

# Financial Accountant

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May/June 2017



## SOMETHING SUSPICIOUS?

### MAKING SENSE OF THE NEW ANTI-MONEY LAUNDERING RULES

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## Finding our “why” and aligning our brand

**M**ost organisations take time to deliberate over how their vision and mission statements should read. They ask questions such as “does the vision reflect what we do, what are we striving for and will it stand the test of time?” Unfortunately, many organisations’ vision statements are etched somewhere in the corporate office, rolled out with every annual report, but are then forgotten, gathering dust until the next organisational review.

The IPA Group constantly reviews its operations, particularly to find innovative ways to drive greater member value. However, although looking at what we do is important, understanding *why* we do what we do is vital.

Understanding the *why* and realising the purpose of our existence gives the organisation a genuine foundation and underpins everything we do. “Finding our *why*” has been the subject of much dialogue throughout the organisation during our recent reviews.

As a result, we have defined our *raison d’être* to be: “To improve the quality of life of small business.” This purpose, “our *why*”, rings true in all we do in terms of putting our members first including the interests of their clients and the businesses they work with. I have often spoken of the critical role our members play in the lives of small business owners. This goes well beyond the ledger; our members play an integral part of the lives of small business people and that of their families.

It also moves well beyond providing advice; it goes to the core values of people’s lives and wellbeing. This latter point cannot be underrated because our research tells us that many small businesses face significant challenges, not just in their financial position but also their mental wellbeing.

Following our exploration and consideration of what makes our organisation tick, we have recalibrated our vision to be something far more relevant and meaningful. The IPA Group’s revised and renewed vision is: “For every small business owner to have one of our members by their side.”

Our “*why*” and our repositioned vision have been ratified by the IPA Board, and the IPA Group team will intensify its focus on this vision and ensure we maintain its intent. As part of this work, and based on member research conducted in 2016, we will be looking at the brand across the IPA Group and the regions it serves. We will be assuring a more consistent and fresh brand across our domestic and international jurisdictions. As I have stated previously, this will not mean a change in entity names, but a refresh of brand and our approach to marketing.

We are also looking at our education pathways to ensure that our members remain relevant in the ever-changing business and client environment. We are exploring the various pathways in all jurisdictions to ensure we aspire to the most appropriate level of educational and professional standards that give our members the most competitive advantage possible for their future prosperity.

Professor Andrew Conway FIPA FFA  
IPA Group CEO.

✎ I am always interested in the opinions and experiences of members, so if you have something to share, please don't hesitate to email: [john@ifa.org.uk](mailto:john@ifa.org.uk)

## Our local voice

**W**ith a snap general election on 8 June, the legislative agenda in Westminster faced major disruption before the dissolution of Parliament on 3 May. Alongside cancelled consultations and curtailed inquiries, ministers faced a series of abrupt decisions about what to do with bills proceeding through Parliament.

I was particularly interested to see that the Criminal Finance Bill, the Digital Economy Bill, the Pension Schemes Bill and the Finance (No2) Bill received Royal Assent before the deadline as the more controversial elements, including Making Tax Digital, were dropped. We welcome this decision because we have raised some serious concerns with HM Treasury on behalf of members about the implementation of MTD and how it will work in practice. The government's decision to defer this legislation could be very good news. However, it is unclear whether this is a temporary deferral pending a second finance bill after the election or if it will be more permanent?

Continuing with the legislative theme, in case you have missed the work the IFA have been involved with here is a brief overview.

We have sent a written submission to the Scottish government requesting that full members of the IFA are eligible to undertake independent examinations for charities in Scotland with income above £250,000 under the Charities Accountants (Scotland) Regulations 2006, reg 11(2). We will update you as soon as we receive a response.

We responded to the consultation on the long-awaited Money Laundering Regulations 2017 which will be effective on 26 June 2017. Our submission is at: [ifa.org.uk/representations](http://ifa.org.uk/representations).

There was also the announcement of a new money laundering watchdog – the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) to be funded by professional bodies. OPBAS is expected to be legislated by the end of the year and should be fully operational by the start of 2018. More information about the creation of OPBAS at [tinyurl.com/UKdfml](http://tinyurl.com/UKdfml).

Closer to home, our revised *Code of Ethics* will be effective on 15 July 2017. The main change compared to previous versions is new guidance on the actions that accountants should take in the public interest when they become aware of a potential illegal act by a client or employer. These changes affect all IFA members, both in practice and business. Anne Davis, Head of Regulation and Policy, will go into more detail in next month's edition.

Part of our growth campaign is to ensure that accounting degree students with one of our 20 partner universities become IFA embedded students and take up membership after graduation. Our business development team is promoting the benefits of joining the IFA. I know that money can be scarce, especially with the prospect of a student loan to pay off, so we are offering a reduced first-year membership subscription to those who join within a year of graduating. See [www.ifa.org.uk/embedded](http://www.ifa.org.uk/embedded) for more information.

We also ran three highly successful anti-money laundering workshops in May. I cannot stress enough the importance of members being compliant. Our website features a wealth of information on the subject ([www.ifa.org.uk/aml](http://www.ifa.org.uk/aml)) and I encourage members to familiarise themselves with the requirements.



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*John*

John Edwards FFA FIPA  
IFA CEO.

## REGULATORY

**New parliament**

Parliament will meet on Tuesday, 13 June and Wednesday, 14 June, for swearing in and the State Opening will be on Monday, 19 June.

[tinyurl.com/ifa-4010](http://tinyurl.com/ifa-4010)

## REGULATORY

**EU withdrawal**

The European Union (Notification of Withdrawal) Act 2017 received royal assent on 16 March.

The act confers power on the Prime Minister to notify the UK's intention to withdraw from the EU.

[tinyurl.com/ifa-4076](http://tinyurl.com/ifa-4076)

## REGULATORY

**Criminal Finance Act**

The Criminal Finance Act 2017 received royal assent on 27 April 2017.

[tinyurl.com/ifa-4012](http://tinyurl.com/ifa-4012)

## REGULATORY

**Help for charities**

The Charity Commission has outlined its statutory objectives, functions, powers and duties in an updated document. This emphasises the support and guidance it will give to trustees.

[tinyurl.com/ifa-4014](http://tinyurl.com/ifa-4014)

## REGULATORY

**Civil partnerships**

In *Steinfeld and Keidan v Secretary of State for Education* [2017] EWCA Civ 81, the Court of Appeal held that an opposite-sex couple cannot enter into a same-sex civil partnership.

[tinyurl.com/ifa-4078](http://tinyurl.com/ifa-4078)

## REGULATORY

**Probate fees**

Due to the time limits on parliamentary business resulting from the snap general election, the proposed increases to probate fees have been dropped for the time being.

[tinyurl.com/ifa-4089](http://tinyurl.com/ifa-4089)

## NEW MEMBER BENEFIT PARTNERS

**The CV & Interview Advisors**

The CV & Interview Advisors were one of the early entrants into the UK CV writing and personal branding market. Over the past ten years they have built a reputation for quality yet still offer services at affordable prices. Take advantage of 25% off professional rewriting services and 15% off basic rewriting services.

**Capium**

Capium offer an integrated cloud-based accounting software solution, empowering accountants and SMEs to work under one platform. Missing deadlines can become a thing of the past as accountants can manage their practice with the integrated practice management software.

**Reckon Software Ltd**

**Reckon**

Reckon have 30 years of software experience. They offer smart online accounting software that's a good fit for businesses, saving time and money. All IFA practice members can sign up to the cloud adviser partner programme for free and receive a 25% commission discount.

For more details on new partners and other member benefits: [www.ifa.org.uk/benefits](http://www.ifa.org.uk/benefits)

## REGULATORY

**Tribunal fees**

A report by the Ministry of Justice shows a substantial reduction in the number of employment appeal claims coming before a tribunal.

Between £8.5m and £9m is being received in annual fee income and people are increasingly using the Acas free conciliation service.

[tinyurl.com/ifa-4016](http://tinyurl.com/ifa-4016)

## REGULATORY

**Scottish charities**

New guidance on charity law, *Being a Charity in Scotland*, has been published by the Office of the Scottish Charity Regulator. This is aimed at those setting up and advising charities.

[tinyurl.com/ifa-4018](http://tinyurl.com/ifa-4018)

## REGULATORY

**Illegal working**

The government has published guidance on the issue of closure notices and applications for compliance orders to prevent illegal working. The guidance relates to the Immigration Act 2016.

More information on illegal workers is at [tinyurl.com/ifa-illegalwork](http://tinyurl.com/ifa-illegalwork).

[tinyurl.com/ifa-4087](http://tinyurl.com/ifa-4087)

## REGULATORY

**Health and safety**

The European Commission has launched a new initiative to improve health and safety of workers, particularly in SMEs and micro-enterprises. This will focus more on results and less on paperwork.

[tinyurl.com/ifa-4030](http://tinyurl.com/ifa-4030)

## BUSINESS

**Slow growth**

Data from the Office of National Statistics indicates that UK gross domestic product increased by only 0.3% in the first three months of 2017. This was the slowest rate of growth since the first quarter of 2016.

The slow growth was largely related to services. There were falls in some important consumer-focused industries, as prices increased more than spending.

[tinyurl.com/ifa-4066](http://tinyurl.com/ifa-4066)

## VOLUNTEER TRUSTEE SOUGHT

Superkidz Community Trust is looking for a new volunteer trustee with accounting and/or marketing expertise. This is a fantastic opportunity to get involved with a youth and children's charity in South East London.

For more information visit: [www.superkidztrust.org](http://www.superkidztrust.org)

## NEW IFA FELLOWS – JANUARY TO APRIL 2017

Congratulations to the following who have achieved Fellow membership.

Mr Ata Ailah FFA FIPA  
Mr Ashish Domah FFA FIPA  
Mr Manish Domah FFA FIPA  
Mr Oyedotun Faluyi FFA FFTA  
Mrs Bilkis Kola-Adebayo FFA FFTA  
Mr Gibson Mutale FFA FFTA  
Mr Muhammad Naeem FFA FIPA  
Mr Gagan Singh FFA FFTA

To find out more on how to upgrade your membership visit: [www.ifa.org.uk/upgrade](http://www.ifa.org.uk/upgrade)

### BUSINESS

## Cyberattacks

A recent report indicates that cyberattacks on business were increasingly common in 2016, most commonly infection by a computer virus and theft of data.

[tinyurl.com/ifa-4040](http://tinyurl.com/ifa-4040)

### BUSINESS

## Insurance

Businesses should avoid underestimating the level of insurance that they require, according to a recent report by the British Insurance Brokers Association.

[tinyurl.com/ifa-4038](http://tinyurl.com/ifa-4038)

### BUSINESS

## SME/SMP challenges report

Accountants working in small- and medium-sized practices (SMPs) around the world are facing heightened staffing challenges, according to the latest IFAC Global SMP Survey results.

[tinyurl.com/ifa-4999](http://tinyurl.com/ifa-4999)

### BUSINESS

## Coastal towns

Economic growth in coastal areas will be supported by more Coastal Community Teams. These comprise local businesses, volunteers and council representatives and will develop strategies to support growth and jobs.

[tinyurl.com/ifa-4036](http://tinyurl.com/ifa-4036)

### BUSINESS

## Rural support

Rural businesses are invited to submit expressions of interest for support under the Rural Development Programme for England. This supports projects that invest in building businesses, creating new jobs and growing the economy in rural areas.

[tinyurl.com/ifa-4034](http://tinyurl.com/ifa-4034)

### BUSINESS

## Wales

A £10m targeted relief scheme has been announced to provide extra support for high street businesses across Wales.

[tinyurl.com/ifa-4050](http://tinyurl.com/ifa-4050)

### BUSINESS

## Builders decline

A report by the Home Builders Federation indicates that one-third of small and medium-sized house builders ceased trading between 2007 and 2009.

[tinyurl.com/ifa-4048](http://tinyurl.com/ifa-4048)

### BUSINESS

## Promoting the UK

A new campaign by the Department for International Trade aims to increase the value of UK exports. A new export directory is part of the campaign to help overseas businesses find UK suppliers.

[tinyurl.com/ifa-4049](http://tinyurl.com/ifa-4049)

### BUSINESS

## Copyright wrongs

Small to medium-sized businesses suffered costs of more than £900,000 for copyright infringement in 2016. The figure includes settlements and the cost of acquiring new software to become compliant.

[tinyurl.com/ifa-4069](http://tinyurl.com/ifa-4069)

## NEW IFA AGENT IN PAKISTAN

We are delighted to welcome Mr Abdul Shakoor as our international representative for Pakistan.  
T: +92 303 4565764  
E: [abduls@ifa.org.uk](mailto:abduls@ifa.org.uk)

## YOUR IFA BENEFITS

Take advantage of a range of benefits that we have negotiated for you.

### Finance

- Alternative finance: Merchant Money Ltd
- Borrowing and lending: Quidcycle
- Foreign exchange: UKForex

### Insurance

- Professional indemnity insurance: A J Gallagher
- Private medical insurance: HMCA
- Tax fee protection: Qdos Vantage

### Learning

- Online CPD: Nelson Croom
- Top up degree: Northampton Business School
- Training and support: Mercia

### Legal

- RadcliffesLeBrasseur

### Lifestyle

- Parliament Hill

### Support

- Anti-money laundering: AMLCC
- Auto enrolment: Intrinsic
- Business support: The CV Interviews Advisors
- Career management: GaapWeb
- Events: Brain Exchange
- Ethics: Institute of Business Ethics
- Insolvency information portal: FA Simms
- Intellectual property: Intellectual Property Office
- Microsoft Office training: Filtered
- Mobile communications: Voice Mobile
- Online legal documents: Net Lawman
- Practice advisory services: David Verney Associates

### Tax

- Capital allowances: Veritas Advisory
- R&D tax relief: Catax
- Tax portal: Gabelle

### Technology

- Online accounting software: Reckon Software Ltd and Capium.

Log on to [www.ifa.org.uk/benefits](http://www.ifa.org.uk/benefits) to see the quality products and services available to Institute members.

## PENSIONS

**Court judgments**

The Pensions Regulator has warned that employers who ignore their automatic enrolment duties could be served with a county court judgment, which could affect their credit rating. Some employers have been handed judgments after failing to pay automatic enrolment fines.

[tinyurl.com/ifa-4047](http://tinyurl.com/ifa-4047)

## PENSIONS

**Pension problem**

A document from the Department for Work and Pensions, *Review of the automatic enrolment earnings trigger and qualifying earnings band for 2017/18*, highlights an issue for workers earning more than the auto-enrolment threshold of £10,000, but less than the £11,500 income tax threshold. Such employees in a workplace pension using the net pay arrangement system will not obtain tax relief, but those using the relief at source method will.

[tinyurl.com/ifa-4045](http://tinyurl.com/ifa-4045)

## EMPLOYMENT

**Sickness**

An estimated 137.3m working days were lost due to sickness or injury in the UK in 2016. This is equivalent to 4.3 days per worker (the lowest recorded since the series of reports began in 1993).

[tinyurl.com/ifa-4043](http://tinyurl.com/ifa-4043)

## EMPLOYMENT

**Headscarf ban**

The European Court of Justice has held that banning headscarves in the workplace did not amount to direct discrimination because the firm's workplace policy applied to all religious symbols.

[tinyurl.com/ifa-4072](http://tinyurl.com/ifa-4072)

## EMPLOYMENT

**Redundancy pay**

Statutory redundancy pay is calculated by reference to age, length of employment and weekly pay. The pay limit increased to £489 a week from 6 April 2017 and the maximum statutory redundancy is £14,370.

[tinyurl.com/ifa-4041](http://tinyurl.com/ifa-4041)

**PROFESSIONAL CONDUCT IN TAXATION**

The updated *Professional Conduct in Relation to Taxation* (PCRT) came into force on 1 March 2017. This latest update came in response to the government's call back in 2015 for professional bodies to take a greater lead in tackling tax avoidance.

The revised PCRT includes a set of standards that support and build on our fundamental ethical principles, and helps guide members who provide tax advice without adding extra complexity or uncertainty. At the heart of the PCRT is the principle that the creation or promotion of artificial or contrived tax avoidance schemes should not happen.

The IFA urges all members, whether in public practice or business, to become familiar with the PCRT and its requirements.

The PCRT is available at: [tinyurl.com/memberregs](http://tinyurl.com/memberregs).

## EMPLOYMENT

**Apprenticeships**

From 1 May 2017, small firms with a wage bill of less than £3m are entitled to "STEP" funding for apprenticeships. This can mean that 90% of the training and assessment costs are paid for.

[tinyurl.com/ifa-4067](http://tinyurl.com/ifa-4067)

## EMPLOYMENT

**Dismissal**

In *Urso v Department for Work and Pensions*, the Employment Appeals Tribunal held that an actual dismissal as opposed to a constructive dismissal could be an act of harassment under the Equality Act 2010.

[tinyurl.com/ifa-4084](http://tinyurl.com/ifa-4084)

## EMPLOYMENT

**Older workers**

The Department for Work and Pensions has published a report, *Fuller Working Lives*. This notes that despite increased life expectancy, the average age at which people leave the labour market is lower than it was in 1950. Employers are missing opportunities to retain talented and experienced employees

[tinyurl.com/ifa-4993](http://tinyurl.com/ifa-4993)

**USEFUL LINKS**

Employer Bulletin 65:  
[tinyurl.com/empbul67](http://tinyurl.com/empbul67)  
Updated VAT Notice 733: Flat Rate Scheme for small businesses:  
[tinyurl.com/VATnot733](http://tinyurl.com/VATnot733)  
Finance Bill progress and links:  
[tinyurl.com/F2Bill](http://tinyurl.com/F2Bill)  
Register to payroll benefits in kind:  
[tinyurl.com/paybenk](http://tinyurl.com/paybenk)

## TAXATION

**Finance Act**

Finance Act 2017 received royal assent on 27 April 2017.

[tinyurl.com/ifa-4065](http://tinyurl.com/ifa-4065)

## TAXATION

**Accounts software**

HMRC has published a list of software suppliers that have produced simple record-keeping applications including some cash basis and simplified expenses specifications.

[tinyurl.com/ifa-4063](http://tinyurl.com/ifa-4063)

## TAXATION

**Chargeable events**

HMRC's helpsheet HS320 assists in determining chargeable event gains from UK life insurance policies and how these should be shown on a tax return.

[tinyurl.com/ifa-4061](http://tinyurl.com/ifa-4061)

## TAXATION

**VAT registration**

HMRC has published an updated form VAT 1 (and notes), for use when starting a new business, or registering or acquiring an existing business.

[tinyurl.com/ifa-4997](http://tinyurl.com/ifa-4997)

## TAXATION

**Flat rate scheme**

From 1 April 2017, limited cost traders using the flat rate scheme must apply a new flat rate of 16.5%.

[tinyurl.com/ifa-4070](http://tinyurl.com/ifa-4070)

## TAX DEVELOPMENTS

### Making Tax Digital

The government has put back the scheduled implementation of its Making Tax Digital (MTD) initiative for small businesses and landlords with a turnover below the VAT threshold to April 2019. In its response to the MTD consultations, the IFA raised concerns regarding the timing of HMRC's programme as did the Treasury Select Committee in January. It is debatable whether the deferral in date will be sufficient to ensure that HMRC's project is successful. A key feature of the MTD programme is the move away from annual tax returns towards digital record-keeping and quarterly updates to HMRC. Most organisations will be required to carry out their accounting in a set electronic format and submit quarterly updates to the department.

### Business compliance changes in 2017 and 2018 to look out for

- *General Data Protection Regulation.* From May 2018, this will change the way businesses collate and handle data. Keep up to date on progress in this area by looking at the ICO website: <https://ico.org.uk/>
- *National minimum wage.* Remember that this is being aligned from this year so that increases will all take place in April rather than October. This will benefit workers below the age of 25 because they received a one-off increase this April as well as the rise they received in October 2016.
- *Apprenticeship levy.* This will apply to companies with an annual pay bill of more than £3m. From 6 April 2017, companies must pay an extra 0.5% on their pay bill although they will be able to access levied amounts, and the government will pay a 10% top-up to fund apprenticeships.
- *Foreign workers.* There are changes to the rules for employing foreign workers with a tier 2 visa. There is to be a £1,000 "skills charge" as well as the current fees for visa applications, and a minimum salary threshold for experienced workers of £30,000.

### Money Laundering Regulations 2007

According to HM Treasury, the draft Money Laundering Regulations which take into account the EU Anti-Money Laundering Directive will be issued imminently. The draft regulations have been delayed significantly – the IFA was expecting these to be issued for consultation at the end of 2016. The revised Money Laundering Regulations need to be in place on 26 June 2017. Given the timescales, the IFA anticipates that there will be a short consultation by HM Treasury on the draft regulations.

### New documents

HMRC has recently published two new documents.

- *Transforming the experience for small business* ([tinyurl.com/m4ooy8c](http://tinyurl.com/m4ooy8c)) provides businesses an overview of the digital support, how services are being improved, and includes plans for HMRC's next phase for its transformation.
- *Supporting mid-sized business: maintaining and growing UK plc* ([tinyurl.com/lrcsy6w](http://tinyurl.com/lrcsy6w)) highlights HMRC's support for mid-sized businesses and their agents, from tax reliefs to setting up a new forum. The document also includes signposts to key areas of guidance on GOV.UK.

## TAXATION

### Fuel rates

HMRC has published updated advisory fuel rates for company cars.

[tinyurl.com/ifa-4085](http://tinyurl.com/ifa-4085)

## RATE REMINDERS

Increases in various payments have come into effect.

- Apprenticeship levy: [tinyurl.com/applev](http://tinyurl.com/applev)
- National minimum wage and living wage: [tinyurl.com/natminwag](http://tinyurl.com/natminwag)

## TAXATION

### GAAR guidance

HMRC has published amendments to its guidance on the GAAR.

[tinyurl.com/ifa-4094](http://tinyurl.com/ifa-4094)

## TAXATION

### Gig economy

The next government should equalise the NIC and tax treatment of the employed and self-employed in the gig economy says the Commons Work and Pensions Committee.

[tinyurl.com/ifa-4096](http://tinyurl.com/ifa-4096)

## TINY URL

The "tinyurl" web addresses at the foot of the news items and elsewhere in the magazine are short aliases for longer addresses. Simply type the tinyurl address in your web browser and press return to be taken to the relevant website for more information on the news item.

## TAXATION

### R&D assurance

Applications for advance assurance from HMRC before a first claim for research and development tax relief can be made online by way of a Government Gateway account. Alternatively, the form can be completed on-screen (you can save a partly completed form) and printed for posting to HMRC.

[tinyurl.com/ifa-4995](http://tinyurl.com/ifa-4995)

## TAXATION

### Artistic averaging

HMRC has published a helpsheet to help complete tax returns of authors and artists with fluctuating profits.

[tinyurl.com/ifa-4056](http://tinyurl.com/ifa-4056)

## TAXATION

### Agent Update 59

HMRC has published *Agent Update 59*.

Top articles include:

- Changes to CT600.
- Changes to tax relief for residential landlords.
- Reporting fraud to HMRC.

Agents who would like to receive future copies should contact Anne Davis at: [mail@ifa.org.uk](mailto:mail@ifa.org.uk)

[tinyurl.com/ifa-4058](http://tinyurl.com/ifa-4058)

## TAXATION

### IHT Newsletter

HMRC's *Trusts & Estates Newsletter*, April 2017 includes articles on: residence nil-rate band and transferable residence nil-rate band; trusts register; IHT online; trusts and taxation of index linked loans; administration period; probate fees; HMRC news and agent toolkits 2017.

[tinyurl.com/ifa-4092](http://tinyurl.com/ifa-4092)

# Hide and seek

Clients may be tempted by avoidance schemes that promise to reduce their tax liabilities. *Guy Smith* provides guidance for those involved in subsequent investigations.

## TEN SECOND SUMMARY

- 1 Repeat tax avoiders can be named and shamed under the new serial tax avoidance legislation.
- 2 Warning notices can last for five years and will allow increasing sanctions to be levied.
- 3 Under Making Tax Digital, tax advisers may be categorised based, in part, on client compliance.

**T**ax avoidance rarely escapes the media's attention, whether it was committed by a large company, a high-profile celebrity or someone trying to mitigate their tax liability. Although tax avoidance is legal, tax evasion is illegal, but elusive tax evaders arguably receive far less adverse coverage than easily identifiable tax avoiders. Indeed, the new serial tax avoidance rules, which were introduced on 15 September 2016, allow repeat tax avoiders to be named and shamed.

## Background

The serial tax avoidance legislation was designed to deter repeated participation in tax avoidance schemes. Once HMRC has defeated a scheme that a participator has used, a "warning notice" will be issued. This notice will remain in place for five years, which is known as the "warning period". During this time, the participator must provide HMRC with detailed information about any tax avoidance schemes used.

If a participator is already in a warning period and HMRC issues another notice, the warning period is extended by a further five years.

## Exemption

The serial tax avoidance legislation does not apply if a participator entered into a scheme before 15 September 2016, and which HMRC defeated before 6 April 2017.

If a participator entered into a scheme before 15 September 2016 and HMRC defeated the scheme after 6 April 2017, no sanctions will apply if the scheme was fully disclosed to HMRC by the participator before 6 April 2017.

## Sanctions

There are three potential sanctions.

First, if HMRC defeats one or more schemes used during a warning period, a financial penalty will be charged. The penalty will be calculated as a percentage of the counteracted advantage:

- 20% for the first defeat;
- 40% for the second defeat; and
- 60% for the third and subsequent defeats.

If three schemes are defeated during a warning period, the participator may suffer the second sanction, which will see their name and other identifiable details published by HMRC.

The final sanction, if three schemes are defeated and each of those schemes involved the misuse of direct tax reliefs, will see HMRC stop the participator from claiming or making use of direct tax reliefs for three years. A "relief restriction notice" will be issued.

## Identifying a tax avoidance scheme

Some clients can be genuinely duped into participating in tax avoidance schemes. They may be reassured by phrases such as "This is legitimate tax planning and leading tax counsel's opinion is that the arrangements are legal" or "HMRC has given the scheme a number and it is therefore approved."

Others are swayed by peer pressure, but there are always some who are willing to adopt a high-risk strategy for the promised gains.

In reality, if a scheme sounds too good to be true, pays out in the form of loans, or promises huge benefits for a token initial investment, it is likely to involve tax avoidance and be in HMRC's firing line.

## Accelerated payment notices

One of HMRC's key objectives is to "maximise revenues due and to bear down on avoidance and evasion". In an effort to stem the tide of avoidance, HMRC has been issuing accelerated payment notices (APNs) to secure tax in advance of an avoidance related dispute being resolved.

During 2015/16, HMRC served 36,000 APNs worth £3.1bn and expressed the intention to issue more than 70,000 such notices in 2016/17.

## Top tips

Many advisers steer clear of tax avoidance schemes, do not recommend them and actively try to keep clients away from them. Despite that, some clients are still enticed for the reasons previously outlined.

What factors should be taken into account if a client asks for help to settle with HMRC?

First, start by establishing the tax years that are involved and find out whether HMRC has "protected" the years in question with a valid enquiry notice or discovery assessment.

The next step is to check whether HMRC has issued any APNs. Do these notices tie in with the protected tax years? It is not unusual for clients to wrongly assume payment of an APN means the end of the matter. It doesn't.

It is important to remember that it is the original dispute which needs to be settled. This means a closure notice to bring the original enquiry to an end or the settlement of any open appeals lodged against any discovery assessments. If multiple years are involved, HMRC may attempt to sweep up all the enquiries and assessments into an all-encompassing contract settlement instead.

The adviser now needs to calculate the additional tax liability to enable HMRC to be approached and a settlement attempted. If an APN has already been issued with a supporting "before and after" calculation, that is a place to start. However, it is not unusual for some clients to have an incomplete set of paperwork. Faced with that scenario, the best way to get the ball rolling may be to write to HMRC, on a without prejudice basis, to request a settlement figure.

If the client has only been involved in one avoidance scheme for a relatively short time, HMRC is usually quite good at providing a proposed settlement figure. Unfortunately, the client may have been involved with multiple schemes or HMRC might have incomplete records. In such cases, while the adviser's letter will be welcomed as a gesture of goodwill and intention, HMRC may be unable to provide a settlement figure. In those circumstances, the department will usually ask for some more detail to move matters forward.

The next factor that comes into play is the client's ability to pay any such settlement. If they have been unable to secure a loan, HMRC will typically seek the completion of a statement of assets and liabilities to understand the client's net worth and ascertain whether any personal assets can be realised to help raise funds towards a settlement. HMRC will also usually ask for an income and expenditure form to be completed, to judge the potential level of monthly disposable income that could go towards settling the tax bill.

## Continuing the fight?

What advice should be given to the client who wants to keep on fighting?

This can depend on what the client is fighting; for example, is the client disputing the validity of an APN, perhaps as part of a fighting fund group? Alternatively, is the client part of a similar group preparing to defend their participation in a tax avoidance scheme?

First, draw the client's attention to the regular Spotlight updates on GOV.UK where HMRC provides commentary on tax avoidance schemes.

Second, make the client aware of the serial tax avoidance legislation and the potential damage to their professional reputation.

Ultimately, advisers may need to consider whether they wish to continue to act for clients who indulge in aggressive tax avoidance. As part of the wider rollout of Making Tax Digital, HMRC intends to categorise tax advisers before granting access to digital agent services. Part of the category ranking is likely to be determined by the compliance history of a tax adviser's client list.

## FURTHER INFORMATION

HMRC Spotlights on tax avoidance schemes: [tinyurl.com/nznylg3](http://tinyurl.com/nznylg3)  
 HMRC Serial tax avoidance information: [tinyurl.com/hawx219](http://tinyurl.com/hawx219)  
 HMRC Follower notices and accelerated payments: [tinyurl.com/gq4gu56](http://tinyurl.com/gq4gu56)



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# Making a difference

*Carol Pavely* explains how volunteering for one of the tax advice charities can help vulnerable people obtain professional advice.

## TEN SECOND SUMMARY

- 1 TaxAid and Tax Help for Older People are charitable organisations providing tax advice for vulnerable people.
- 2 Assistance is provided primarily through a telephone helpline although personal appointments can be arranged or correspondence entered into.
- 3 Face-to-face advice sessions can take place during a local tax “surgery” such as a branch of Citizens’ Advice or Age UK.

**T**axAid and Tax Help for Older People are two charities that provide tax advice to vulnerable people on low incomes who need professional tax advice, but cannot afford to pay for it.

TaxAid focuses on people of working age whereas Tax Help for Older People focuses on the over 60s. They are the only two charities that specialise in tax advice and together they provide the tax profession’s safety net for vulnerable people. Tax can be as complex and difficult for taxpayers on low incomes as it can for the better off.

The clients of these two charities cannot afford to pay for tax advice and can often face huge personal problems without access to professional help. The issue itself can be further complicated by mental health, literacy or numeracy issues, or challenging family circumstances such as homelessness, domestic abuse or another family crisis.

Increasingly, HMRC directs people to their personal tax account and, although this may cause problems for those who are unable to interact digitally, access to it can enable PAYE code queries to be resolved, information to be obtained on current pay and tax, refunds to be processed, entitlement to future state retirement pensions to be viewed, and much more. To register, visit [www.gov.uk/personal-tax-account](http://www.gov.uk/personal-tax-account). For those who cannot or do not want to go online, HMRC can still be contacted on 0300 200 3300 or by writing to PAYE & SA, HM Revenue and Customs, BX9 1AS, UK.

The difference the two charities make is, for many, life changing. Last year they assisted about



25,000 people. The demand for their services has grown significantly in recent years and is still rising. The two charities share their chief executive officer, Gary Millner, and have been working together in promoting the “Bridge the Gap” campaign, to raise funds from the tax profession to support their essential work.

## Dedicated volunteers

Volunteers are a valuable resource to both charities and their dedication and hard work means they can help many more people, but the benefits work both ways. Mike Holland is a volunteer for Tax Help and explains his experience.

“I have been a volunteer for the past five years. The spur to my joining was the protracted difficulties and frustration I had sorting out my own tax position with HMRC when I retired from a career in corporate tax. I finally succeeded, but it made me realise the virtual impossibility for someone with little or no tax knowledge to argue their case. I knew of the charities and, having some spare time, decided to volunteer. They were very welcoming. I had a relaxed initial interview to assess my suitability for the role, with training available if required. And technical support from head office is always just an email or phone call away.

At first glance it might be thought that a modest income means no tax problems; think again. The health effects of worrying about a tax demand



*Carol Pavely* has worked for Tax Help for Older People since 2005 and is responsible for the provision of the advice service, the volunteer network and the smooth running of the office. She also takes the lead on technical advocacy, feeding into HMRC’s own process reviews and consultation exercises in liaison with the tax professions and other voluntary sector partners. Before joining Tax Help, Carol enjoyed a varied career with BT and in local government. Since joining Tax Help she has returned to study, passing her ATT tax exams in 2010.



can be significant. I will always remember what a stressed client said to me – ‘You might think that £92 is not worth making a fuss about. If you haven’t got £92, it is.’

“I take the time to explain, in what I try hard to make a jargon-free way, what has happened and how it can be resolved. If necessary, I take up their case with HMRC. Of course, all clients’ cases are completely confidential.

“Why volunteer? Put bluntly, it is impossible for HMRC to meet the needs of everyone, particularly those of a more vulnerable and ageing population. These charities are there to ‘bridge the gap’ by acting as advocates for clients, helping them pay the right amount of tax. It is unacceptable for HMRC to be in a position where taxpayers must rely on them to be judge and jury of their own actions and decisions. So imagine what it would be like to be faced with a tax demand you cannot understand or pay; unable to afford professional advice and not knowing what to do next. Wouldn’t you be desperate for help?”

### In more detail...

TaxAid’s purpose is to help vulnerable and low paid taxpayers who are unable to resolve their tax problem with HMRC. “Low paid” is defined as a taxpayer with an annual income of less than £20,000. TaxAid helps those aged up to about 60 and the self-employed.

Primarily, help is provided through a telephone helpline with trained advisers identifying the tax problem and determining the most appropriate source of help. Information and guidance on the action to take can be given in the initial call. Alternatively, help can be provided by arranging for the caller to see a volunteer. Finally, the volunteer can correspond with the caller and contact HMRC on their behalf to resolve matters. There is also an email enquiry service.

On the helpline, the advisers offer support for a wide variety of tax-related issues: from a debt arising from penalties when a tax return is submitted late, or a tax debt when HMRC has issued a tax calculation that the taxpayer cannot afford to pay. This can arise when, say, the employee has had several jobs with more than one employer in a tax year, and the PAYE codes may not have collected enough tax. Another scenario may be where the caller is self-employed and has been unable to complete their tax return online or on paper.

### Tax Help for Older People

This charity provides a free, confidential and professional tax advice service to those over 60 (or over 55 for pension freedom queries) with an annual income of less than £20,000.

The organisation deals with a huge range of personal tax problems. The more frequent issues encountered by our helpline team include PAYE coding issues, claiming a refund, completing self-assessments and other forms, not to mention explaining changes such as pension flexibility, the new marriage allowance, the 0% savings rate, the personal savings allowance and the dividend allowance. Further, dealing with an underpayment that is unaffordable and offering guidance through retirement or bereavement. Tax Help volunteers also provide tax awareness training to pensioner groups and other general advice services.

The team of well-trained staff provide friendly telephone advice from our Dorset base, but about one in five of those who approach us need to talk to someone face-to-face. It is here that the nationwide network of volunteer tax advisers comes into play.

Where possible, these face-to-face advice sessions take place during a tax “surgery” in a local venue – often a branch of Citizens’ Advice or Age UK. But if a client is disabled, mobility impaired or has transport difficulties an interview can be arranged in their own home.

### Volunteering

If the work we do interests readers who have worked in tax for more than two years, they may enjoy volunteering. The charities work very differently and for different clients, but a phone call or email to either will elicit the information needed to decide which is best suited. Where required, both charities provide internal training on their own processes, internal systems and interactions with HMRC. Ongoing support for casework is always available from the office-based teams.

### FURTHER INFORMATION

How to contact Tax Aid and Tax Help for Older People.

#### Tax Aid

T: 0345 120 3779  
(check call charges with your provider)  
Monday to Friday, 10am to 12 midday.  
[www.taxaid.org.uk/pages/contact-us](http://www.taxaid.org.uk/pages/contact-us)

#### Tax Help for Older People

T: 0845 601 3321 or 01308 488066  
E: [www.taxvol@taxvol.org.uk](mailto:www.taxvol@taxvol.org.uk)  
[www.taxvol.org.uk/contact-us](http://www.taxvol.org.uk/contact-us)  
Post: Unit 10, Pineapple Business Park, Salway Ash, Bridport, Dorset DT6 5DB

# The key to success

Whatever the eventual outcome, *Laurence Field* believes that Brexit will mean success to businesses that can unlock the opportunities that it will provide.

## TEN SECOND SUMMARY

- 1 **Brexit is not the only disruptive factor that UK businesses need to be aware of – don't ignore other current initiatives.**
- 2 **Purchases from the EU could be subject to additional taxes, so other sources should be considered.**
- 3 **Could contracts be renegotiated to take account of new withholding taxes or increased tariffs?**

**H**ow many types of Brexit can you name? Hard, soft, rough are just a few descriptions that have dominated the headlines. In essence, they all describe places on a Brexit spectrum ranging from business as usual to a messy divorce where no one wants custody of the economy.

## Implications for UK business

So, what does this mean for UK businesses? Anyone who tells you they know the answer with any great certainty is foolish. Instead, they should be saying that the whole process is part of a pattern of disruption to the business environment that has rarely been seen before.

Alongside Brexit there are initiatives from the UK government, the Organisation for Economic Co-operation and Development (OECD), the EU Commission and President Trump, that will upset the established way in which businesses are taxed. Add to this an election in June 2017 and there is much for UK businesses to think about.

Governments have needed to find ways to raise revenue to spend on a population that has become increasingly reluctant to pay more tax. With corporation tax now accounting for only 8% of the total UK tax take, there is a feeling that companies could pay more. However, both the UK and overseas governments have felt that their hands are tied by a 19th-century tax system that is doing battle with 21st-century commerce. Globalisation, digitisation, onshoring and offshoring have all made it difficult to work out where tax should be paid and by whom. It will be interesting to see how the manifesto writers address these issues.

## What has this to do with Brexit?

The background helps explain the changes and the disruption coming to the UK and international tax system. And as with all disruption it creates opportunities. No matter how big or small a business is, those that are nimble and embrace the disruption will thrive, leaving behind those that are less fleet of foot.



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The impact of Brexit is just one consideration. It has already affected exchange rates, hiring policies, contract negotiations and made businesses think about supply chains. As well as this, OECD members are starting to tax profits where customers are based rather than where the company is based. Taking things a stage further, the EU commission wants a common EU-wide tax return that will then allocate profits to individual countries. On the other side of the Atlantic, President Trump has promised far ranging tax reform.

What businesses really need to know is how to respond to the known and the unknown.

### The knowns

We have already had a significant revaluation of the pound. Does this create a price advantage in overseas markets and, if so, how can business be generated? Digital businesses are high on the hit list of tax authorities so do not assume that a UK-based computer server solves all the problems. If a salesman is sent into an overseas territory, the OECD could require the employer to pay tax on profits generated there. Well-managed businesses are already evaluating the tax consequences

alongside the commercial opportunities. They may require a revised financial infrastructure to deal with the changes, but not necessarily a larger one.

Those with foreign currency loans or assets will already have significant exchange movements in their books. As an adviser, do you know whether these are taxable? Could they be hedged away? Is that hedging effective for tax purposes?

If hiring becomes difficult, how can reward packages be made more attractive? Equity reward schemes, childcare vouchers, and discounts to employees? All these have tax consequences that must be balanced against business needs. Susan Ball, Head of Employers Advisory at Crowe Clark Whitehill said: "The taxation of reward packages is undergoing something of a revolution at the moment. The Treasury appear to be looking to increase the tax take from benefits. We've seen a lot of enquiries from businesses working out how to respond to this. Future proofing the approach will be key."

For those who are setting up or buying a business, due diligence needs to be forward looking. It is all very well to know whether VAT returns have been submitted on time, but what will the tax profile look like post-Brexit? Model the cashflow and build in some contingencies.

### What about the unknowns?

The UK's continued membership of the EU Customs Union is unclear. Will the relationship be more like the one with Turkey or like the US?

Rob Marchant, Head of Corporate VAT at Crowe Clark Whitehill, believes that "tariffs matter again". He said: "Understand what you sell and how it might be taxed. Equally, work out what you buy in from the EU and whether it could suffer additional taxes. Fiscal barriers are not just about financial costs, physical goods can be delayed at the border so you should consider more than one source.

"Many countries outside of trading blocks have set up free trade zones (FTZ) where raw materials are imported, have work done on them and are then exported, all without suffering import duties."

What if the UK set up a FTZ? Would your business want to be there?

### What about EU law?

There are many items of EU tax law embedded in UK law. Brexit is unlikely to result in them being removed. However, EU countries will no longer grant UK companies the benefit of certain tax directives. Instead, they will need to fall back on the existing double tax treaties. Some payments could suffer withholding taxes and the ability to facilitate cross-border tax-free reorganisations could be lost.

Businesses should check where their income is generated. What do their contracts say about withholdings or increased tariffs? Can they be renegotiated? Think about what clauses could be put into new contracts to protect against an unknown future. Businesses that have an EU branch may want to consider incorporation. It might be better to do this while the UK is still a member of the EU and can still benefit from the merger directives.

The government is encouraging businesses to look to new markets. While the idea of "Commonwealth 2.0" seems far-fetched, the UK will need to negotiate trade agreements with new territories. New tax systems have new challenges such as withholding taxes, unfamiliar tax laws and sometimes complex requirements to employee taxes, even for those there for a short time.

### Change means opportunity

Businesses need to be positive and see the changes as an opportunity. Those that are agile will see the benefits. While the next few years could be an unprecedented time of change in the global tax system – and in the short term there will be a new UK government – businesses, regardless of political persuasion, must not be meek about this. New disruptive businesses are heralded as entrepreneurial, valuable and paradigm shifting. Those that react quickly and decisively to the disruptions to the tax system will have the opportunity to steal a march on the competition. It might make for some uncomfortable changes, but it also provides a chance to reinvent the business.

### FURTHER INFORMATION

#### Actions to consider

Businesses should consider taking some or all of the following actions.

- Appoint a steering committee to oversee Brexit developments.
- Identify the areas of the business that could be impacted by Brexit and the different trading models that may arise.
- Identify the tax technical concerns that exist.
- Start to model the possible indirect tax changes/costs that could arise.
- Review the practical impact on systems and procedures.
- Continue to monitor developments.
- Work with trade bodies and industry associations to share concerns and gather intelligence.

# The reporting cycle

**Stephanie Tiller** explains how recently introduced accounting standards are affecting businesses and their advisers.

## TEN SECOND SUMMARY

- 1 An IFA and University of Worcester project investigates the effect of a transitioning to FRS 102 and FRS 105.
- 2 Financial Reporting Exposure Draft 67 has been issued in response to consultations to simplify financial reporting under FRS 102
- 3 The IFA will be publishing technical articles on the complex areas of new UK GAAP.

**T**he September/October 2016 edition of *Financial Accountant* launched a research project jointly undertaken by the University of Worcester and the IFA entitled *Identifying the potential impacts of the new UK GAAP accounting standards FRS 102 and FRS 105 on small businesses and accountancy firms: a qualitative study*. The research project aimed to investigate how the accountancy profession had been affected by the transition to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 105 *The Financial Reporting Standard applicable to the Micro-Entities Regime*. This article presents some findings of this research and provides support to IFA members in understanding the key changes, providing an overview of what is yet to come and explaining how to account for the more technically challenging areas of FRS 102 and FRS 105.

## FRS 105

The research identified the most significant advantage of FRS 105 as simplified reporting and reduced disclosure requirements. Further, reduced preparation time and increased confidentiality due to reduced disclosures were also mentioned.

Although simplified reporting and reduced disclosure requirements were stated as the most significant advantage of the standard, several participants stated that there is not enough detail in a set of FRS 105 financial statements for both the business and third parties. This contradicts the need for transparent reporting and may hinder a business's ability to obtain bank finance and sufficient credit terms from suppliers. This was given as one of the main reasons micro-entities did not adopt FRS 105.

There were also concerns that if a business grows there would be a requirement to transition to FRS 102. In some instances, it was noted that the accounting software did not have the flexibility to prepare

FRS 105 financial statements with additional optional disclosures, thereby hindering the preparation of the financial statements.

The main financial accounting and reporting challenges of FRS 105 identified by the research included extra work for no discernible benefit.

## FRS 102

The research identified advantages of FRS 102, which included simplified financial statements, timesaving in preparation, consistency with IFRS, increased transparency and an easily readable standard. However, 54% of participants commented that they saw no benefits of FRS 102 compared to old UK GAAP.

Interestingly, less than half of participants reported any impact to the financial statements in the areas where the accounting treatment under FRS 102 differed significantly from old UK GAAP and in most cases where an impact had been experienced this was not material to the financial statements. Where the impact of FRS 102 had an immaterial impact on the financial statements there was an overwhelming consensus that a significant amount of time had been invested to achieve the same result. As such, the implementation of FRS 102 was extremely time consuming, with increased complexity in financial reporting resulting in



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additional professional fees with little perceived benefit for SMEs.

Accountancy practices were reluctant to recover all their costs from clients and the debate over who should bear the cost of both transitioning to FRS 102 and future increased reporting requirements was a reoccurring theme throughout the research. Some SMEs also incurred additional professional fees to value intangible assets that need to be presented separately from goodwill following a business combination under FRS 102.

However, in cases where FRS 102 did impact profitability this arose as a result of changes in accounting for holiday pay accruals, foreign exchange forward contracts, derivative adjustments and deferred tax on the revaluation of non-current assets.

The research identified instances where FRS 102 provided little or no guidance, which resulted in confusion or increased complexity in the financial statements when direction was obtained from full IFRS. Such areas included the classification of basic and non-basic financial instruments, fair value of long-term intercompany loans and the restatement of prior year's profits when transitioning to FRS 102.

### Non-financial issues

The research highlighted that difficulties arose when explaining the more complex concepts of FRS 102 to stakeholders with a non-accounting background, particularly around fair value accounting, which some believe has introduced volatility into the financial statements. In some instances, this has resulted in a desire to include disclosure of underlying profitability, excluding fair value adjustments, in the front-end financial statements. In addition, the increase in boilerplate disclosures has resulted in the financial statements becoming more complex and wordy with no perceived benefit to the user.

A major concern expressed by many participants was how ineffective their accountancy software providers had been throughout the transition, with a significant disparity between the requirements of the profession and the software developers.

### FRED 67

The results of this research were shared with the Financial Reporting Council (FRC) at a meeting in December 2016. The FRC were particularly interested in the research since it contributed to its triennial review of UK and Ireland accounting standards. As a result of the FRC's triennial review, two exposure drafts proposing changes to FRS 102

will be issued for adoption for periods commencing on or after 1 January 2019.

The first Financial Reporting Exposure Draft 67 (FRED 67) was released during March 2017 and covers incremental improvements and clarifications of FRS 102. The impact of these proposals on the financial statements of individual SMEs will depend on the size and nature of each business and the complexity of their transactions. However, the overall aim of FRED 67 is to simplify financial reporting under FRS 102. In summary, the main proposed changes are as follows.

- For small entities, any loans from directors who are also shareholders can be accounted for at transaction price and the requirement to estimate the market rate of interest has been removed.
- More financial instruments will now be classified as basic and therefore measured at cost rather than fair value, provided they are in line with a new principle-based description. This should reduce the complexity of financial instrument disclosures for SMEs.
- There will be a choice of how investment properties rented to another group entity are measured: either cost less depreciation and impairment or fair value. At present, investment properties must be measured at fair value unless the entity concludes that determining fair value would require "undue cost or effort". It is intended that all "undue cost or effort" requirements will be removed from FRS 102. Thus, reducing professional valuation costs for inter-group property rentals.
- Following a business combination, a smaller number of intangible assets will need to be valued and presented separately from goodwill.

Further details of the triennial review and FRED 67 are at [tinyurl.com/kumnh4b](http://tinyurl.com/kumnh4b). We will be issuing a survey to our members to facilitate a response to the consultation on FRED 67. The deadline for comments on this consultation is 30 June 2017.

The second exposure draft will be issued later this year and will propose the incorporation of new IFRSs (IFRS 9, IFRS 15 and IFRS 16) into UK GAAP.

### Additional support for our members

The implementation of new UK GAAP has been challenging for many SMEs and smaller accountancy practices due to the significant differences between FRS 102 and old UK GAAP, with more changes yet to come following the withdrawal of the FRSSE from 1 January 2016 and the exposure drafts in respect of changes to FRS 102. In response to this, the IFA will be publishing a series of technical articles covering the more complex areas of new UK GAAP.

Many SMEs have reached or will be approaching the end of their second financial reporting cycle under FRS 102 and if there are any questions or additional feedback on either FRS 102, FRS 105 or FRED 67 please feel free to contact either myself ([stephanie.tiller@work.ac.uk](mailto:stephanie.tiller@work.ac.uk)) or Anne Davis ([anned@ifa.org.uk](mailto:anned@ifa.org.uk)).

# Something suspicious?

Don't be confused by the new Money Laundering Regulations.

*Richard Simms* considers various changes that advisers will need to be aware of.

## TEN SECOND SUMMARY

- 1 A new body – the Office for Professional Body Anti-Money Laundering Supervision – will be introduced by January 2018.
- 2 Professional body supervisors will have to list trust or company service providers to enable them to be registered with HMRC.
- 3 The trustees of express trusts will have to hold adequate, accurate and up-to-date information on beneficial owners.

was brought up watching the “Dukes of Hazzard”, the “A Team” and, from this side of the pond, “Only Fools and Horses”. The list of loveable TV rogues goes on and always features the main characters living somewhat outside of the law, but with hearts of gold and never going too far over the



line. More recently on TV, it appears that there has been a swing towards the professional criminal using sophisticated technology linked to multiple jurisdictions and layered companies and bank accounts.

Whether we love them or hate them, we're perhaps all wise enough to know that there's more than just an element of truth in these fictional characters and the scenarios that they inhabit.

### Relevance

Why is this at all relevant? As criminals have become more sophisticated, so have law enforcement and the laws used to combat them. Tax evasion is just one of the crimes underlying money laundering and should not be considered in isolation, but there is a direct

correlation between a reduction in tax evasion and an increase in the coffers of HM Treasury.

Although there are many compelling arguments for reducing crime and terrorism, the reduction of tax evasion, perhaps to some, seems less important. What's the harm in doing it if people can get away with it?

IFA members do not need me to explain the harm caused by tax evasion, but turning the questions directly towards the accountant and bookkeeper in practice may create a dilemma. There is no lower limit for making a suspicious activity report under the Proceeds of Crime Act (POCA) so members in public practice are legally obliged to report any proceeds of crime, irrespective of how small this might be, as money laundering.

I believe that the low number of reports submitted by our sector each year is a key factor in the eyes of the government for the criticism of our industry and its anti-money laundering (AML) supervisors. To the government, this suggests that the sector is not providing the expected level of information on its clients.

This is one reason for the establishment of a new supervisory body – basically, a bigger stick to hit the supervisors with and, in turn, to implement greater enforcement against their members.

### Insufficient reports

Why are we not reporting enough? It should not be forgotten that the duty to make suspicious activity reports under POCA is suspicion, grounds for suspicion and knowledge. "Suspicion" means just that and by its nature falls short of knowledge. Choosing not to report is a criminal offence.

POCA jumps right into the middle of the relationship between client and accountant. For those who now claim "professional privilege", be sure to take legal advice before relying on that.

The area that leaps out for me here is the question of tax evasion and tax avoidance.

Tax evasion is the easiest: it's illegal. The revised *Professional Conduct in Relation to Taxation* (PCRT) document covers tax planning, tax avoidance and tax evasion. It makes it clear that the creation and promotion of artificial or contrived tax avoidance schemes should not happen.

The guidance covers the disclosure of tax avoidance schemes (DOTAS), follower notices, accelerated payment of tax and promoters of tax avoidance schemes (POTAS) and the application of the general anti-abuse rule (GAAR) in Finance Act 2013 when completing tax returns.

Members should read the latest PCRT because this will help to clarify some areas and may result in more suspicious activity reports being made.

In my opinion, our sector will come under increasing pressure until the number of reports submitted by the accountancy sector hits a level



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that is acceptable to the government; whatever that might be.

Rightly or wrongly the question that will be raised with increasing frequency and volume is whether reports should be made for any clients. In a very similar way to the changes to the structure and content of the AML regime, explored later in this article, IFA members have nothing to fear if they are compliant and the same applies for their clients.

### The new supervising body

In response to the concerns raised by the National Risk Assessment of Money Laundering and Terrorist Financing in October 2015 and the issue of the April 2016 action plan, the government has published plans to form, by January 2018, the new supervisors' supervisor: the Office for Professional Body Anti-Money Laundering Supervision (OPBAS).

This organisation will be housed within the Financial Conduct Authority. What should be borne in mind is that a professional body supervisor (PBS) has a substantial administrative and data gathering responsibility placed upon them. Being an AML supervisor is not paid for by the government and OPBAS will be funded by the supervisors.

The emergence of this new body is disappointing given that supervisors have engaged positively and cooperated fully with HM Treasury. Further, the consultation on the supervisory regime on OPBAS is very much around the edges rather than a question of its existence and funding.

### The flip side

The fear is that the creation of OPBAS may lead to further accountancy sector supervisors stepping away from this role if the burden in terms of costs and resources becomes too great. This raises considerable concerns and I cannot help but feel that this is an own goal. If an accountant's professional body ceases to be a supervisor, without other memberships the individual must, by default, turn to HMRC as their AML supervisor. Consequently, HMRC is not just a tax collection agency, but also has the capacity to review the internal operating structure of a firm. The accountancy and bookkeeping sector needs a voice to speak up for those who work in the sector.

On the flip side, there has been little guidance from HM Treasury to AML supervisors on what is expected of them. Hopefully, part of the role of OPBAS will be to clarify these expectations further.

What may be helpful to all parties is the *Risk-Based Supervision Guidelines*. These were issued by a committee of EU bodies on 7 April 2017. A draft has been around for a while and I believe it makes helpful reading for members and supervisors alike.

### Trust or company service providers

If a firm undertakes any trust or company service providers (TCSP) work and is not separately registered with HMRC, it may soon have to under the draft Money Laundering Regulations 2017, even if such work is ancillary to the accountancy services being provided. The detailed process is not yet clear, but professional body AML supervisors will have to provide a list of their members undertaking such work to enable them to be registered with HMRC. The department is scheduled to take on this responsibility from 26 June this year, but any transitional arrangements have yet to be laid out.

The expectation is that, once in possession of this list, the HMRC will contact the firm asking it to register as a TCSP.

The GOV.UK website has guidance on the existing registration requirements and a list of services that are classed as TCSP work. There is a charge to register to be supervised as a TCSP with HMRC and the new online registration system is now in beta testing. Whether a charge will remain is unknown, but what is clear is that HMRC, as the registering authority, can set out the information required at the point of registration and may include a risk assessment on the applicant firm.

To be clear, those providing accountancy and bookkeeping services under the Money Laundering Regulations and who are supervised by their professional body (rather than by HMRC as a statutory supervisor) will still need to be supervised by that professional body both as an accountancy service provider and as a TCSP. Registration with HMRC as a TCSP will not remove this requirement. It is therefore important to be clear that there is a difference between being supervised by HMRC as a TCSP and being registered.

### Politically exposed persons

The current definition of a politically exposed person (PEP) as proposed in the draft Money Laundering Regulations 2017 is someone of high political office, their close associates and family members. This definition will not change, but what will be different are the geographic areas that we are concerned with.

The previous EU directive referred to non-domestic PEPs, meaning those outside the UK. The incoming directive – and consequently the new UK Money Laundering Regulations – loses this distinction and will cover all PEPs. Thus, wherever they are situated, all these persons are within the scope of the regulations.

If a new or existing client is identified as a PEP, the firm's enhanced due diligence measures will need to be applied.

The firm's money laundering reporting officer (MLRO) and senior management will need to approve the firm working with a PEP. There is an underlying concern that some firms within the scope of the Money Laundering Regulations 2017 take a view that they will not work with a PEP or will look to apply very harsh enhanced due diligence measures if they do.

## Addressing concerns

The government is keen to address the concerns of some PEPs that levels of enhanced due diligence can be disproportionate to the risk posed and could impact on financial inclusion. Firms must assess the risk posed by PEPs, their family members and their known close associates on a case-by-case basis and tailor their due diligence measures accordingly. This would mean that high-risk PEPs are subject to a greater level of enhanced due diligence than a low-risk one.

The government states: "When assessing the level of risk posed by UK PEPs and the extent of enhanced due diligence to apply, firms should take full account of the UK's position as a world leader in the fight against corruption, money laundering and terrorist financing."

It is further said that they would expect UK PEPs entrusted with prominent public functions to generally be treated as low-risk.

We await the issue of further guidance on PEPs from the FCA and possibly from the accountancy and bookkeeping sector as well. There are some suggestions within the recent consultation on how to assess PEPs and this area may be a suitable subject for a future article.

## Beneficial ownership

Consultation in November 2016 by the Department for Business, Energy and Industrial Strategy asked for views on how best to implement the EU Fourth Money Laundering Directive (4MLD) requirements for a central register of beneficial owners.

Following the implementation of the people with significant control (PSC) register last year it is evident that amendments to the register will be required to comply with the 4MLD. It seems from the consultation that the register will need to have an element of periodic (we assume annual) confirmation as well as a requirement to update the register for changes sooner.

The government has stated that the Department for Business, Energy and Industrial Strategy will issue a written ministerial statement that will include the scope of the requirements and the question of when to update the PSC register for changes. This could also lead to a wider scope of entities required to hold a PSC register.

## Express trusts

As well as the planned revisions to the PSC register generally, there will be new requirements for express trusts. The trustees of such a trust will need to hold adequate, accurate and up-to-date information on its beneficial owner. This information must be available to law enforcement agencies and the UK Financial Intelligence Unit (UKFIU), which is housed within the National Crime Agency. They must disclose their status as a trustee if operating in that capacity when entering a business relationship or conducting a transaction.

There is also a requirement for the establishment of a central register of express trusts with tax consequences. HMRC plan to launch such a register in the summer of this year and the details required to be registered will be wide. One key outcome for HMRC is that the right amount of tax is paid at the right stage of the process.

## Criminality tests

Those in the financial sector will have to undertake criminality tests to prevent convicted criminals and their associates from being beneficial owners of or holding a management function within a regulated entity.

A key part of this is that for a conviction to raise concern it would need to be in a relevant area. Such areas are those relevant to the risk of money laundering and terrorist financing or that raise a question over whether someone is suitable to hold that position.

Relevant to money laundering and terrorist financing risks means at least all predicate offences (offences that have a proceed of crime and connected to which is likely to be money laundering) or those that are directly connected as proceeds of crime, money laundering or terrorism.

Spent convictions and cautions will not be factors that a supervisor can take into account when they are reviewing a member and ongoing investigations or charges should not likewise be considered.

## Administrative sanctions

Effective, proportionate and dissuasive sanctions are what is required. Where appropriate, members of the management body and other relevant persons could be held responsible.

Supervisors must have a minimum level of sanctions in place. The fines to be levied have a maximum of at least twice the amount of the benefit derived from the breach and/or €1,000,000.

The consultation on the Money Laundering Regulations 2017 concluded on 12 April 2017 and on the supervisory regime on 26 April 2017. The UK government is obliged to introduce new Money Laundering Regulations by 26 June 2017.

The timing of the proposed general election on 8 June means that parliament was dissolved on 3 May and will not reconvene until nearly the middle of June. The new regulations will no doubt need some form of parliamentary approval – which ordinarily might have happened in May or early June 2017.

Thus, the final wording will only be known very shortly before the regulations come into force. Therefore, I must strongly urge readers to keep an eye out for a final version of the Money Laundering Regulations 2017 and further guidance over the next few months and should start planning for the changes. They will be here before you know it.

## FURTHER INFORMATION

- *Professional Conduct in Relation to Taxation:* [tinyurl.com/m5b78aw](http://tinyurl.com/m5b78aw)
- *National Risk Assessment of Money Laundering and Terrorist Financing:* [tinyurl.com/o9g8wwg](http://tinyurl.com/o9g8wwg)
- *Action plan for anti-money laundering and counter-terrorist finance:* [tinyurl.com/jeeuym](http://tinyurl.com/jeeuym)
- *Risk-Based Supervision Guidelines:* [tinyurl.com/l5r3wbs](http://tinyurl.com/l5r3wbs)
- *Guidance: Money Laundering Regulations: nominated officers and employee training:* [tinyurl.com/lbuc6ql](http://tinyurl.com/lbuc6ql)
- *Fourth Money Laundering Directive:* [tinyurl.com/l2f3or3](http://tinyurl.com/l2f3or3)
- *People with significant control (PSC) register:* [tinyurl.com/zx8fpx9](http://tinyurl.com/zx8fpx9)
- *Guidance on registration requirements and services classed as trust or company service providers work:* [tinyurl.com/hn3oqzm](http://tinyurl.com/hn3oqzm)
- *Webinars and e-learning for anti-money laundering:* [tinyurl.com/k6g34ht](http://tinyurl.com/k6g34ht)

# Follow the rainbow

**Mark Wickersham** advises accountants that there is a big financial opportunity by moving to value pricing.

## TEN SECOND SUMMARY

- 1 **Hard work does not automatically equate to increased profitability.**
- 2 **Time-based billing is uncertain and unpopular with clients.**
- 3 **Consider pricing options to allow clients to choose the service offered.**

**T**he accounting profession is in trouble – at least, it is if it doesn't change soon. There's a simple fact I observe whenever I meet my fellow professionals – we work far too hard for far too little reward. And no matter how hard we work to grow our accountancy practices, hoping that the next few clients we win will make all the difference, it doesn't change. We're still not making enough money. And we're still working too hard.

There's a very simple reason for this. Accountants are too cheap. Their price is wrong and the wrong pricing is the root cause of all other problems.

Just to compound our problems, a technological revolution is taking place. New emerging technologies such as machine learning mean that much of what we have done in the past is being automated.

Historically, our profession recorded financial information. But now computers and smart phones are doing much of that for us; for example, bank feeds automatically enter the bank transactions. Tools such as Receipt Bank automate the processing of receipts. The time taken to do compliance work is falling.

And if we cling to the old-fashioned way of pricing – pricing based on time – we will find our prices and profits falling further. However, it does not have to be that way – there are two big opportunities for this great profession.

- When we learn to price properly, we can very quickly transform profits. The maths is very simple. Imagine an accounting firm with £210,000 in fees and making a profit of £70,000. If that firm could find a way to increase price by just 20%, and do it in such a way that no clients left, the profit would increase by £42,000 to £112,000. That's a big difference. And one that can be achieved very quickly when pricing is mastered.

- As compliance work declines the accounting firms of the future must do more. They must add more value. One way to do that is to help clients with their pricing and become a price consultant. This is a big opportunity.

## Business application

Most businesses – most of your clients – are also too cheap, working too hard and not making enough money. Those who master pricing can make a big difference to the lives of their clients. Imagine the example above was your client and you could help them to increase their profit from £70,000 to £112,000; how much do you think they would be willing to pay you for the advice that will achieve that result? I would suggest that a fee of £10,000 to £15,000 could be commanded for that sort of service. So how do we do that?

First, before we can work with our clients, we must get our own house in order. So, let's look at some of the fundamentals of pricing. There are only two ways to price.

- Cost-plus pricing.
- Value pricing.

It was demonstrated about a century ago that cost-plus pricing is not an acceptable method of pricing. Unfortunately, the accounting profession never understood the analysis because time-based billing (based on how long a job takes) is a form of cost-plus pricing. I am not going to cover that analysis in this article, but I will leave you with this reason for avoiding cost-plus: customers hate it. Whenever we buy anything in life we want certainty, including over the price. Time-based billing doesn't provide that because the customer never knows what the price will be until the project is complete and the hours totalled.

## Moving to value pricing

The bad news is that value pricing is insanely difficult. This is because value is subjective and cannot be measured. It's difficult because every customer values things differently. And it's difficult for our profession because every client and every job is unique. But just because it's difficult, doesn't mean we have to give up, go back to the timesheet and continue to price too cheaply.



**Mark Wickersham** is a chartered accountant, public speaker and best-selling author and is known as the most sought after profit improvement expert in the accounting community. Mark is a widely-published author on practice issues. In May 2011 his book, *Effective Pricing for Accountants*, was a number one Amazon bestseller. He is the author of *A Practical Approach to Value Pricing* ([tinyurl.com/wickbook1](http://tinyurl.com/wickbook1)) and *How to Build a Successful Bookkeeping Business* ([tinyurl.com/wickbook2](http://tinyurl.com/wickbook2)). He is also the creator of "Price Consulting: Changing clients' lives the fast way by helping them price more profitably" Obtain a free copy of Mark's eBook, *How to price accountancy services for maximum profit* at: [tinyurl.com/effprice](http://tinyurl.com/effprice).

To be successful at value pricing we just need a system. First, we must add more value. Not only is this the right thing to do for the client, the more value, the more the client will pay. The great news is that many of the things we can do to add more value have little impact on our costs.

For example, value could be added to the annual accounts preparation service by providing an accompanying benchmarking report showing the client how their results stack up against other similar businesses in their industry. That's valuable.

And you can invest in software tools that do the analysis and the report almost at the touch of a button. The next thing is to communicate the value of what you do.

This is something the profession is not very good at.

Most clients have no idea what their accountant really does, so is it any wonder they don't fully value it (and always quibble over price). A few simple techniques such as "quantification" can significantly increase the clients' perception of value and willingness to pay. Quantification simply means using our skills with numbers to put a number on the value (even if that number is based on a best guess).

As a real example, I was recently asked to give a proposal and a price to do a series of workshops teaching a group of multi-partner firms how to improve their pricing. How much would you charge for doing a workshop like that? I don't price by the hour, I price by value.

### A powerful lever

Price is the most powerful (but the most neglected) lever in the profit equation. With the right pricing strategies, systems and tools many firms that have followed my process have increased average fees by up to 20% with little or no loss of clients.

For a typical multi-partner firm with annual fee income of £5m it is very likely that within 18 months, average prices (and therefore turnover) will increase by 10 to 20% from changing the pricing systems. And even a 5% increase in average fees with no loss of clients will increase bottom line profit by £250,000.

Working with your organisation and about 25 member firms it is very possible to increase profits for those firms, collectively, by about £6,250,000 over an 18-month period.

How do you think the realisation that this workshop could increase the profits of those firms by more than

£6m will impact on the value attached to it, and therefore the willingness to pay the price?

The next thing to do is recognise that different people value things differently so price discrimination must be mastered. A great technique is to offer the client three options. In other words, package your service into a bronze version, a more expensive silver version and a premium-priced gold version and let the client choose. If the bronze version is priced similar to the previous price, you will be pleasantly surprised to see just how many of your clients will *choose* to pay more money by buying a more expensive option when you add in enough value and properly communicate the value.

The final step is to have a system for calculating and revealing the price. Use the power of price psychology to make the price seem smaller than it really is. The great news is there are dozens of tactics we can use here which are easy to master.

### Conclusion

Let me leave you with this final question. If you knew with absolute certainty you could increase your prices, and your annual fees, by 20% over the next 12 months, without losing any clients, would it be worth mastering the secrets of value pricing?

### FURTHER INFORMATION

To explore this subject further, Mark is offering his latest book, *A Practical Approach to Value Pricing* for free if you pay the packaging and postage. Visit: [tinyurl.com/valuebook](http://tinyurl.com/valuebook).

# Learning to grow

We all want to be credible, authoritative and influential. *Lynn Scott* offers some practical tips on how to do this with integrity.

## TEN SECOND SUMMARY

- 1 Self-confidence and influence are learned behaviours.
- 2 Be interested in other people rather than trying to gain their interest.
- 3 There is always room for improvement, so seek feedback.

I describe influence as “the behaviour that enables ideas to be heard and considered by other people and the ability to effect positive change.” And we can all become more influential among a wider range of people whatever our personality type, background, starting point or previous experience – and this even applies to the quiet, shy and introverts.

Are your views heard and considered by others? Do you get real buy-in for your ideas? Do people want to work for you or with you? If so, you have influence. Or perhaps you don't, but would like to. Perhaps you say too much – particularly when wanting to add value, are nervous or want to impress. The voice in your head says “keep talking; show how much you know, they'll eventually get it.” Sadly, this will not be positive influence. People will be switching off and not listening – haven't you noticed their eyes glazing over? Influence is difficult to achieve without being able to “read the room”.

Perhaps you find it hard to speak up, particularly with fellow professionals, clients or senior people. You don't see yourself as an equal or are afraid of making a fool of yourself. That little voice is saying you're not good enough, old enough, young enough, experienced enough, confident enough. Or not “something” enough.

All the influencing tips in the world will fail without changing some of the beliefs you hold about your own ability to be a person of influence. So that's where we start.

## Change the script

How do you change that voice in your head? The answer is to identify a more helpful voice and script instead.

Rather than “I'm not confident enough”, how about “I can grow my confidence by asking just one question next time”? Change “I'm not good enough” to “How can I demonstrate my expertise in one or two simple sentences?” Ask yourself “What are the two things I need to get better at and who can help me?”

Self-confidence is a learned behaviour achieved by trying things and discovering that you can do them. The more you do them, the better you get. It does not have to be many things; start with one. And that's the same with influence: plan, prepare and practise. Take the first step. Beliefs are not facts, so change the ones that aren't helping you be influential. There are four other key areas that you need to work on – the beauty is, you are in control of all of them.



Lynn Scott is an international coach who helps financial specialists and their teams to grow their influence and get better results faster. She can be contacted by email on: [lynn@lynnscootcoaching.co.uk](mailto:lynn@lynnscootcoaching.co.uk) Visit: [www.lynnscootcoaching.co.uk](http://www.lynnscootcoaching.co.uk)



## Be interested, not interesting

In *How to Win Friends and Influence People*, Dale Carnegie said: "You can make more friends in two months by becoming interested in other people than you can in two years by trying to get other people interested in you."

Carnegie wrote this best-selling book in the 1930s, but his advice is still true. Whether persuading someone to become a client, growing a network of professional contacts or influencing a colleague to support a project, we first need to connect with them and build a relationship. I am avoiding the word "networking" because most people hate it, but are happy to build a relationship based on mutual trust or interest.

In fact, building good relationships is the most important thing to do to become a person of influence. This means playing the long game and being genuinely interested in connecting. Without this, others will see through it and will not trust that you have their best interests at heart.

Think of one person with whom you would like to build a professional relationship. For example, if you're visiting a potential new client for the first time, go in with the sole purpose of getting to know them and their business before trying to sell a solution. Follow up after the meeting with an insight or article they might find useful. Show you really understand their world and how to help.

What is their biggest concern and how can you help address this? Ask questions, listen to the answers and respond accordingly. Do they want lots of detail or just headlines – don't assume; find out. Speak in language they understand and avoid jargon. If they know, like and trust you, you're likely to have more influence.

## Small talk makes big talk happen

A client was described by fellow board members as "secretive" – they didn't trust him because they knew little about him. He was a "closed book" they said. He struggled to get his ideas accepted even though he was an incredibly talented financial director. His great expertise wasn't helping him to influence his colleagues.

The "problem" here was that the client did not engage in the small talk which took place for about 20 minutes before the board meetings started. He thought this "a waste of time". In fact, he never spoke about anything other than work.

Much as we might loathe the idea of small talk, it is an important skill to master and is quite simple with some useful questions in your armoury.

- "What ideas do you have for...?"
- "How did the meeting with X go last week?"
- "How was your holiday?"

Do this genuinely, consistently and with good intent and the ability to influence will sky-rocket. This is because when you focus on you and you alone, you lose your ability to influence and connect with other people. However nice, talented or experienced you might be.

## Be authoritative, not authoritarian

Perhaps you build relationships well already – but still lack gravitas and authority. The first is a learnable skill for everyone.

Think about the way you enter a room. Do you look like someone I should be influenced by? Do you walk in slowly, head held high and make eye contact? Or do you scuttle in like a frightened rabbit, papers flying, making yourself look as small as possible? If the latter, imagine how "someone with influence" would walk into that room. Practise being that person. It's not about being a clone – it's about watching and learning from people who do things well.

Do you use simple, clear language and vary your voice pitch, tone and intonation? Or do you waffle, go off at tangents and repeat yourself? Do you pause and allow time for your message to land? Or do you plough on and on and on? Improve the way you speak by practising.

For example, if I am making a call to a potential new client I will clarify how I want to come across and practise my opening lines. Recording them on a phone can help to remove all the superfluous words and "ums and ahs". It helps to slow down and sound measured and calm. You can't prepare a script, of course, but being confident for that "first impression" can remove potential anxiety and make for a good start. Stand up when practising – this adds strength, helps with voice projection and achieving the right volume.

Worried that someone will ask awkward questions? Think about the ten questions you dread and think of the answers. If you do get stuck it's much better to say "great question, I'll get back to you when I know the answer" rather than waffling. This just looks ineffective.

Can you talk happily and confidently about your achievements and expertise? If you struggle with this, jot down the things of which you are most proud and practise saying them until this becomes natural. This is not "showing off", but an honest expression of achievements.

These tips will help to grow gravitas whether in a one-to-one conversation or presenting to a group. And in the latter scenario, do not talk for more than 20 minutes without a pause for some interaction or a break. Any longer and people "zone out".

## Seek feedback

Finally, ask people you trust to tell the truth about your influencing skills. Make it easy for them by asking for specific feedback on a particular event.

Something like this normally works well: "How well did I demonstrate my influencing skills with that client this morning on a scale of one to ten?" Depending on the response, ask: "What could I do to improve?" This gives an idea of the one thing to improve.

We all have blind spots – if we are blissfully unaware of them we may find that we are unable to improve our ability to influence. But with care and practise this is a role we can all grow into.

# Becoming more cloudy

Responsibility for data in the cloud is an important subject for those handling client information.

## TEN SECOND SUMMARY

- 1 **Cloud data services can offer many opportunities, especially for smaller businesses, but there are risks.**
- 2 **Determining whether the cloud provider is acting as a data processor or controller.**
- 3 **Contracting for cloud computing services on standard terms and conditions, does not absolve an organisation of responsibility.**

Innovative products, mobile access to data and affordable pricing are key drivers for accountancy firms when considering a move to cloud computing. Cloud services also offer an affordable route for smaller organisations, including start-up companies, to cope with rapid expansion. But by processing data in the cloud, businesses may encounter risks to data protection that they were previously unaware of.

Businesses must remember that they have responsibilities under the Data Protection Act (DPA) to protect the personal information they collect and use. This includes appropriate security to prevent it being accidentally or deliberately compromised. Breaches of data protection legislation could lead to businesses incurring a fine – up to £500,000 in serious cases.

New legislation coming in May 2018 could see fines rising to 4% of a company's turnover. The reputation of businesses could also be damaged if inadequate security contributes to high profile incidents of data loss or theft.

Processing data in the cloud represents a risk because the personal data for which a business is responsible will leave its network and be processed in systems managed by a cloud provider. Any organisation considering a move to the cloud must therefore have a clear understanding of its needs and obligations to ensure that it uses an appropriate provider. Further, it may need to take appropriate steps to inform end-users about the processing arrangements it has put in place.

## Identifying the data controller

The DPA applies to personal data that is processed. Processing has a very broad definition and is likely to include most of the operations that occur in the cloud, including mere storage of data. For those who are data controllers, this will continue to be the case if processing is moved to the cloud.

The precise role of the cloud provider will have to be reviewed in each case to assess whether it is processing personal data. If it is, it is important to determine whether the cloud provider is merely acting as a "data processor" on behalf of the data controller or whether it is a data controller in its own right.

## Data controller in a private cloud

Identifying the data controller in a private cloud should be quite straightforward because the cloud customer will exercise control over the purpose for which the personal data will be processed within the cloud service. If a cloud provider is contracted simply to maintain any underlying infrastructure then it is likely to be a data processor – in other words, it will only process the data on behalf of the data controller. This will include tasks such as allocating computing resources, performing and storing back-ups and providing support.

## Data controller in a public cloud

When using a public cloud, the ICO recognises that a customer may find it difficult to exercise any meaningful control over the way a large, and perhaps global, cloud provider operates. However, simply because an organisation chooses to contract for cloud computing services on the basis of the provider's standard terms and conditions, does not mean that the organisation is no longer responsible for determining the purposes for which, and the manner in which, the personal data is to be processed. The organisation will continue to be a data controller and will be required to meet its obligations under the DPA.



## FURTHER INFORMATION

The Information Commissioner's Office is the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals. Visit: <https://ico.org.uk> Helpline: 0303 123 1113.

Information on the difference between data controllers and data processors from ICO guidance: [tinyurl.com/qxmajs5](https://tinyurl.com/qxmajs5)

Information on the use of cloud services is in the ICO's *Guidance on the use of cloud computing*: [tinyurl.com/kuxzqwo](https://tinyurl.com/kuxzqwo)

The ICO offers an online self-assessment data protection toolkit for SMEs to find out what they need to do to comply with the law: [tinyurl.com/j6jvoa8](https://tinyurl.com/j6jvoa8)

# Cleared for take-off

Could your practice fly? *Imtiaz Longi* recommends the benefits of being an ATOL reporting accountant.

## TEN SECOND SUMMARY

- 1 The IFA is one of the seven bodies approved to issue a licence to perform ATOL reporting.
- 2 The CAA relies upon the accountant to do their assurance work and mitigate business risk.
- 3 A CAA website listing is a great marketing tool and a potential source of new business.

More than two years ago, the Civil Aviation Authority (CAA) published a consultation paper to air travel organisers' licence holders and accountants. It was a long process but, in 2016, the IFA became one of the seven professional bodies approved by the CAA under their ATOL scheme, so it can now issue practising members with a licence to perform ATOL reporting. This was great news because almost all my clients were travel companies and not having a licence would have had a tremendous impact on my business. So what is the scheme about?

An ATOL reporting accountant (ARA) is an individual who is designated under the ATOL reporting accountants scheme. They are engaged by the ATOL holder to report on information provided by them to the CAA. Only an individual may sign off the report, although they could sign for and on behalf of the firm. In the past, it was not uncommon for accountants to sign off ATOL reports without due consideration. Now, with the ATOL guidance, an ARA must demonstrate their competence to their professional body.

An ARA must sign a letter of engagement with the ATOL holder detailing what is required. They must also engage with the client so they understand that the ARA has a duty of care to ensure that: the reports part 1 and 2 are factual; any exceptions are reported; and that detailed information is provided to the CAA.

## Professional reliance

The CAA relies upon the ARA's assurance work. This is to mitigate the risk that licences could be issued based on incorrect information, potentially exposing clients to an unacceptable level of risk or detriment, and that the incorrect amount of ATOL protection contributions is paid.

The ATOL holder should have a front reservation and back office software system to ensure that bookings and payments are recorded and reconciled. The reporting will then be accurate and can be checked and verified. The ARA will be able to do the assurance test work as required by the CAA and the IFA.

Any tour operator or travel agent licenced as an operator in the UK and holding a valid ATOL licence is required to ensure that they have provided proper certificates and confirmation invoices to its passengers as required by the ATOL regulations.

ARAs must ensure that they follow guidance note 10 of the ATOL regulations. The *Requirements for ATOL Reporting Accountants* are published in the CAA's Official Record Series 3.

## Business development

The reason I chose to become an ARA was to move forward rather than backwards. It has helped me to raise my standards and I have taken on new clients that I might not otherwise have done. It has also helped me retain my existing clients. The ARA listing on the CAA's website is also a great marketing tool. It assures the ATOL holder of my credibility and is a potential source of new business.

For example, I was approached by a South African tour operator because his accountant was not qualified to provide ARA services. When I received the email documents they were from a major international accountancy firm. Gaining this client was a real achievement for my practice.

As an ARA I have a great responsibility and must ensure that I carry out my duties as set out in the CAA's guidance notes and the IFA guidelines. I also, of course, must continue my professional development to keep up to date with the changes in the reporting procedures and assurance work.

## Conclusion

IFA members who do not have ARA status should seriously consider it because this is a real opportunity to increase their business and clientele.

I have seen many practising accountants who, because they are not an ARA, cannot offer these services to travel clients.



*Imtiaz Longi* FFA/MIPA, FFTA is managing director of Longi Associates and has more than 26 years' experience and specialist knowledge in the travel industry. He is an ex-auditor and a travel license expert. He has worked in a travel company for three years as a financial director of a Spanish tour operator and two years as a general manager of a travel agent consolidator specialising in the Far East. Imtiaz can be contacted by telephone on 0208 200 6257 or email: [imtiaz.longi@longiassociates.co.uk](mailto:imtiaz.longi@longiassociates.co.uk).



# Can I ask...?

**Alan Hind** discusses what accountants can do when a client asks for investment advice.

## FURTHER INFORMATION

IFA Code of Ethics at:  
[tinyurl.com/ifaethics](http://tinyurl.com/ifaethics)  
Designated  
professional bodies:  
[tinyurl.com/kla25v6](http://tinyurl.com/kla25v6)

## TEN SECOND SUMMARY

- 1 Understanding regulated advice.
- 2 Referral is also subject to conditions.
- 3 Examples of regulated activities.

**P**roviding advice on investments (including pensions) is complex and highly regulated. What can and cannot be done is defined in the Financial Services and Markets Act 2000 (FSMA 2000) and Regulated Activities Order 2001.

How can an accountant help clients without carrying out an unauthorised activity? With the appropriate qualifications, they could become authorised by the Financial Conduct Authority (FCA) to provide financial advice, which will also require compliance with their handbook rules. However, unless this is seen as a significant client service, most accountants would probably not want to subject themselves to this level of regulation and scrutiny. So, what can (and can't) be done with a practicing certificate?

### Generic advice

The characteristics and merits of different investment types including tax advantages can be discussed. This might include:

- providing general guidance on the type of investment a client might consider – such as the tax advantages of maximising pension contributions; and
- discussing how pensions could be accessed.

However, clients cannot be advised to buy or sell a specific investment or be given recommendations on how they should access their pension. These are regulated activities.

### Referral to an authorised firm

Introducing a client to an FCA authorised firm for advice on pensions or contracts of insurance is also a regulated activity. To avoid crossing this "boundary" the accountant has several options:

- provide clients with details of an authorised firm, and allow them to make contact, so that the accountant is not "arranging an introduction"; and
- make an introduction for a general review of the client's financial affairs, which might include

advice on pensions or contracts of insurance (best evidenced in writing).

In making an introduction the accountant has a duty of care to the client and must therefore have due regard to the requirements of the FSMA 2000 and the IFA's Code of Ethics, particularly the principle of objectivity. To minimise the actual or perceived threat to objectivity to an acceptable level (see the IFA's Code of Ethics, section 240) consider implementing safeguards such as obtaining advance agreement from clients for commission or referral fee arrangements, which can be done through the engagement letter.

### Consumer credit

The Consumer Credit Regulations apply to a range of activities relating to credit advanced to consumers for the purchase of goods or services. Previously, this was regulated by the Office of Fair Trading (OFT) but, since April 2014, it is regulated by the Financial Conduct Authority (FCA). Because they relate to "consumer clients", the regulations do not apply to work for corporate clients or partnerships with more than three partners.

Those intending to carry out consumer credit activities must obtain FCA authorisation or a licence from a designated professional body – the IFA cannot provide a licence. If a firm carries out a regulated activity without the appropriate authorisation the FCA make take any action within its powers.

The most likely regulated activities that a firm might be asked to perform are as follows.

- *Providing instalment credit for clients.* Allowing clients to pay their debt to you in instalments. This is a regulated activity if there are more than 12 instalments in a 12-month period. It is also regulated if interest is charged on the instalment payments.
- *Providing credit information services.* Acting for or advising on a client's credit ratings, including checking on behalf of a client the information that a credit agency holds and helping to correct or update information held by a credit agency.
- *Credit broking.* Arranging an introduction of a client to a third party to obtain credit (see above for the definition of arranging an introduction). The third party can be a lender or a credit broker.

IFA members who believe that they are carrying out any of these activities and are not authorised should contact me.



**Alan Hind** is a chartered accountant with 25 years' experience working in regulation. He has visited both large and small accountancy practices throughout the UK, providing support and guidance in both regulated and unregulated areas. As well as his work for the IFA, he is a pension fund trustee and member of the CII audit committee. Email: [alanh@ifa.org.uk](mailto:alanh@ifa.org.uk)



# Maintaining standards

Reports of two recent disciplinary committee hearings.

**T**he IFA is committed to acting in the public interest and maintaining public confidence in the accountancy profession by promoting the highest professional and ethical standards. Our commitment to acting in the public interest manifests itself in several ways. First, the Institute sets exacting criteria to routes to membership. Second, it requires

members to adhere to its regulations and guidance. Third, the IFA ensures that the required standards for conduct and competence are met. The fourth corner of this foundation is the investigation of complaints about members.

On 13 March 2017, the disciplinary committee heard two complaints and made the decisions as set out below.

## **MRS JOANNA WEBB, ARNOLD WEBB ACCOUNTING LTD, THE VILLA, SALWARPE, DROITWICH SPA, WORCESTERSHIRE WR9 0AH**

### **Complaint**

The complaint was that Mrs Webb was liable to disciplinary action under the IFA's Bye-Laws. Bye-Law 12.1 states that a member shall be liable to disciplinary action if they have performed their professional work or conducted their practice or performed the duties of their employment, improperly, inefficiently or incompetently to such an extent or on such a number of occasions as to bring discredit to themselves or their practice, to the Institute, or to the accountancy profession. Bye-Law 12.3 says that misconduct includes (but is not limited to) any act or default likely to bring discredit to the member or to the Institute or the accountancy profession.

### **Background**

The complainant was a client of Mrs Webb. The complainant alleged that Mrs Webb failed to correspond with HMRC on his behalf for a considerable time and failed to provide information to his new accountants upon request. Also that she had provided misleading information about the progress of his affairs with HMRC. The Institute complained that Mrs Webb had not co-operated with its enquiries into the allegations.

### **Conclusion**

The Disciplinary Committee found these complaints proved and concluded that the conduct of Mrs Webb was seriously deficient. Mrs Webb had failed to act diligently, carefully, thoroughly or on a timely basis, and her conduct was seriously deficient and reprehensible. The Committee was satisfied that Mrs Webb had failed to co-operate with the Institute in its disciplinary process. The Disciplinary Committee ordered that Mrs Webb be expelled and ordered to pay the IFA's costs of £2,887.

## **MR NEIL BOBBETT, QUINN & CO, 1 POLLARD CLOSE, CAERLEON, NEWPORT NP18 3SS**

### **Complaint**

The complaint was that Mr Bobbett was liable to disciplinary action under the IFA's Bye-Laws. Bye-Law 12.1 states that a member shall be liable to disciplinary action if they have performed their professional work or conducted their practice or performed the duties of their employment, improperly, inefficiently or incompetently to such an extent or on such a number of occasions as to bring discredit to themselves or their practice, to the Institute, or to the accountancy profession. Bye-Law 12.3 says that misconduct includes (but is not limited to) any act or default likely to bring discredit to the member or to the Institute or the accountancy profession, and that in deciding whether a member has been guilty of misconduct, regard may be had to any code of practice, ethical or technical, adopted by the council and to any regulation affecting members.

### **Background**

The complainant was a client of Mr Bobbett. The complainant alleged that Mr Bobbett failed to file his 2014 accounts on time and failed to provide an engagement letter. The Institute brought a further complaint that Mr Bobbett had been practising without a practising certificate, contrary to the Institute's Framework for Regulation and Code of Best Practice.

### **Conclusion**

The Disciplinary Committee found these complaints proved and considered that the failures in relation to the 2014 accounts and practising without a practising certificate in 2016 each amounted to a serious departure from acceptable standards for members of the Institute. The Disciplinary Committee ordered that Mr Bobbett be severely reprimanded, fined £2,000 and ordered to pay the IFA's costs of £2,723.

# Views and attitudes

*Anne Davis* summarises recent research assessing the views and attitudes of taxpayers across the G20 countries.



*Anne Davis* is Head of Regulation and Policy at the IFA. She has responsibility for regulation, policy, disciplinary, AML and making representations in response to consultations affecting the profession. She is a chartered accountant and has a wide range of experience in management and financial accounting, project management, system implementation, policy and regulation. Anne has worked in retail, financial services and the not-for-profit sector. She is also a trustee for a couple of charities. Anne can be contacted by email: [AnneD@ifa.org.uk](mailto:AnneD@ifa.org.uk)

## TEN SECOND SUMMARY

- 1 A report includes views from more than 7,600 people across the G20 countries.
- 2 The need for further education and better communication with the taxpaying public.
- 3 More promotional work could promote the role of professional accountants in the UK.

**J**ohn Edwards, CEO of the IFA, and I recently attended an event on a global survey of the G20 countries on tax views and attitudes of taxpayers. The event was hosted by the ACCA and included the opportunity to ask questions and discuss some of the key findings of the research with a panel of experts including Edward Troup, HMRC Executive Chair and Permanent Secretary; Russell Guthrie, IFAC Executive Director, External Affairs; and members of the accountancy profession.

A report, *G20 public trust in tax* ([tinyurl.com/G20tax](http://tinyurl.com/G20tax)), compiled by the ACCA (the Association of Chartered Certified Accountants), IFAC (the International Federation of Accountants) and CA ANZ (Chartered Accountants Australia and New Zealand), draws on the views of more than 7,600 people across the G20 countries. These account for two-thirds of the world population, 85% of the gross world product and 75% of world trade.

## Key findings

So, what were the key findings of the research?

1. Of people in G20 countries, 57% trust or highly trust professional accountants when it comes to the tax system, compared to professional tax lawyers (49%), and non-government organisations (35%).
2. Of people in G20 countries, 58% believe that the work of professional accountants is contributing to more efficient tax systems; 56%, more effective tax systems; and 49%, fairer tax systems.
3. People in G20 countries have become deeply distrustful of politicians when it comes to the tax system, with 67% either distrusting or highly distrusting politicians. The public trust deficit extends to the media (41% distrust or highly distrust), and business leaders (38%).
4. People want governments to put tax co-operation ahead of tax competition and 73% of people in G20 countries think it is important or very important for governments to co-operate with each other on tax policy to create a more coherent international tax system. People are more than 3.5 times more likely to favour co-operation over competition.
5. Of people in G20 countries, 73% see paying taxes as mainly a matter of laws and regulation. People are more than twice as likely to see paying taxes as about laws and regulations, than morals and fairness.

6. Respondents are largely supportive of tax incentives for a range of social and economic objectives. More than three-quarters (76%) of respondents support government tax incentives for green energy projects, 74% for retirement planning and 68% for infrastructure projects.
7. Although views diverge considerably across G20 countries, overall more people tend to believe high-income earners and local and multinational companies are paying a reasonable amount of tax in their country than think average or low income earners are paying enough. Russell Guthrie, Executive Director External Affairs at IFAC said: "The results of the survey indicated that in English-speaking countries of the G20, there was scepticism around tax minimisation."
8. There are diverse views on tax minimisation throughout G20 countries, although 15% more people appear to view tax minimisation as appropriate or highly appropriate for high income earners and local and multinational companies than for average or low income earners.

The presentation of the key findings of the research was followed by a lively debate on tax. Topics included tax policy, tax burdens, fairer tax systems, international co-operation as well as the role of the professional accountant.

## Conclusions

So what were my personal key takeaways from this event?

The first is that the research includes the general public's views on the role of professional accountants, the tax system, policymakers and so on. Looking at some of the key differences in the

research, there may be a need for further education and better communication with the public in some areas. For example, in the UK people do not think that high earners pay enough tax. However, 20% of tax and National Insurance is paid by 1% of the population (one of the highest in the world).

Second, it is important that the government sets policy and rules in the tax system that engender trust among taxpayers, professional accountants and other key stakeholders. Hopefully, the findings of the survey will help to inform the debate and policy making. The research indicates that there is strong agreement from taxpayers on the fundamentals. However, there are some national preferences which should also be taken into account when developing tax policy and systems.

Third, across all G20 countries, professional accountants were trusted or highly trusted when it came to the tax system. Running through what it means to be a professional, we have well established codes of ethics that unite accountants internationally as well as national guidance, such as the *Professional Conduct in Relation to Taxation*, which helps to increase trust.

However, looking at national differences, perhaps more needs to be done on promoting the role of professional accountants in the UK, France and Germany, since levels of trust for professional accountants in these countries were not as high as I would have hoped. Part of this explanation may rest on how the accountancy profession is structured in each country. For example, in the UK, it is not necessary to be a member of a professional body to describe oneself as an accountant or tax adviser.

Overall, this was an insightful event with much food for thought, particularly around policy making at national and international levels.

## FRC CONSULTATION ON FRED 67

### **Anne Davis** notes that amendments are proposed to FRS 102.

The Financial Reporting Council (FRC) has published proposals for incremental improvements and clarifications to Financial Reporting Standard (FRS) 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The proposals, which are being consulted on within Financial Reporting Exposure Draft 67 ([tinyurl.com/Fred67](http://tinyurl.com/Fred67)), have arisen as a result of the first triennial review of FRS 102 and after taking into account stakeholder feedback on the implementation of FRS 102, which included feedback from the IFA (see Stephanie Tiller's article, *The reporting cycle*, on page 14).

FRED 67 proposes amendments to directors' loans, intangible assets acquired in a business combination, investment property rented to another group entity, classification of financial instruments and definition of financial institution. Further amendments are proposed to improve and clarify existing requirements within FRS 102, although these do not change the underlying requirements of FRS 102. Consequential amendments are also proposed to the other UK and Ireland accounting standards, such as FRS 105 *The Financial Reporting Standard applicable to the micro-entities regime*, for consistency with FRS 102.

Comments on FRED 67 are requested by 30 June 2017. The IFA will be responding to this consultation and seeking feedback from members through a survey monkey questionnaire, so please watch out for this.

The FRC expects to finalise these amendments in December 2017. The amendments will be effective for accounting periods beginning on or after 1 January 2019 with earlier application permitted if all the amendments are applied at the same time.

As a separate phase of its triennial review, the FRC will be consulting on more significant amendments to be made to FRS 102 to reflect recent changes in International Financial Reporting Standards (IFRSs).

This separate consultation, likely to be consulted on towards the end of the third quarter of 2017, will be informed by the responses received to the September 2016 consultation document and will include consideration of whether, and if so how, to incorporate elements of the expected loss model of IFRS 9 Financial instruments, IFRS 15 Revenue from contracts with customers and IFRS 16 Leases.

These major amendments to accounting standards will take effect from 1 January 2022.

# Branch meetings

*Linda Wallace* provides details of forthcoming local branch meetings and establishing new branches.

## TEN SECOND SUMMARY

- 1 Branch meetings, speakers and topics for the coming months.
- 2 Members must register their place through [www.ifa.org.uk/events](http://www.ifa.org.uk/events).
- 3 If there is no branch in your area would you be interested in starting one?

These pages and [www.ifa.org.uk/events](http://www.ifa.org.uk/events) include information on forthcoming branch meetings. To attend a meeting you must register your place through [www.ifa.org.uk/events](http://www.ifa.org.uk/events) otherwise you may not be admitted if the event is full.

Branch events are free, keep you up to date with IFA news, important issues and contribute towards your CPD. They are an excellent way to meet local members.

There are local branches in the following regions.

- Bucks, Oxon & Berks
- Devon & Cornwall
- East & South Yorkshire
- East Anglia
- East Midlands
- Essex
- Hampshire & Dorset
- Greater Manchester, Lancashire & Cheshire
- London
- North & West Yorkshire
- North West Midlands
- Northants, Beds & Herts
- Northern Ireland
- Northern Counties
- Scotland
- South West Midlands
- West of England & South Wales

## New branches

If you do not currently have a branch near you, and are interested in setting one up, we can provide all the necessary assistance and support to make it happen.

Email us on [mail@ifa.org.uk](mailto:mail@ifa.org.uk) with the following information:

- your membership number;
- telephone number; and
- your enquiry.

### WEDNESDAY, 14 JUNE 2017 (4:00PM – 7:00PM)

#### Scotland Branch

**Jon Martingale**, Reckon: Making Tax Digital

**Gayle Robertson**, Lloyds Banking Group: new business tools

**Suzie McCafferty**, Platinumware

**Glasgow Caledonian University**

Cowcaddens Road, Britannia Building, Glasgow G4 0BA  
CPD: 3.0

### THURSDAY, 22 JUNE 2017 (5:30PM – 9.00PM)

#### North West Midlands Branch

Topics: To be confirmed

**Holiday Inn**

Great Barr, Chapel Lane, Birmingham B43 7BG  
CPD: 3.5

### WEDNESDAY, 14 JUNE 2017 (6:00PM – 9.00PM)

#### Central Counties Branch

**Vaughn Chown**, Gabelle: VAT

**Holiday Inn**

500 Saxon Gate, Milton Keynes MK9 2HQ  
CPD: 3.0

### TUESDAY, 6 JUNE 2017 (4PM – 7PM)

#### West of England & South Wales Branch

**Julie Rawlinson-Smith**, Centurion VAT Specialists Ltd: VAT

**Steven Lovell**, NatWest Business Banking: boost your business, access to finance

**Bristol Golf Club**

St Swithins Park, Blackhorse Hill, Almondsbury BS10 7TP  
CPD: 3.0

### TUESDAY, 13 JUNE 2017 (5:00PM – 8.30PM)

#### Devon and Cornwall Branch

**John Challen**, Catax Solutions: R&D tax credit

**Dave Hopkins**, IPO: intellectual property

**Plymouth Albion Rugby Club**

Brickfields Recreation Ground, 25 Damerel Close,  
Plymouth PL1 4NE  
CPD: 3.5

**TUESDAY, 6 JUNE 2017 (7.00PM – 9.00PM)****Northern Counties Branch****Paul Rigney**, Qdos: IR35 related tests**UNW LLP Chartered Accountants**1st Floor, Citygate, St James Boulevard,  
Newcastle upon Tyne NE1 4JE  
CPD: 2.0**TUESDAY, 13 JUNE 2017 (6.00PM – 9.00PM)****East Midlands Branch**

Digital quarterly accounting and tax agent strategy

**Premier Inn**Braunstone Lane East, Leicester LE3 2FW  
CPD: 3.0**MONDAY, 19 JUNE 2017 (6.00PM – 9.00PM)****Essex Branch****Ed Garston**, Pinney Talfourd LLP: share purchase and shareholder agreements**Dave Nurcombe**, Amicus Commercial Finance: alternative finance arrangements**Jupiter House, Brentwood**Warley Hill Business Park, The Drive, Brentwood CM13 3BE  
CPD: 3.0**MONDAY, 12 JUNE 2017 (6.00PM – 9.00PM)****London Branch**

Topics: To be confirmed

**London South Bank University Keyworth Centre**Keyworth Street, London SE1 6NG  
CPD: 3.0**WEDNESDAY, 21 JUNE 2017 (4.00PM – 9.00PM)****Hampshire and Dorset Branch****Caroline Fleet**, Gabelle: property tax updates**David Handford**, Worldpay: card payment and its impact on business today**Marwell Hotel**Birchgrove Conference Room, Thompson Lane,  
Colden Common, Winchester SO21 1JY  
CPD: 5.0

# Meet your local branch chairs

In each edition we will be introducing members to their branch chairs. For May/June it's the turn of *Bill McGregor*, *Duncan M Walker* and *Cyd Smith*.


**Contact details**
**T:** 02891 800542

**M:** 07742 123190

**E:** bill@bmgaccountants.co.uk

**Bill McGregor,  
Northern Ireland**

After a period of more than 20 years in practice I widened my skill set by stepping into various company accountant/financial controller positions. I have enjoyed a number of roles in the hospitality, marketing and charitable sectors.

From this, I opened my own practice BMG Accountants. We look after clients over a varied range of sectors and are extremely passionate about being "small enough to care, and large enough to cope".

**Interests**

My main interests and passions outside of work are my family, travel, music and sport. I love live events whether it is concerts, sporting events or theatre.

**Duncan M Walker,  
Scotland**

I started my career in banking 40 years ago and worked for Royal Bank of Scotland plc for 20 years in various senior positions within audit, HR and credit underwriting.

I left the bank in 1998 to start my own accountancy practice, which was the IFA accountancy practice of the year in 2009. As well as still running my practice I am managing director of a business advisory business called Badgar Ltd. I am a Fellow of both the IFA and CIOBS.

**Interests**

My interests range from football – Hibs supporter, golf – Leven Links Championship Course and keeping fit at the David Lloyd centre.


**Contact details**
**M:** 07702 741815

**E:** duncan-walker@btconnect.com

**Cyd Smith,  
Northern Counties**

After my training in private practice I moved into industry where I gained a wealth of experience in various businesses.

I started my own practice, CS Accounting, in 1992 where we look after SMEs across a broad spectrum of size and business types. It's not just about getting the numbers to add up.

**Interests**

There's life outside of work?


**Contact details**
**T:** 0191 4879870

**E:** cyd.smith@csaccounting.co.uk

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Symbiant is also proving highly customisable to our needs with staff finding the user interface intuitive and familiar. This has considerably reduced the training and support burden as we roll it out. The extremely comprehensive reporting suite allows our schools and business units far more freedom and scope to identify and record their local risks since the large amounts of data generated can be easily and almost instantly reported upon in many ways including heat maps and colour coding. This is enabling our risk management to become far more comprehensive. Updates and improvements to the software are regular and reliable with Symbiant having introduced some minor requested enhancements within just a few days”

*Phil Boshier - Strategy Development Officer  
Cardiff Metropolitan University*



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