

New ATT Technical Officer: Autumn Murphy



The Association is pleased to announce the appointment of Autumn Murphy as Technical Officer.

Autumn's tax career began in Guernsey in 2018 with Ernst & Young and then Grant Thornton, where she gained valuable experience in both UK and Guernsey tax compliance.

In 2021, Autumn returned to the UK and joined Haines Watts in Manchester, initially focusing on corporation tax compliance before quickly transitioning to working on projects and advisory services. During her time at Haines Watts, she provided advisory services across a wide range of areas, expanding her experience beyond compliance to address the full range of issues facing owner managed businesses (OMB).

In 2024, Autumn started work as a tax writer, editor and advisor at Rossmartin.co.uk, where she created practical resources, guides and webinars. She made significant contributions to updating and rewriting the site's content, including guides on Research and Development, Creative Tax Relief and Making Tax Digital. Additionally, Autumn provided advisory services, supporting accountants with OMB advisory work.

Autumn is a Chartered Certified Accountant and became a Chartered Tax Adviser in 2022, earning several awards. She was awarded the John Tiley Medal for the highest mark in the Advanced Technical Taxation of Major Corporates paper, the Gilbert Burr Medal for the highest mark in the Advanced Technical paper on Taxation of Owner Managed Businesses, and the Croner-i Prize for the highest distinction in an Advanced Technical paper. She was also awarded the Institute Medal for completing the CTA qualification with first-time passes in all required exams and achieving the best overall performance.

Autumn is passionate about supporting ATT and CTA students, drawing on her own experiences to help others excel in their exams. She frequently participates in and runs webinars focused on exam study techniques. Outside of work, she enjoys running, pilates, and reading.

Autumn has attended branch events in Manchester and is looking forward to contributing to the work of the ATT in her new role.



Autumn Murphy

## A MEMBER'S VIEW



# Diana Gajdosova

Tax Assistant, Corporate Tax Central Technical, KPMG LLP

This month's ATT member spotlight is on Diana Gajdosova, Tax Assistant at Corporate Tax Central Technical, KPMG LLP.

### How did you find out about a career in tax?

My introduction into the world of tax began with the tax classes I took as part of my degree. After graduating, I accepted a support role within a GMS team. This opportunity was a turning point for me, as it revealed the exciting career possibilities in tax and introduced me to the ATT/CTA tax pathway. After a few months in this role, I wanted to challenge myself by learning more about corporate tax. Pursuing the ATT qualification became the natural and exciting next step in my journey.

### Why is the ATT qualification important?

The ATT qualification provides you with essential knowledge of the UK tax system, serving as a solid foundation upon which you can build your expertise, while also offering you the opportunity to explore and discover the area of tax that may interest you. Moreover, holding the ATT qualification is an excellent grounding before pursuing CTA qualification, which is recognised as the leading industry standard.

### Why did you pursue a career in tax?

Tax is constantly evolving. Contrary to popular belief, it's not just a set of rules. This dynamic nature provides me with the opportunity to learn and adapt to something new almost every day, making the field both challenging and rewarding.

### How would you describe yourself in three words?

Analytical, creative and resilient.

### Who has influenced you in your career so far?

People around me. I am fortunate to work alongside colleagues from different teams and diverse backgrounds. The tutors at BPP and Tolley have also greatly influenced my career journey, providing

invaluable guidance and support during my studies.

### What advice would you give to someone thinking of doing the ATT qualification?

Go for it! Don't worry too much if you fail any exams; each attempt brings you one step closer to success, and it's all part of the journey.

### What are your predictions for tax advisers and the tax industry in the future?

I anticipate that tax will continue to evolve in response to economic and political shifts. Tax advisers and clients will likely leverage AI tools to streamline routine tasks, enhance automation and use it as first point of call for tax technical analysis. Investing in in-house knowledge will increasingly become more important in keeping AI capabilities up to date. Additionally, with governments increasingly using tax policy to reach environmental and social targets, ESG tax will become an even more important topic, influencing tax strategies and decision-making processes.

### What advice would you give to your future self?

Always question the why and envision the outcome.

### Tell me something about yourself that others may not know about you.

I have a three year old golden retriever named Odi. His favourite game is to play hide and seek, and he's surprisingly good at it! However, despite his intelligence, I have not been able to teach him to fetch.

## Contact

If you would like to take part in A member's view, please contact: Melanie Dragu at: mdragu@ciot.org.uk

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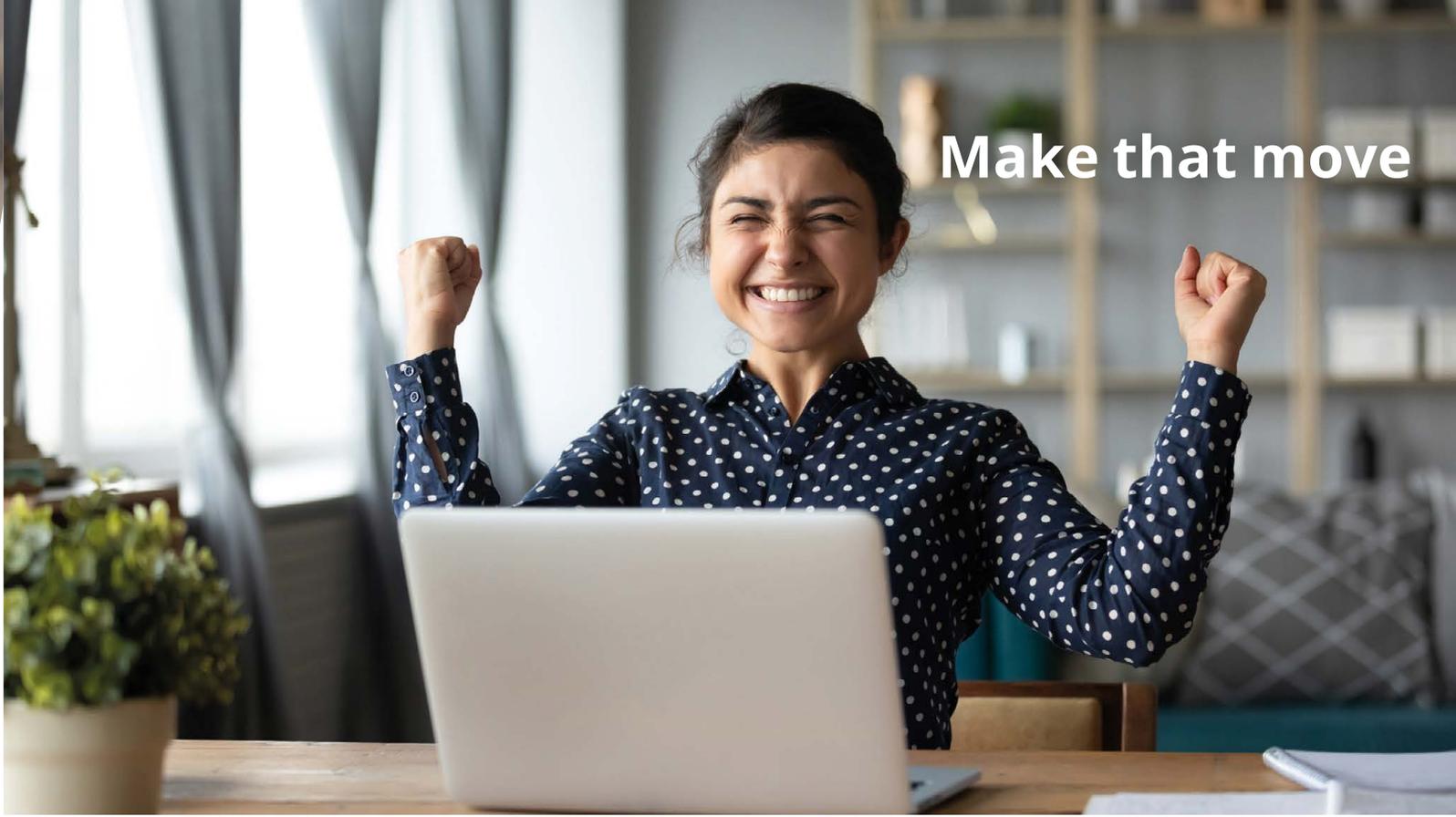
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Cambridge, Guildford, London  
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**Personal Tax Associate Directors**  
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**Trust Senior Managers / Managers**  
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Canterbury, Guildford, London, Salisbury  
£45,000 – £60,000

Our clients support hybrid working and offer scope for homeworking 2-3 days a week, if one wishes.

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T: 07891 692514

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**GEORGIANA HEAD**

Director

Tel: 0113 418 0767  
Mob: 07957 842 402

[georgiana@ghrtax.com](mailto:georgiana@ghrtax.com)



## Part-time In-house VAT Manager Leeds or Sheffield £55,000 to £65,000 FTE

Our client seeks a part time VAT Manager to join in-house team based in Sheffield and Leeds. You can be based in either office. In this role, you will have management and oversight of the group's VAT position, risks and compliance obligations including SAO, VAT audits and queries from the business. This role would suit a qualified tax professional (ACA, ACCA, CTA or equivalent) with proven UK indirect tax experience. This business offers flexible, hybrid working. Looking at a 20 to 25 hour week.

**Call Georgiana Ref: 3561**

## Advisory Tax Role – Private Client and OMB Focus – Manchester £55,000 to £90,000

Our client is a long-standing, large independent firm of accountants. This business has doubled in size in recent years, and as a result is looking for a key hire, an experienced tax professional who can deal with wide-ranging technical work for HNW individuals, families and entrepreneurs and their businesses. This team prides itself on being a good place to work, staff are well rewarded and overtime is paid at all levels. This firm can offer hybrid working and has modern offices in central Manchester, and flexible/part-time working arrangements available. **Call Georgiana Ref: 3534**

## OMB Advisory Senior Manager Altrincham £excellent

This practice specialises in tax advisory work. The team seeks a corporate or mixed tax trained individual at Senior Manager or above with a genuine interest in OMB tax work. Alongside technical work, you will be actively involved in managing and developing more junior staff and building long-term client relationships. You will also get involved with business development with the partners. Key skill requirement is a strong tax background. Hybrid, flexible working available. Would consider remote with occasional travel to the office.

**Call Georgiana Ref: 3547**

## Corporate Tax Senior Hull, Goole or Scarborough £market rate

Our client is a large independent accountancy firm. They seek a Corporate Tax Senior for their rapidly growing team. This opportunity would suit someone who is ATT, ACA, ICAS, ACCA or CTA qualified, but those qualified by experience also considered. This is an excellent opportunity for you to develop your career within corporate tax. You will deal with a mix of compliance and advisory work. Hybrid and flexible working available and part-time also considered. Various locations in North and East Yorkshire considered. **Call Georgiana Ref: 3559**

## Personal Tax Manager Manchester £excellent + free parking

Personal Tax Manager sought by long-standing independent firm. In this role, you will manage a portfolio of personal tax clients including HNW individuals, business owners, directors, and trusts. You will oversee the preparation and review of personal tax returns, trust returns and inheritance tax accounts, ensuring accuracy and compliance with relevant legislation, and provide tax planning advice on areas such as IHT, CGT, and international tax. Great salary and benefits package, hybrid and flexible working available, part time considered. **Call Georgiana Ref: 3540**

## Corporate Tax AM or Manager Leeds £47,000 to £60,000 + benefits

Our client is a Big 4 accountancy firm. They seek corporate tax staff to deal with a mix of client compliance delivery and advisory work. It is likely that you will be ACA, ICAS or CTA qualified with proven UK corporate tax experience. You will get the opportunity to work on a wide range of clients from dynamic OMB's to large international groups. Would consider someone who has mainly worked in industry or candidates from smaller firms looking to join a larger practice. The key to these roles is the ability to build long-term client relationships.

**Call Georgiana Ref: 3531**

## In-house Tax Adviser Warrington £55,000 to £65,000

FTSE Group seeks a corporate tax professional. In this role, you will work within an established in-house tax team. You will support the corporate compliance and reporting for the group as well as a variety of ad-hoc advisory projects. This role would suit those who have already worked in-house or those in practice looking to make their first move into industry, and has great opportunities for future development. Hybrid working (3 days in the office if full-time), part-time and flexible working available. Friendly team and good quality work.  
**Call Georgiana Ref: 3563**

## Tax Partner Roles Nationwide

Our client is a rapidly growing, innovative, multi-office, independent firm. For the next stage of their development, they seek several experienced tax partners who can win work, manage and develop teams and produce technical tax work. This firm will consider hires throughout the country, including London, Manchester, Birmingham and Leeds. They are interested in talking to directors and partners with proven experience of OMB tax, private client, VAT or corporate tax. Full- and part-time hires considered, excellent prospects. **Call Georgiana Ref: 3541**

## Mixed Tax Advisory Senior Manager Hull £excellent

Our client is a large independent accountancy firm. They seek an advisory tax specialist for a mixed tax role, working to partners on a wide range of work for HNW individuals, owner managers and their businesses. It is likely that you will be manager level or above and that you will have a relevant professional qualification (CTA, ACA, ICAS or former Inspector of Taxes). Hybrid and flexible working available, and part-time also considered. There is the opportunity for career progression. Excellent Local role in East Yorkshire. **Call Georgiana Ref: 3560**

## In-house Tax Assistant Sheffield £32,000 to £38,000

Great opportunity for a junior tax professional to make a move in-house. Our client seeks a tax assistant to join their in-house team. In this role, you will work on a mix of corporate tax and VAT. Would suit someone who is ATT qualified or perhaps ACCA and wanting to specialise in tax. You will help with CT computations, R&D claims, some employment tax work, VAT and transfer pricing documentation, so will gain a good all round grounding in tax. A great first move into industry, this job can be based in Sheffield or Leeds. **Call Georgiana Ref: 3562**

## Trust Manager /Senior Manager Leeds £excellent

Our client is a well regarded law firm which is known for its highly rated private client practice. This firm seeks a trust manager to run the everyday trust admin, trust tax and basic trust accounts for a portfolio of trusts and settlements and potentially some related HNW personal tax work for beneficiaries. Our client would consider part-time, hybrid and flexible working for the right individual. You will get to deal with some great clients and really interesting work. You will need proven UK trust experience – STEP or ATT would be advantageous.  
**Call Georgiana Ref:3510**

## Trust Director Poole, Salisbury, Exeter or Truro

Large independent firm seeks a Trust Tax Director to head a trust team across the South West. This is an exciting opportunity to live in a beautiful part of the world and deal with great quality client work. This role could suit an experienced Senior Manager looking for a step up to Director. In this role, you will manage and develop a team and will be actively involved in client management and technical work. It is likely that you will be ATT and CTA qualified (STEP would be advantageous too). Hybrid and flexible working available. **Call Georgiana Ref: 3546**



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## Corporate or Mixed Tax Assistant Manager

**Location:** Bristol Office | **Qualifications:** ACA / ACCA / CTA qualified, or equivalent experience

### Role overview:

Responsibility for a range of corporate and mixed tax work across our growing owner managed business client base, including reviewing corporation tax returns, group reorganisation planning, Purchase of Own Shares transactions, R&D tax relief, handling a variety of tax clearances, working with share schemes and EOT's and handling ad hoc tax queries. This role will be reporting to the tax director and tax partners and you will have the opportunity to take a lead role in developing your skills and experience with the support and assistance of the senior management team. You will be responsible for the financial management of the your clients to include, recovery rates, billing, debt and WIP management.

You are responsible for ensuring that the clients you work with receive the best possible client experience. You need to ensure the staff under your responsibility are mentored, developed, and helped to thrive.

### Key skills and competencies:

- Strong tax technical knowledge.
- Post-qualification experience in a corporate tax compliance and some of the planning areas mentioned above (although support will be provided to help develop your skills).
- A background in corporate or mixed tax, who can turn their hand to owner managed business tax planning, corporate tax reviews, R&D, share structuring, share for share exchanges and reorganisations.
- Experience in an assistant manager/manager position.
- Proficiency in Digital tax software and Microsoft Office.
- Excellent interpersonal and client management skills.

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REF: A3553

## CORPORATE TAX COMPLIANCE SM

### MANCHESTER

To £80,000

Rare opportunity for to work in a specialist corporate tax compliance role outside one of the Big 4 accounting firms. You will play a key role in helping to lead the corporate tax compliance team including people management as well as reviewing tax computations and tax accounting in a dynamic and friendly environment. This role would suit either a manager looking for promotion or a senior manager looking to step away from the Big 4 but without compromising on the quality of work and client base.

REF: A3664

## IN HOUSE TAX MANAGER

### MANCHESTER

To £77,000 plus car/bonus

A truly broad Tax Manager role working for a large global brand. The role will cover tax strategy, transfer pricing, and tax compliance, with a particular focus on the UK and reporting to the International Tax Director. This is a great opportunity for an experienced manager/ senior manager from a large accounting firm or a large global group with a commercial outlook & experience of complex corporate tax matters within global organisations.

REF: R3662

## IN HOUSE TAX ACCOUNTANT

### MANCHESTER

To £55,000

Working for a large retailer you will be supported by the Head of Tax and deliver a range of tax compliance and advisory services across all taxes, predominantly CT including the preparation of UK and overseas tax returns, tax reporting / disclosure work, plus the opportunity to assist the wider business on ad hoc tax matters and projects. Great first move in house.

REF: R3663

## GLOBAL MOBILITY TAX MANAGER

### BIRMINGHAM

£competitive

A great opportunity to join our client's global mobility tax team and take your career to the next level. If you are an experienced assistant manager now looking for a new role at manager grade, then this could be for you. Our client offer a very transparent career track as well as a collaborative and supportive working environment.

REF: 03660

## CORPORATE TAX REPORTING SM

### LEEDS

£competitive

A great opportunity to join our clients corporate tax team. If you are an experienced manager and frustrated with a lack of progression at your current firm then this could be the perfect career move. The position will mainly be a tax reporting role with added people management responsibilities.

REF: 03659

## TAX SENIOR MANAGER/DIRECTOR

### NORTH WALES/MERSEYSIDE

To £80,000

Would you like to relocate to North Wales or the amazing city of Liverpool? Are you a technically strong Mixed Tax Senior Manager, capable of taking ownership of a complex and varied advisory portfolio? Are you looking for a good work-life balance in a relaxed environment where further progression is on the table for the right person? This is an exciting opportunity, covering everything from Family Investment Companies, and Share Schemes to M&A transactional work with a leading independent firm.

REF: C3649

## EXPATRIATE TAX MANAGER

### MANCHESTER

To £65,000

Our global client is seeking an Expatriate Tax Manager, where you'll manage a diverse portfolio of expatriates, delivering exceptional tax services and advice. You will collaborate across disciplines on complex cross-border assignments and remote worker programs. You'll enjoy varied client exposure, career progression, and a supportive, inclusive culture. If you're ready to make an impact in a dynamic team, with impressive Partners and challenging work we want to hear from you. Flexible working options are available.

REF: C3665



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