

ATT welcome, October 2019

Welcomes

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Looking to the future

The ATT celebrated its 30th birthday this year, and here at the ATT we are currently starting to think about our strategy for the next three to five years. We need to make sure that our exams remain relevant and our membership package continues to benefit our members. In addition, we need to keep up with the latest developments in tax and make sure any policy that is introduced is as good as it can be both for the general public and our members. This involves frequent meetings with HMRC and gathering as much evidence as we can from our members.

There are many challenges facing the ATT and the wider tax profession, but I would say the key challenge for our members currently is Making Tax Digital. Not only are our members having to implement, in a lot of cases, new software but they are also having to grapple with HMRC's systems, particularly the agent services account and understaffed HMRC helplines.

The move to Making Tax Digital for VAT (MTDfV) has been hampered by uncertainty about timing, an insufficiently long pilot period, confusing messages from many quarters and, at least at present, an inability to provide early assurance to agents that they had done what they need to get their clients into MTDfV. It's far too soon to know whether MTDfV will deliver the hoped-for reduction in the tax gap and increased efficiencies for both businesses and HMRC. If it succeeds, we will probably have forgotten in five years' time why it ever seemed such a problem. In the meantime, however, it is essential that we all continue to note what does and does not work well, so that those lessons can be applied in the design, piloting and introduction of MTD in other areas of taxation.

MTD for Business is on the horizon - so, for those members lucky enough to have clients who aren't affected by MTD for VAT, it will be your turn next!

Looking further ahead, I expect the tax profession will see the introduction of more regulation, which I think the tax profession will have to pay for. We are already experiencing this with OPBAS (the Office for Professional Body Anti-Money Laundering Supervision), where all professional body AML supervisors are contributing to their cost. How we respond to this depends on the type of regulation that will be introduced: full regulation, partial regulation or no regulation at all. We are already considering the various issues for each scenario. There are many unaffiliated agents; if HMRC were to go down the full regulation route, who would regulate these people? Would they be required to belong to a professional body which could be relied upon to enforce standards, or perhaps be regulated by HMRC or a third party such as the FCA?

As readers will know, it's not just our members who face a changing world, but HMRC too. Changes within HMRC over the last 20 years – such as the closure of local offices, the use of call centres and a general under-resourcing of the department – have all played to the easy characterisation of the department as remote and automated in its interactions with the public. The real danger is that it feeds the myth that tax is paid to them (the taxman) and distracts from the reality that HMRC is simply the agency that enables the funding of the type of society that we all expect. Yes, HMRC does need to improve its telephone response times and better see things from the perspective of individual taxpayers (and it is making progress here), but the obligation goes far wider than that.

All of us who have any involvement in the business of taxation need to help HMRC to identify what its people do well (brilliantly in some cases, like the 'needs enhanced support' service) and how it can improve its service quality. We also need to repeat the point that an adequately resourced HMRC is a necessity. It's really a matter of enlightened self-interest.

Jane Ashton

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