

# President's page, April 2016

Welcomes

01 April 2016

## Our licence to operate

The CIOT is a public benefit organisation. Our members help individuals and businesses of all sizes comply with ever-increasing complex tax laws. This was recognised by the National Audit Office in 2010 when it reported: 'The department's research indicates that good agents help their clients get their tax right by, for example, checking that they have included all income on their tax returns, providing advice and support on record keeping and ensuring clients meet filing and payment deadlines.'

This sentiment was echoed by HMRC's Jim Harra in an article in Tax Journal in March last year when he said: 'Agents play a central role in the tax system. Our customers clearly value how agents relieve them of the burden of managing their own tax compliance. And HMRC values the fact that agents know what they're doing, which cuts down on the effort that we have to make in corrective work, compared to dealing with unrepresented taxpayers.'

It is clear that the tax profession has a vital role to play in society, but we also need to recognise that we are a part of society. It is by being part of the society that we serve that we are given our mandate or 'licence to operate'. Like any other profession, we need to evolve as the society around us evolves. Failure to do so could seriously reduce our relevance, and indeed legitimacy, amongst the taxpaying community.

Whilst much of the criticism of the tax profession we see in the media is one-sided and sometimes plainly wrong, we do need to acknowledge that what was 'right' or 'acceptable' ten or more years ago does not remain true today. The CIOT recognises this and we continually work with six other professional bodies that sign up to 'Professional Conduct in Relation to Taxation' (or PCRT) to ensure that our standards reflect the changing views of the society in which we operate. There will in time be further revisions to PCRT as part of this ongoing activity.

Central to this work has been the need to balance the rights of citizens and companies to seek the best possible advice on the operation of the law in relation to their taxation affairs, with the wider responsibility that we all have to the society in which we live. It is important that we command respect as a profession for the vital role that we play as by doing so we will continue to have a valid licence to operate in and serve the many different constituents of our society.

I would like to make reference here to comments I made on my President's page in February's Tax Adviser where I stated that: 'I recognise that on the very fringes of our profession there continues to be some undesirable activity, but we must not lose sight of the unquestionable truth that civilised society would simply be unable to function without tax professionals assisting their clients to comply with ever-increasing complex tax law. Imagine a world where the tax profession did not exist, a world where the only interpretation of the law came from the very same authority that assessed and collected taxes. A world devoid of expertise and rigour that enables healthy challenge between citizen and state; a world that does not observe the rule of law.'

We have a vital role to play both for our clients and for the health of the tax system. We must ensure we continue to keep ourselves in a position where we are able to perform that role effectively. Failure to do so could well prompt others to ‘grab the pen’, with rules being introduced around us that prevent us from operating as we should. It is right and responsible that we play a significant role in charting our destiny.

## **New Tax Professionals Committee**

In December last year, the CIOT Council got together with around 40 of our new members in a ‘World Café’ event to brainstorm ways in which the CIOT can better serve and engage with its younger contingent. What impressed me and my fellow Council Members the most was the enthusiasm and passion that our new professionals have for the institute and how much they can and want to contribute to the future success of this great organisation. At the Council Meeting on 15 March the CIOT passed a resolution to formally establish a ‘New Tax Professionals Committee’ jointly with the ATT that will bring forward plans for providing benefits and services to members and students in the first ten years of their career in tax as well as to contribute to the wider work and activities of the Institute and Association. If you would like to get involved please do contact me as the CIOT will only ever be as effective as the sum total of its members’ contribution.

Until next month, dear friends and colleagues.