

# Financial accountant

The official magazine of The Institute of Financial Accountants

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## Making a difference

Get involved with Institute activities to make a difference to the IFA, its members and their businesses.

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# IFA conferences 2018

MAKING SMALL BUSINESS COUNT

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# The accounting profession – at the centre of the global stage

Having recently attended a meeting with the International Federation of Accountants (IFAC) and the Confederation of Asian Pacific Accountants (CAPA), I am reminded of the vital role that accountants, and the accounting profession as a whole, play in their respective economies and communities. However, I see major gaps in the global network and structure of the accounting profession. The IPA Group is focused on building and strengthening this network and meeting with IFAC and CAPA forms part of this work. Collectively, I believe we have a duty to assist developing nations and the role we play with CAPA is all about building capacity. Simply put, it is the right thing to do. Enhancing the capacity and capability of any given nation can only help their economy and in turn, the global economy. This is akin to many of our members who volunteer their experience and services to assist their local community. The accounting profession has the capacity to drive global economies and prosperity. This is a responsibility we all share.

A key component of any developed, stable economy is transparency in the financial market. Transparency is driven in large part by the strength of the accounting profession and, as accountants, we should be proud of our contribution in this area.

As chairperson of the Professional Accountancy Organisation Development Committee (PAODC) of CAPA, I am committed to doing my part in helping regional economies and communities thrive. The double-digit economic growth in Asia heralds a call for greater assistance to ensure the development of accounting is at pace, and where possible, ahead of the development curve.

The World Bank has said that to pursue the eradication of poverty stronger financial systems are critical. How can we turn away from such a responsibility? It is simply not feasible to avoid the obligation and the privilege.

There are other factors in building stronger communities, particularly in education, to ensure individuals and communities achieve their full potential. To this end, our research into mental health through Deakin University is progressing well and I am looking forward to its inclusion in our small business white paper. This research is fundamental in looking at how we can assist in enhancing the health and wellbeing of small business owners and their advisers.

To cite the World Bank: "The world is making progress toward the goals of ending extreme poverty by 2030 and boosting shared prosperity everywhere. By focusing our resources on three areas – promoting sustainable and inclusive economic growth, investing in human capital, and fostering resilience to shocks – and by measuring progress, we can get the rest of the way."

The accounting profession is, therefore, and should be, in the driver's seat.

A handwritten signature in black ink, appearing to read 'A Conway', with a decorative flourish underneath.

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: [johne@ifa.org.uk](mailto:johne@ifa.org.uk)

# The IFA's new membership programme will open doors to more candidates

I am pleased to announce the launch of our new Admission to Membership Programme (AMP). In partnership with CU Coventry, AMP will equip IFA students with all the essential skills and knowledge for working in an accountancy practice or in an SME. The unique online modular approach will give students a broader and deeper understanding of key subjects relevant to accountants working in or supporting small businesses. Run over six weeks, each module provides a flexible, portable and modern format enabling students to study at their own pace irrespective of their location.

The AMP will appeal to a wide range of people. From school, college and university students seeking a career in accounting, employers wanting to upskill their finance team, part-qualified accountants wanting to enhance their reputation, professional status and marketability, to accountants and tax agents seeking recognition of their experience. The article "Opening doors" by Susan Divall, our Education Manager, on page 23 of this issue provides more detail as to what the programme entails and details of the enrolment criteria, cost and application process can be found at [www.ifa.org.uk/amp](http://www.ifa.org.uk/amp).

Further, I am pleased to announce a new collaborative arrangement between the Institute and Metro Bank which will provide members with added value and an alternative banking partner. Further details will follow in due course.

I would like to thank all those who have completed and submitted their annual member firm returns by the 4 May deadline. At the time of writing, we are contacting a small number of member firms that have yet to turn their attention to completing the return. It is now a mandatory requirement (Bye-law 3.4(c)) for all members engaged in public practice to complete and submit an annual member firm return. We are monitored, as are other accountancy bodies, by the Office for Professional Body Anti-Money Laundering Supervision (OPBAS) to ensure we continue to meet the statutory obligations under the Money Laundering Regulations 2017 and as a supervisory body for AML.

I would like to stress the importance for member firms to comply with our requests for information not only to ensure they remain compliant but also because failure to do so will leave us with little alternative but to take disciplinary action and to report those non-compliant firms. This is something we would certainly like to avoid.

It's encouraging to see more members at our branch meetings, conferences, workshops and other CPD programmes. Our London Conference on 10 May was a sell-out. Our branch chairs are keen to see more members and non-members attend their free branch meetings. We receive excellent feedback about the topics and speakers and the workshops that are available to members.



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*John.*

John Edwards FFA FIPA  
IFA CEO.

**REGULATORY**

**Financial sanctions**

The Office of Financial Sanctions Implementation (OFSI) has launched a new blog to keep members informed about financial sanctions events, guidance and topical issues. The blog posts include:

- an introduction to the OFSI;
- an overview of current financial sanctions regimes; and
- North Korea financial sanctions.

[tinyurl.com/ifa-6407](http://tinyurl.com/ifa-6407)

**Data protection**

The General Data Protection Regulation (GDPR) comes into force on 25 May 2018. The Information Commissioner's Office has published guidance for those who have day-to-day responsibility for data protection. This explains the provisions of the GDPR to help organisations comply with its requirements. As well as the guide, the ICO has published two toolkits: *GDPR: 12 steps to take now* and *Data protection self-assessment toolkit*.

[tinyurl.com/ifa-6415](http://tinyurl.com/ifa-6415)

**Late payment**

The government has published responses to the consultation on *Late Payment and 'Grossly Unfair' Terms and Practices*. It is proposed to change the UK's statutory framework to widen the power that representative bodies currently have to challenge certain contract terms and practices deemed 'grossly unfair' as set out in the 2011 EU Late Payment Directive.

[tinyurl.com/ifa-6416](http://tinyurl.com/ifa-6416)

**Money laundering**

The UK Financial Intelligence Unit has published guidance on suspicious activity reports. It explains good practice by answering frequently asked questions on this. It draws together good practice and interpretations provided by experienced money laundering reporting officers.

<https://tinyurl.com/ifa-6429>

**Data protection fee**

The Government has announced a new charging structure for data controllers.

[tinyurl.com/ifa-6472](http://tinyurl.com/ifa-6472)

**BUSINESS**

**Digital currencies**

The Treasury Committee is launching an inquiry into digital currencies and distributed ledger technology. This will cover the role of digital currencies, including the opportunities and risks that they may bring to consumers.

[tinyurl.com/ifa-6597](http://tinyurl.com/ifa-6597)

**Product safety**

The Department for Business Energy and Industrial Strategy has created the Office for Product Safety and Standards. This will enhance protections for consumers and the environment and drive growth, productivity and business confidence.

[tinyurl.com/ifa-6423](http://tinyurl.com/ifa-6423)

**Insolvency consultation**

The Department for Business, Energy and Industrial Strategy is consulting on new proposals to improve corporate governance when companies when are in or approaching insolvency. The consultation closes on 11 June 2018.

[tinyurl.com/ifa-6431](http://tinyurl.com/ifa-6431)

**PENSIONS**

**Pensions compliance**

For the first time, The Pensions Regulator (TPR) has carried out spot checks across Northern Ireland to ensure employers are complying with their pension duties. This is part of a nationwide enforcement campaign which began in London.

[tinyurl.com/ifa-6433](http://tinyurl.com/ifa-6433)

**Winning new business workshop – 20 June, London**

This interactive and practical session will dispel some common myths around how to secure new business and what it takes to do so. It will suggest a process for creating opportunities and a fresh approach to these conversations. You'll uncover the skills that you already possess to be successful and learn about some more that can take you even further. You'll leave feeling more comfortable and confident in your ability to secure new business, with a plan of action that you can take forward to grow your practice. Book online at [ifa.org.uk/events](http://ifa.org.uk/events) and at: [tinyurl.com/ifa-6401](http://tinyurl.com/ifa-6401)

**Your IFA benefits**

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

**Finance**

- Foreign exchange: UKForex
- Vehicle finance: Mann Island

**Insurance**

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

**Learning**

- Online CPD: Nelson Croom
- Training and support: Mercia

**Legal**

- Legal support: RadcliffesLeBrasseur
- Online legal documents: Net Lawman

**Lifestyle**

- Parliament Hill

**Support**

- Anti-money laundering: AMLCC
- Auto enrolment: Intrinsic
- Business support: The CV & Interview Advisors
- Career management: GaapWeb

- Ethics: Institute of Business Ethics
- Events: Brain Exchange
- Insolvency information portal: FA Simms
- Intellectual property: Intellectual Property Office
- Microsoft Office training: Excel with Business
- Mobile communications: Voice Mobile
- Practice advisory services: David Verney Associates
- Secure email: FRAMA UK Limited

**Tax**

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

**Technology**

- Expense tracking: 1 Tap Receipts and Receipt Bank
- Office 365: Microsoft
- Online accounting software: Capium, Clear Books, Intuit and Reckon Software Ltd
- Online business tax software: GoSimple Software Limited
- Online personal tax software: GoSimple Software Limited

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.

## EMPLOYMENT

**Redundancy and “bumping”**

The decision of the Employment Appeal Tribunal in *Mirab v Mentor Graphics (UK) Ltd* confirmed that the failure of an employer to consider dismissing a more junior employee to make way for a more senior employee whose role was redundant (“bumping”) might result in an unfair dismissal, depending on the circumstances.

[tinyurl.com/ifa-6437](http://tinyurl.com/ifa-6437)

**Apprenticeships**

The Education and Skills Funding Agency has published guidance on the transfer of funds by one employer to another organisation in the apprenticeship service. From April 2018 employers who pay the apprenticeship levy will be able to transfer a maximum of 10% of annual apprenticeship funds to other organisations.

[tinyurl.com/ifa-6447](http://tinyurl.com/ifa-6447)

**Neurodiversity**

The CIPD has produced a paper, *Neurodiversity at Work*. The guide’s main aims are to raise awareness of neurodiversity in the workplace and inspire more employers to action. Steps might be to encourage neurodiverse job applicants and improve the hiring process.

[tinyurl.com/ifa-6435](http://tinyurl.com/ifa-6435)

**Compensation limits**

Increased compensation limits for Employment Tribunal claims apply from 6 April 2018.

[tinyurl.com/ifa-6449](http://tinyurl.com/ifa-6449)

**Charity accounts workshop  
– 26 June, London**

Effective independent examination of charities requires a thorough understanding of the accounting, regulatory and compliance environments in which charities operate.

This workshop will introduce professionals engaged in charity independent examinations to charity accounting, independent examination requirements and guidance on how to conduct effective independent examinations.

[tinyurl.com/ifa-6409](http://tinyurl.com/ifa-6409)

## CHARITIES

**New pack for charity trustees**

The Charity Commission has designed a welcome pack for new charity trustees. It can also be used by existing trustees to refresh knowledge and skills. It provides essential information on governance basics, financial filing requirements and support. The guidance also suggests practical steps to ensure that trustees are effective when carrying out their duties.

[tinyurl.com/ifa-9493](http://tinyurl.com/ifa-9493)

**GDPR for charities**

The Information Commissioner’s Office has produced guidance on the General Data Protection Regulation for charities.

[tinyurl.com/ifa-6478](http://tinyurl.com/ifa-6478)

## ACCOUNTING

**Charity SORP and FRS 102**

A second draft SORP Update Bulletin has been issued for consultation. The main effective date for these amendments to FRS 102 is for accounting periods beginning on or after 1 January 2019.

[tinyurl.com/ifa-6413](http://tinyurl.com/ifa-6413)

**FRC accounting changes**

Following the collapse of Carillion, the Financial Reporting Council has published a reminder of reporting obligations to corporate boards in the construction and business support services sectors. This guidance will also be relevant to other companies.

[tinyurl.com/ifa-6489](http://tinyurl.com/ifa-6489)

**New Fellows and Members**

Being a Fellow is the highest level of membership attainable within the IFA. It enhances your credentials and demonstrates your commitment to the profession. Fellows benefit from:

- Dual membership designations for the IFA and IPA – FFA/FIPA.
- Fellow certificates from both the IFA and IPA.
- Increased recognition.
- Standing out in a competitive market.

Congratulations to the following who have achieved Fellow membership.

Mr Rashid Ali FFA FIPA  
Mrs Lynn Bennett FFA FIPA  
Mr David Carman FFA FIPA  
Mr Brian Downs FFA FTA  
Mrs Karen Holyer FFA FIPA  
Mrs Mamta Jani FFA FTA  
Mr Amardeep Kahlon FFA FIPA  
Mr Mohammad Khan FFA FIPA

**New members: March/April 2018**

Mr Abdulkarim Abbasi AFA MIPA  
Mr Alessandro Abid AFA MIPA  
Mr Jacob Adedeji AFA MIPA  
Mr Edem Agbenya AFA MIPA  
Mr Sultan Ahmad AFA MIPA  
Dr Guruswamy Alooru AFA MIPA  
Mr Surendra Appadoo FFA FIPA  
Mr Adeel Arif AFA MIPA  
Mr Muhammed Ashfaq AFA MIPA  
Mr Abdul Basit AFA MIPA  
Mr Tarkeswarnath Bowlo AFA MIPA  
Ms Maritta Bryant AFA MIPA  
Mr Pat Canty AFA MIPA  
Mr Benjamin Case FFA FIPA  
Mr Steven East AFA MIPA  
Mrs Nicola Grobety AFA MIPA

Mr Khalid Hussain AFA MIPA  
Mr Sikandar Iqbal AFA MIPA  
Mr Mir Islam AFA MIPA  
Mr Salim Javed AFA MIPA  
Mrs Mehreen Khalid AFA ATA  
Mr Asadullah Khan AFA MIPA  
Mrs Amelia Latusek AFA ATA  
Ms Sifa Lobho AFA MIPA  
Mr Muhammad Malik AFA MIPA  
Mr Kesaven Moonesamy AFA MIPA  
Ms Paulianne Muscat AFA MIPA  
Mr Muhammad Nadeem AFA MIPA  
Mr Adnan Naeem AFA MIPA  
Mr Kamzul Najimudeen AFA ATA  
Mr Aveenash Narang AFA MIPA  
Mrs Dora Ngoma FFA FIPA  
Mr Hammad Nisar AFA MIPA  
Mr Ashraf Noureldin AFA MIPA  
Mr Anthony Chinedu Onyali AFA MIPA  
Mr Atul Parab AFA MIPA  
Mr Imran Patel AFA MIPA  
Mrs Hannah Paterson AFA MIPA  
Mr David Pearce AFA MIPA  
Mr Ahmad Idrees Qadiri AFA MIPA  
Mr Junaid Qadri AFA MIPA  
Mr Ali Raza AFA MIPA  
Mr Francis Robinson AFA MIPA  
Mr Daniel Rothman AFA ATA  
Miss Faiza Safdar AFA MIPA  
Mr David Salvador Cruz AFA MIPA  
Mr Asad Sarwat AFA MIPA  
Mr Jawad Sayed AFA MIPA  
Mr Mohammad Shah AFA MIPA  
Mrs Holly Siddall AFA MIPA  
Mr Mirza Ammaz Tariq AFA MIPA  
Mr Muhammad Haroon Tayyab AFA MIPA  
Mr Zeeshan Toor AFA MIPA  
Mr Aman Ul Lah AFA MIPA  
Mr Bilal Wahid AFA MIPA  
Mr Waqas Warraich AFA MIPA  
Mr Robert Watts FFA FIPA

### Requirement to correct

Taxpayers who know or suspect that they have unpaid tax relating to overseas assets, income or activities need to act before 30 September 2018 to avoid incurring much higher penalties for their non-compliance. HMRC's requirement to correct (RTC) obliges taxpayers to make a disclosure of unpaid tax on assets, income and activities in other countries and transfers from the UK to other countries. From 1 October 2018, the minimum penalty will be 100% of the tax owed and could be much higher depending on circumstances.

The RTC has no minimum level cut-off point so those with any unpaid offshore tax will need to make a disclosure. This means, for example, that taxpayers who have rented out a holiday home in another country and failed to declare the income should check their position. In addition, those who have moved to the UK from abroad but who have, for example, assets

or income, perhaps from family holdings or businesses, in their country of origin may need to make sure that they have properly declared their tax position.

Further information, including details on how to make a disclosure, is available on GOV.UK as below.

#### Legislation

Requirement to correct: F(No2(A) 2017, Sch 18: [tinyurl.com/y7zf8f22](http://tinyurl.com/y7zf8f22)  
 Asset moves penalty: FA 2015, Sch 21: [tinyurl.com/y7lhuv7z](http://tinyurl.com/y7lhuv7z)  
 Asset based penalty: FA 2016, Sch 22: [tinyurl.com/y795ekqz](http://tinyurl.com/y795ekqz)

#### Guidance

- Guidance on the requirement to correct: [tinyurl.com/ycpz67le](http://tinyurl.com/ycpz67le)
- Worldwide disclosure facility guidance: [tinyurl.com/jud3d3q](http://tinyurl.com/jud3d3q)
- HMRC guidance on failure to comply with an obligation to give notice of

chargeability to income tax or capital gains tax: [tinyurl.com/ybl8cz4p](http://tinyurl.com/ybl8cz4p)

- HMRC guidance on failure to comply with an obligation to deliver to HMRC a return or certain other documents: [tinyurl.com/yc9q8qe4](http://tinyurl.com/yc9q8qe4)
- HMRC guidance on failure to comply with an obligation to deliver to HMRC an account in relation to inheritance tax: [tinyurl.com/yc9q8qe4](http://tinyurl.com/yc9q8qe4)
- HMRC guidance relating to the delivering to HMRC of a return or other document that contains an inaccuracy: [tinyurl.com/ybhf8rlw](http://tinyurl.com/ybhf8rlw)

To make a disclosure: [tinyurl.com/gqs3yr6](http://tinyurl.com/gqs3yr6)

#### Agent Talking Points – Webinars

- On the requirement to correct: [tinyurl.com/yceb9w2j](http://tinyurl.com/yceb9w2j)
- On the worldwide disclosure facility: [tinyurl.com/ybygtnb8](http://tinyurl.com/ybygtnb8)

## TAXATION

### Pay statements

The Employment Rights Act 1996, s 8 has been amended to add to the details that must be included in an employee's pay statement. From 6 April 2019, this must include the hours worked for which the employee is being paid if their pay varies as a consequence of time worked (see [tinyurl.com/ifa-6445](http://tinyurl.com/ifa-6445)). The right to receive an itemised pay statement will apply to all workers and not just employees.

[tinyurl.com/ifa-6491](http://tinyurl.com/ifa-6491)

### Agent Update 65

HMRC's *Agent Update 65* contains a variety of articles. These include information on:

- The fulfilment house due diligence scheme.
- The Advertising Standards Authority ruling on CDP Tax and Wealth Ltd trading as Fiducia.
- Settling disguised remuneration tax avoidance schemes before the 2019 loan charge arises.
- Banning of tax avoidance adverts.
- Reform of corporation tax loss relief.

[tinyurl.com/ifa-6405](http://tinyurl.com/ifa-6405)

### VAT MTD

The Value Added Tax (Amendment) Regulations SI 2018/261 apply from 1 April 2019. They relate to Making Tax Digital and will require all VAT-registered taxpayers to render returns using an electronic return system unless they fall within specified exemptions.

[tinyurl.com/ifa-6487](http://tinyurl.com/ifa-6487)

### HMRC priorities

HMRC has issued a statement on its work priorities and the progress being made. While the department's transformation is on track, it acknowledges that it has not all been smooth sailing. For example, although the number of customers contacting the department by phone and post is falling, it is not by the level assumed in 2015.

The additional workload caused by Brexit means some plans will be delayed.

[tinyurl.com/ifa-6508](http://tinyurl.com/ifa-6508)

### Inheritance tax consultation

The Office of Tax Simplification (OTS) is seeking views from those with concerns on or personal experience of inheritance tax to inform its simplification review. The consultation closes on 8 June 2018.

[tinyurl.com/ifa-6476](http://tinyurl.com/ifa-6476)

### Exchange rates

HMRC rates of exchange for 2017/18 have been published.

[tinyurl.com/ifa-6504](http://tinyurl.com/ifa-6504)

## DISCIPLINARY COMMITTEE HEARING – 19 JULY 2017

Mr Philip Ian Coxon FFA FFTA FIPA  
 Old Oak Cottage, Sill Bridge Lane,  
 Waltham St Lawrence, Berkshire  
 RG10 0NT

### Complaint

The complaint was that Mr Coxon was liable to disciplinary action under Bye-law 13.1(c), which states that a member shall be liable to disciplinary action if they have committed any breach of the bye-laws or of any regulations, policies and procedures in respect of which they are bound.

### Background

The Institute alleged that Mr Coxon had been in practise for 26 years without a practising certificate. Before

the current bye-laws, the Institute's Handbook and its Framework for Regulation made clear that any member offering accounting services to the public must hold a current practising certificate. This stipulation is now enshrined in bye-laws 10.2 and 10.3.

Mr Coxon had believed that the practising certificate held by his partner in Wentworth and Associates Ltd from another professional body covered both partners.

### Conclusion

The Disciplinary Committee found the allegation proved, but that Mr Coxon's status as an exemplary member for many years and his immediate rectification of the situation mitigated against the protracted period of the offence. Mr Coxon was cautioned and ordered to pay the IFA's costs of £1,795.

## AML guidance

HM Treasury has approved the Anti-Money Laundering Guidance for the Accountancy Sector. The guidance has been prepared to help accountants comply with their obligations under UK legislation to prevent, recognise and report money laundering. Compliance with this guidance will ensure compliance with the relevant legislation and professional requirements (see [tinyurl.com/ifa-6402](http://tinyurl.com/ifa-6402)).

The CCAB has issued revised AML guidance in response to the Money Laundering, Terrorist Financing and Transfer of Funds Regulations (MLR17). AccountingCPD has information on the CCAB's key requirements under MLR17 and how this could impact organisations and clients ([tinyurl.com/ifa-6403](http://tinyurl.com/ifa-6403)).

## 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.

## Termination payments

HMRC has updated its guidance on the new rules relating to the income tax and National Insurance contributions treatment of termination payments. New rules apply from 6 April 2018.

[tinyurl.com/ifa-6481](http://tinyurl.com/ifa-6481)

## Tax avoidance

HMRC's guidance, *Tax avoidance: enablers of abusive and defeated tax arrangements*, explains what are classed as abusive and defeated tax arrangements, and how the new legislation will apply.

[tinyurl.com/ifa-6485](http://tinyurl.com/ifa-6485)

## Trust registration service

HMRC's latest *Trust and Estates Newsletter* (March 2018) includes an update on deadlines for enlisting with the trust registration service (TRS). Trusts and complex estates that have incurred a liability for the first time in 2017/18 must register by 5 October 2018.

[tinyurl.com/ifa-9491](http://tinyurl.com/ifa-9491)

## Residential property and CGT

HMRC is seeking views on proposals for a "payment window" and payments on account of capital gains tax (CGT) when disposing of residential property. The consultation closes on 6 June 2018.

[tinyurl.com/ifa-6474](http://tinyurl.com/ifa-6474)

## Fitness at work

Guidance on using the tax system to offer gym memberships and the provision of free sports facilities to staff has been published by HMRC. The department believes this will encourage activity.

[tinyurl.com/ifa-6502](http://tinyurl.com/ifa-6502)

## Tax refund scams

HMRC has warned that fraudsters are sending scam emails and SMS-messages promising tax rebates. These aim to trick people into disclosing their account and personal details.

[tinyurl.com/ifa-6509](http://tinyurl.com/ifa-6509)

## Section 198 Elections

### Are Section 198 Elections causing complications or delaying your client's commercial property transactions?



Like many others, are you:

- Unsure when S198 Elections should be completed?
- Unsure of what level of detail is required to ensure a S198 is robust and valid?
- Struggling to protect your advice post completion due to the other side not co-operating?

Whether your clients are buying or selling, with the right advice pre-completion, a valid S198 Election can be completed post completion, ensuring your advice is protected and your client's wishes are secured.

#### CONTACT

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# Removing the disguise

HMRC have successfully combatted disguised remuneration and the use of employee benefit trusts. *Sean Eastwood* advises that those affected must now take steps to put their affairs in order.



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## TEN SECOND SUMMARY

- 1 Employment benefit trusts (EBTs) were used to provide employees with rewards or benefits with a minimal liability to tax and National Insurance contributions.
- 2 The disguised remuneration legislation treats assets earmarked for an employee as taxable employment income.
- 3 The new loan charge rules will mean that loans advanced by an EBT that are still outstanding on 6 April 2019 will be subject to PAYE liabilities.

The *Rangers* case (*RFC 2012 plc v Advocate General for Scotland* [2017] STC 1556) has brought the issue of employee benefit trusts (EBTs) into sharp relief over the past few years. It may come as a surprise that these arrangements have been around since the early 20th century, although their use as a tax-avoidance vehicle only really took off in the late 1990s. Many cases have been through the courts in that time and legislation has been introduced by various governments, which were anxious to prevent the loss of tax and National Insurance revenues.

### The background

Employers have long used trust structures as a means to segregate funds that would be used to provide employees with rewards or benefits after a certain length of service or to put aside shares as part of an employee share scheme.

In the 1990s, an increasingly common structure using EBTs was adopted. In brief, these operated as follows.

- A discretionary trust was set up (often offshore) for the benefit of all of an organisation's employees.
- Part of an employee's entitlement to remuneration would be waived.
- The employer would make payments into the EBT, with the trustees of the EBT being instructed to use the funds to provide benefits to the employee and/or their family.
- The trustees would allocate the funds to a sub-trust for that specific employee and their family.

This structure and minor variations on it were thought to give a number of tax advantages.

- The payments to the EBT were considered to be part of the company's remuneration expense. This allowed the company to obtain corporation tax relief for its contributions.
- Because the contributions could not be attributed to any one person, income tax and National Insurance contributions did not arise on them.
- Any growth in the value of assets held in offshore EBTs was outside the scope of UK capital gains tax.
- The value of assets held by EBTs were not included in the value of the employees' estates for inheritance tax purposes.

Many organisations with highly paid employees, such as banks and football clubs,



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started to use EBTs. They not only offered a competitive advantage in terms of attracting and retaining key employees, but the potential employer National Insurance savings were also substantial. EBT structures became popular among owner-managers of companies who would establish such an arrangement or an employer financed retirement benefit scheme (EFRBS) to remunerate themselves.

It was inevitable that HMRC would look much closer at such arrangements, leading to the plethora of case law and legislative changes seen in recent years.

The initial legal challenges against EBTs went in favour of the taxpayer, which led the government to introduce legislation in FA 2003 restricting the tax deductibility of contributions made after 27 November 2002. Under the 2003 legislation, deductions were deferred until PAYE was operated on those payments. Not long after this legislation was enacted, HMRC found success in the House of Lords in *Dextra Accessories Ltd & Others v MacDonald* [2005] STC 1111. In that case, the court ruled that the employee had to have received a taxable benefit before a corporation tax deduction could be allowed.

Further tightening of the rules followed, with HMRC adding EBTs to their list of "Spotlights on Tax Avoidance" ([tinyurl.com/y8l8ug8k](http://tinyurl.com/y8l8ug8k)) before introducing the legislation in FA 2011, inserting Part 7A into ITEPA 2003.

The essence of the disguised remuneration legislation is to treat any assets earmarked by a third party for an employee as if there was a cash payment to the employee and therefore as taxable employment income. This "payment" is subject to PAYE and National Insurance contributions.

### The Rangers case

In April 2011, the owner of Rangers Football Club, Murray Group Management Ltd, established a remuneration trust (a form of EBT). Numerous sub-trusts were created for the benefit of the company's management team, their families, and football players at the club.

Members of the management team had the option to waive bonus payments by replacing them with contributions into the remuneration trust. These contributions were invariably routed to the employee by way of an interest-free loan.

For the players, the arrangement was not dissimilar, but their standard remuneration package had to be lodged with the Scottish Football Association (SFA). The contributions to the EBT were not included in the disclosure to the SFA; instead, the players received side letters confirming that such payments would be made on their behalf.

HMRC began litigation on the nature of the payments, arguing that they were taxable as employment income and should have been subject to PAYE and National Insurance liabilities. Rangers' defence was initially successful, with favourable outcomes in both the First-tier and

Upper tribunals, until the case reached the Court of Session (CoS).

The CoS found for HMRC on the basis that contributions to the remuneration trust constituted nothing more than earnings that the employees had redirected to the trustees. As such they should be taxed on the employee in the same way that salary redirected to a spouse would be. This decision was upheld by the Supreme Court, establishing a principle that earnings of an individual paid to a third party (such as an EBT) will always be treated as taxable employment income in the hands of that individual.

The ruling has subsequently formed the basis for HMRC to begin issuing follower notices under the FA 2014 provisions to companies that had established this type of arrangement and where there were open enquiries into the years for which they had made EBT contributions. The effect of the follower notices is to order the recipients to correct their tax submissions and to pay the tax claimed by HMRC.

### The loan charge

Companies that made EBT contributions are at risk of new PAYE and National Insurance charges even where the contributions were made in years that are no longer open to enquiry and are not within the scope of follower notices. This is the "loan charge" legislation, which was enacted in FA 2018.

The loan charge has been introduced to combat arrangements such as used by Rangers, when EBT contributions would be paid out to employees in the form of a loan. The employee would pay income tax on the difference, if any, between the interest that would have been charged at the official rate and the actual interest charged and, in some cases, corporation tax deductions would be claimed for the original contributions too. The amount of tax suffered by the employee was substantially lower than would have been due if the value of the loan had been paid out as a salary.

Under the new loan charge rules, any loans advanced by an EBT to an employee on or after 6 April 1999 and that are still outstanding on 6 April 2019 will now be subject to PAYE as if the employee had received taxable employment income on 5 April 2019. This will mean that the employer will need to operate PAYE and levy National Insurance on that date. The value of the loans will also need to be reported in the employee's self-assessment return.

### Conclusion

Its success in the *Rangers* case and the introduction of the loan charge have given HMRC a tool-kit of options to collect income tax and National Insurance on EBT contributions, leaving employers and employees with no real means to mitigate their liabilities. Taxpayers who are affected are encouraged to seek advice as soon as possible, if they have not already, to bring their tax affairs up to date.



# Links in the chain

Is the supply chain of your business clients as efficient as it could be?  
*Susan Morley* provides a guide through the most important considerations.

## TEN SECOND SUMMARY

- 1 Companies and their advisers should review the opportunities that are available to improve import and export processes.
- 2 Brexit has focused attention on import duty rates and VAT and how these might change between the EU and the UK.
- 3 Customs work can facilitate or, if not done properly, act as a brake on international trade.

All international supply chains have one thing in common – goods crossing borders. But how much attention does your company pay to the customs process that supports this key activity? Brexit has put customs issues front and centre with many scare stories predicting catastrophe, doom and gloom. Businesses need to know enough about what is actually happening to their goods at this critical point to follow the arguments or work out how they might be affected?

To professionals, it is quite clear that many companies have no idea of current procedures or what is done in their name. Nor of the opportunities available to improve now if only time was taken to explore the options available.

For business that have only ever traded with the EU, now is the time to start learning how customs procedures work. This is because, although there is a chance that current procedures or something close to them might

be negotiated, it is quite likely that there will be a need for similar customs processes to those currently in place for shipments to and from the rest of the world.

Exporters and importers remain legally liable for errors and omissions in their customs work even if they outsource this to third parties such as freight agents or fast parcels operators. So whatever size a company has reached it needs to know, at the very least, the rules for selecting tariff codes, how a value for customs should be calculated, how origin works and how to check a customs entry.

### Brexit planning

Brexit has also brought the world of import duty rates and VAT payments to the fore. Much has been said about how duty rates might change between the EU and the UK if there is “no deal” or no “special agreement”. At present, there is no duty at all between the UK and the EU27. Without a deal of some kind, duty will become payable on imports to the UK from those other states and on exports to them from the UK.

How much duty will depend on the product because duty is determined by the tariff code (commodity number). However, many products have a 0% duty rate and will continue to do so. The average is between 1% and 5% with a few products such as clothing, some foods, and car parts having higher rates. Part of a business’s Brexit preparations should be to find the tariff code for its products and review the import duty rates so that it can prepare a strategy to cope with the potential change.

### FURTHER INFORMATION

Experts at Morley Consulting use their years of commercial experience to provide practical, pragmatic advice and training to businesses of all sizes and across all sectors. They specialise in customs procedures, import, export and export licencing, business standards, compliance, audit, and process improvement.  
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## Customs procedures

There are many customs procedures to help importers legally avoid paying import duty and, in some cases, VAT. These procedures will continue to be available post-Brexit. Some examples follow.

- **Inward processing** – for goods inbound to the UK from outside the EU for processing or repair, no import duty or VAT is payable at import. Once the processing or repair is complete, goods can be re-exported or moved to a different special procedure, such as customs warehousing, without the need to pay any import duty or VAT. Goods can also be imported to the UK. At that point, and at the importer's discretion, import duty and VAT become payable either at the rate due on the imported components or the finished item.
- **Outward processing** – goods outbound to countries outside the EU for processing or repair. When they return after processing – say cloth is sent out and suits are sent back – no import duty and VAT is payable on the value of the returning goods. Duty and VAT are only payable on the added value; for example, the making of the suit. If repairs are returned under warranty, no duty or VAT is payable on re-import to the UK. Alternatively, if the repair is for a fee, duty and VAT is payable on that amount.
- **Customs warehousing** – goods imported to the UK from outside the EU may be placed in the warehouse without payment of duty or VAT. They can be stored indefinitely. If re-exported or moved to another special procedure, no import duty or VAT need be paid. If imported to the UK, import duty and VAT must be paid.
- **End use** – used for goods imported to the UK from outside the EU for specific uses such as shipwork, aircraft and aircraft parts, processed cheese, fish and prawns. No import duty or VAT is payable on import.
- **Returned goods relief** – for goods previously exported from the UK and then returned in the same state (wear and tear is allowed). When re-imported no duty or VAT is payable.

These are just five of the procedures available to importers right now. Are you and your clients making use of them? If not, why not?

These procedures are available in all EU member states and will remain available in the UK post-Brexit. Advisers and businesses could be planning their use in supply chains to ease a so-called "hard" or "no deal" Brexit when import duties and VAT would become payable for imports from the EU27.

## VAT payments and timing

VAT is payable on the import to the EU of goods from outside the EU at the rate of the importing country even for companies and individuals who are not VAT registered. It is possible, by using a deferment account, to delay that payment until the 15th of the month after import, but there are costs associated with such an account. If UK trade with the EU27 becomes the same as trade with, say,

the US or Australia, VAT will apply to all shipments between the UK and the EU states. Currently, only VAT-registered companies must pay VAT on the arrival of goods within the EU and this becomes payable on the 21st of the month after the movement of the goods. So, the timing of VAT payment and the number of companies that have to pay it on import will change.

Another opportunity to smooth the movement of goods post-Brexit is authorised economic operator (AEO) status. This is a business standard and is available as AEO(C), customs simplifications, and AEO(S) safety and security. The designation is awarded by HMRC and is a global standard promoted by the World Customs Organisation.

AEO status is the ultimate insurance policy against the unknowns of Brexit negotiations, but it does take time to achieve. Contrary to what might have been heard, AEO status is available to micro-businesses and SMEs. In fact, it is easier for smaller companies to achieve the standards required than for large companies. This is not because there are different standards; rather, it is because of the requirement for a company to be internally "joined up" and smaller companies find this much easier than their larger colleagues.

Benefits range from quicker and easier access to advantageous customs procedures, faster movement through global ports and airports, fewer customs inspections, less theft, less risk and the ability to bid for work from other AEO companies. Improvements in internal procedures also add to efficiency and cost reduction. Businesses and their advisers should check this out and decide how these benefits will strategically fit with their organisations.

## Obtaining knowhow

Do advisers and their clients have the expertise to evaluate the choices, discuss their impact and the rules and benefits? If not, how will this be obtained? Will the business "buy it in", outsource it or enhance employees' know-how with practical training? Now is the time to consider this and act.

Customs work done well is the facilitator of the efficient international supply chain; done badly, it doesn't just put the brakes on, it can stop the flow completely.

Whatever the outcome of Brexit negotiations one thing is certain – there will be change to current processes, systems and procedures. One way to look at it is that the transition period started in June 2016 with the vote to leave the EU – a year of the potential three-year transition period has already passed and even if a further two-year implementation period is confirmed businesses should ask what they have done. What risk assessments, procedural overhauls, gap analysis, tariff classification, duty management schemes, skill assessments, training programmes and research have been undertaken? Perhaps more to the point, what have competitors been doing? Change brings opportunities – Brexit is no different so act now and be prepared to take the lead and gain competitive advantage.



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# Small business, big plans

A ready source of credit is critical for a small business seeking to expand. *Bruce Davis* explains that alternative finance could be the answer.



**Bruce Davis** is Joint Managing Director of Abundance Investment and a director of the UK Crowdfunding Association. Abundance was the first regulated crowdfunding platform and has raised more than £70m for 30 green energy projects and companies in the UK. He is also Visiting Research Fellow at the Bauman Institute, University of Leeds, assisting anthropological and social research of money in everyday life.  
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## TEN SECOND SUMMARY

- 1 **Small businesses continue to suffer from tight lending regulations, lengthy decision-making processes and onerous terms.**
- 2 **Peer-to-peer lending enables business to raise money directly from investors who receive better returns across many businesses.**
- 3 **Engaged business investors will care about how their money is used and may be able to offer other means of support to borrowers.**

**B**efore the financial crisis in 2008, innovation in financial services had become a back-office function in the service of banks seeking new ways to slice and dice the loans and assets on their balance sheets to boost their profits. While these innovations did produce an abundance of credit for both individuals and small businesses, it was not a sustainable model and eventually the complexity of these products (which were understood by only a few individuals within the banks) backfired. This caused the collapse of banks such as Lehman, Northern Rock, Halifax and the bail out of the Royal Bank of Scotland.

Ten years on from the crisis, small businesses are still feeling the effects of the ensuing credit crunch as a combination of tighter prudential regulation and broken trust relations between the banks themselves restricted the growth of credit in the economy. What that means for small businesses in particular is that banks are taking much longer to make lending decisions. Further, onerous terms are required on the lending that they are willing to commit. This is all done in the name of prudence, but we also need to look at how they are trying to regain profitability when their “sexy fintech” back office functions have stopped generating such lucrative fees.

### Crucial credit

Small businesses are reliant on credit to grow and maintain their activities, and this is particularly so in today’s networked and global economy. This is because it is small businesses that, in effect, end up providing credit to the big customers at the top of the food chain through excessive payment terms and even late payment.

Thankfully, in 2004, a small group of disaffected bankers from egg bank and an anthropologist who studied money in everyday life, started talking about new ways that we

could create lending for people who needed it and provide better returns for investors who had surplus capital for their immediate requirements.

The solution was Zopa, the world's first peer-to-peer (P2P) lender and the idea of alternative or "democratic" finance was born. Some 14 years later, Zopa has lent more than £2.8bn cumulatively to individuals, and its close rival Funding Circle, more than £3bn to small businesses across the UK. These numbers are even more impressive when we remember that P2P lending only became a regulated activity in 2014 – after a long battle by the sector, which recognised the need for regulation long before government or the regulator themselves were moved to act. A first for the financial services industry.

### Making finance work better

Now, the focus of fintech is not on how to make banks (or at least their shareholders) richer. Instead, it is on how to make finance work better for businesses and individuals in the real economy. There are diverse P2P and crowdfunding models, with more than 80 in the UK, the world leader in this market, and thousands of imitations worldwide. However, they have a simple common principle: they make it possible for a business or individual to raise money directly from a group of investors (with differing levels of engagement and relationship) and for investors to obtain better returns by investing directly across many businesses, people and projects rather than trusting in a bank or fund to do it for them. There are now more than a million such investors in the UK, growing year-on-year with more than £6bn invested in businesses, projects and people in 2017 alone.

The UK Crowdfunding Association represents more than 35 of these platforms, while the P2P Finance Association focuses the bigger P2P loans providers in the market.

The UKCFA has produced a short video that summarises the options for businesses looking to borrow or raise capital. It includes interviews with platform owners themselves talking specifically about what they offer.

### Small business benefits

So what does this mean for small businesses? The UK alternative finance sector offers real choice to such firms across a range of different financial needs from working capital, invoice financing, asset finance and growth capital (debt and equity). The loans, bonds and shares offered to investors are no different to those offered by listed companies except that these investments are not traded on a recognised exchange (such as the London Stock Exchange or AIM). Instead, investors buy and sell the investments privately or through secondary market services provided by the investment platforms themselves.

For businesses, this means they can look beyond their bank when it comes to thinking about sources of finance or diversifying their funding streams. For small businesses seeking loans, the

main benefits are competitive pricing combined with the convenience of fast decision-making. This means that business owners are not left waiting weeks for a decision from a faceless credit committee inside the bank.

### Through the hoops

Larger finance needs (above £500,000 up to £5m) will require businesses to go through due diligence and possibly obtain legal and corporate finance advice. Again, it is important to know that all platforms offer the same approach or benefits and it is a good idea to shop around and select the platform with the right fit for the needs of the business. It is a highly competitive market and there is plenty of investor demand to invest into the real economy using the UK's enterprise investment scheme (EIS), seed enterprise investment scheme (SEIS) and now the innovative finance ISA (for transferable loans and bonds).

The current limit on a single investment crowdfunding offer is €5m (about £4.3m at current exchange rates). However, the industry is hopeful that the UK will adopt the higher exemption cap of €8m (£7.2m) in July 2018 above which a business would be required to apply for their offer to be signed off as a full prospectus.

### Additional benefits

Having a large group of engaged investors in a business, whether debt or equity, can be beneficial beyond the provision of finance for growth and development. Small investors care about where their money goes and how it is invested and will support the businesses they back with more than just their cash if they get the opportunity. Such arrangements also help people understand the positive role that small businesses play in the real economy in their own community and beyond.

In summary, SMEs across the UK are increasingly banking on alternative finance to provide the investment they need to grow and support their business. The market for SME finance is much more competitive and innovative with new forms of finance and online service coming to the market everyday. It is no longer the case that looking for a loan means a "Hobson's choice" of the high street banks; instead, businesses can look beyond the bank and raise a more suitable mix of capital (equity, loans, bonds) to meet their financial needs.

### Conclusion

Investment crowdfunding and P2P lending are now well-established sectors of the UK financial system. Further, they are the envy of the world for the effective way they channel financial capital to where it is needed in the real economy more efficiently than conventional banking models. Whether as a small business or an adviser to them, time should be taken to investigate the funding options. This could pay dividends in both saving time, effort and money when it comes to solving credit or investment problems. The UK Crowdfunding Association is a good place to start.

### FURTHER INFORMATION

Zopa: [www.zopa.com/](http://www.zopa.com/)  
 Funding Circle: [www.fundingcircle.com/uk/](http://www.fundingcircle.com/uk/)  
 P2P Finance Association: [www.p2pfa.org](http://www.p2pfa.org)  
 UK Crowdfunding Association: [www.ukcfa.org.uk](http://www.ukcfa.org.uk)  
 Abundance Investment: [www.abundanceinvestment.com/](http://www.abundanceinvestment.com/)

# Everyday ethics

Businesses are seen as becoming more ethical and *Simon Webley* explains how abiding by a code of ethics can benefit a firm, its customers and employees.

## TEN SECOND SUMMARY

- 1 Public perception of the way that business behaves has improved.
- 2 Financial accountants are trusted to give objective and independent advice.
- 3 Thinking about values will help advisers and businesses in decision making.

Every year, the Institute of Business Ethics asks the British public their opinion about ethical business behaviour. This year, the survey shows that the public's general opinion on this topic has improved. More than half (52%) now say they consider that business behaves ethically, a slight recovery from the dramatic dive to 48% in 2017, but not yet back up to 2015 levels (59%).

The strength of negative opinion is also decreasing, with fewer people now saying that business behaves "not at all ethically" – this is down from 9% in 2012 to 5% in 2017.

Since the survey began in 2003, the British public's opinion has consistently leant more towards judging business as behaving "ethically" than "not ethically". However, in the past year, public opinion fell significantly, down 11 percentage points compared to 2015.

Although this recovery is encouraging, it may be that business is positively benefiting from scandals that have hit other sectors, such as American politics, Hollywood, Westminster and football. By contrast, business may be appearing more responsible in the eyes of the public.

This "#metoo effect" ties in with another annual survey – the Ipsos MORI Veracity index, which examines whether the public trust different professions to tell the truth. This year, for once, business leaders are *not* among the five least trusted professions, and 36% of respondents trust them to tell the truth as opposed to

33% last year. Professional footballers (26%) are among the least trusted for the first time and, perhaps unsurprisingly, politicians remain at the bottom with 78% distrusting them. In fact, trust in business leaders has improved by +11 percentage points since the survey began in 1983.

However, in these times of fake news and social media scandals, trust is still a fragile and precious commodity. Having a reputation for honesty and ethics can differentiate a business and make it more successful in the long term. This trust can create a solid and sustainable base on which to do business, enhance reputations and increase customer loyalty.

Some people think that business ethics is an oxymoron – like a deafening silence or a jumbo shrimp and don't see it as relevant to daily life. Media reports of malfeasance by big business – sinister marketing practices, dodgy tax deals, fat cat pay and manipulative algorithms – increase the perception that business ethics has little relevance in our workplaces.

Business ethics is not just about big issues like human rights, modern slavery, sweatshop labour or climate change. By the coffee machine, in the staff room, down the pub, people will often be heard talking about ethical issues without even realising it; issues of fairness, trust, conflicts and dilemmas.

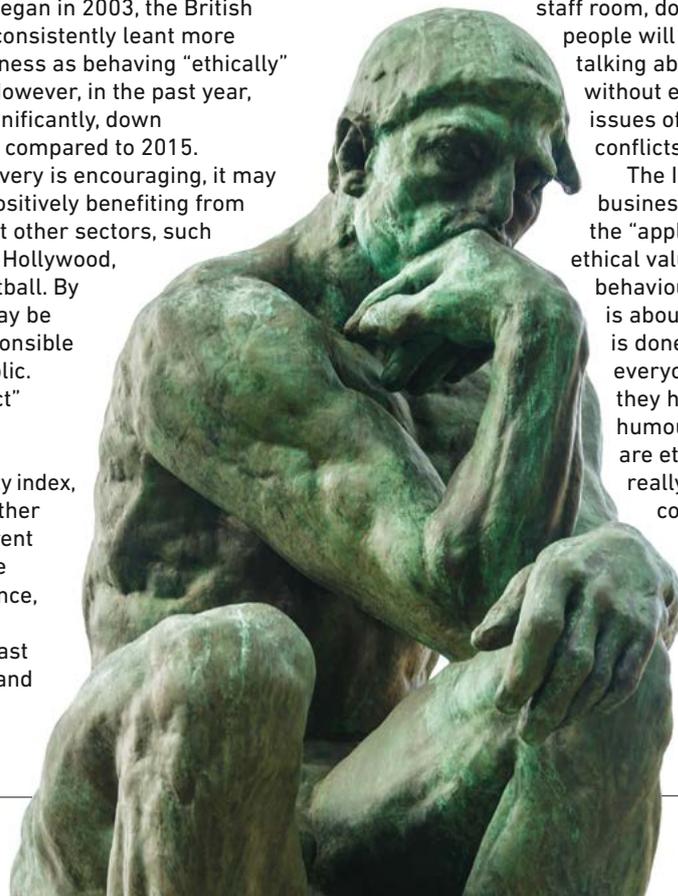
The IBE defines business ethics as the "application of ethical values to business behaviour". In short, it is about how business is done. Yet just as everyone thinks they have a sense of humour, we all think we are ethical and don't really take the time to consider what that means.

Whether it's deciding a supplier of goods or services, choosing who to hire or fire, or wondering



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whether to bend the rules for a client or take that contract, we are making ethical choices every day.

### Difficult dilemmas

Let's consider four common ethical dilemmas that might occur no matter the job or business. Try to identify these and ask yourself what you would do in these situations?

Sian has a long-standing client who, over the years, has become a family friend. Their children go to the same school and they occasionally spend weekends together. At one barbecue, he pulls her to one side and asks for her help to get the bank to look favourably on his request for a business loan. "If I don't get this loan, I'll miss the deal. You know how to make the figures look good. Can you do me this favour? No one would know."

Tara needs to find a new supplier. She calls a few to get quotes and invites them in to pitch for her business. Danny, the boss of one of the firms, suggests a scoping meeting. "Let's do it over lunch!" he says. "I always find it really helps to get a clear idea of the brief over a nice bottle of wine. I find the best partnerships are those cemented by friendship."

Craig is overwhelmed by the pile of bills in his in-tray and it's payday. He looks out from his office at his staff working late on year-end accounts for clients. At this time of year he knows it can take months for his invoices to be paid. He looks through the bills again. He'll pay his staff, no question, but some of these are going to have to wait. He has warning letters for his car and the children's school fees. Tariq's bill is by far the biggest. His firm have always been lenient with him in the past, and Tariq knows he is good for payment – in the end. But it's tough times for everyone in this business, and Tariq had mentioned to him before how in the red he was.

Rav is in a bar, when he spots the two account managers from Maddison's – his local competitor – having a very boozy after work get-together. They are being very loud, and he can't help over hearing them talking about a pitch they are going to make for a big contract. Rav's business hasn't been doing well these past two months. He could do with a new contract and this would make a difference because, after the loss of a major client, he has been struggling to make ends meet. He considers moving tables to find out what exactly they are talking about.

### The importance of trust

Financial accountants – as with any business – need to be trusted to operate. However, for IFA members it is all the more important. They are trusted to give objective and independent advice and to conduct themselves with professional ethics, especially as they are often working in or providing advice to small and micro businesses in which the owners' very livelihood is invested.

Customers and employers are looking for accountants they can trust. Developing ethical acumen is not only an essential personal skill; it is also a vital business attribute. Customers are

## CODE OF ETHICS

The IFA's Code of Ethics (the code) helps members, students and member firms meet their professional obligations by providing ethical guidance. It is based on the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA) published by the International Federation of Accountants (IFAC).

The code sets out five fundamental principles, which guide members' behaviour:

- *Integrity*. To be straightforward and honest in all professional and business relationships.
- *Objectivity*. To not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
- *Professional competence and due care*. To maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
- *Confidentiality*. To respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to their parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, not to use the information for the personal advantage of the professional accountant or third parties;
- *Professional behaviour*. To comply with relevant laws and regulations and avoid any conduct that discredits the profession.

Members, member firms and students are responsible for assessing threats to complying with those principles and for implementing safeguards where those threats are significant. The code includes several sections covering situations that members, students and/or member firms might be likely to encounter and suggests, or in some cases, requires, specific courses of action.

attracted to companies whose accountants offer the very best both professionally and ethically.

Not only will the Institute of Business Ethics' e-learning – Understanding Business Ethics – help to identify ethical dilemmas, it provides practical tools to solve them and sensitise users to the issues and "integrity risks" that may arise in business life. Completing this e-learning course will demonstrate an understanding of business ethics and commitment to high professional standards; both for one's own personal brand as well as to customers, colleagues and employers.

### Do the right thing

Ethical dilemmas arise in the grey areas – the tension between doing the right thing for your business, customer, family, yourself and your profession. This is where values come in. Ethical values are the compass by which we live our life; they are what is important to us. Our values help us make decisions on which way to turn in a situation.

Thinking about values will help in decision making. Ask yourself: who would my decision hurt? How would I feel if others knew about it?

True, being ethical is not always easy and it may take courage. But beginning to think about these things will help you to live your ethics every day. Don't let business ethics be a deafening silence.

### ➤ FURTHER INFORMATION

Established in London by business people in 1986, the Institute of Business Ethics acts as a focal point for the study and propagation of good business practice. It is a registered charity providing help and advice on the application of ethical values throughout an organisation.  
W: [www.ibe.org.uk](http://www.ibe.org.uk)

Code of Ethics:  
[tinyurl.com/y97y8sb3](http://tinyurl.com/y97y8sb3)  
Ethics:  
[tinyurl.com/y83f4bqw](http://tinyurl.com/y83f4bqw)

# Myth or motivation?

Want to win new customers for your practice?  
*John Scarrott* explains how to bust some new business myths and find the right mindset to rethink your approach to business expansion.



## TEN SECOND SUMMARY

- 1 Winning new business should be based on a gradual, natural and human interaction.
- 2 Are ingrained beliefs about winning new business a discouragement to progress?
- 3 Start a conversation to build relationships, create opportunities and win new clients.

When done well, winning new business is similar to starting a personal relationship. On a first date it would be unusual to immediately ask that person to marry you. The same applies to winning new business – it needs to be a gradual, natural and human interaction. In this world of automation and artificial intelligence, de-automating and re-humanising the approach to winning business is the right way to go.

### What does this mean for accountants?

As for every other professional service, accountants are facing challenges when it comes to marketing and selling their expertise. To surmount this, advisers should review how they do this and think about how to reach out and be more proactive around winning new business. So just how can they do this? How do they build relationships and have the conversations that win customers?

Are you asking yourself these questions? Are they being asked around your practice? And how are you responding to them?

Often, there will be a range of responses and the challenge may be resisted. This might, for example, be by relying on the strength of existing client relationships – perhaps promoting the benefits of working together more strongly.

Alternatively, it might be seen as a storm that will blow over in time.

Then again, perhaps you are inclined to face the challenge. Ask yourself: “What are we going to do differently when it comes to winning new business?” Perhaps this is the scariest and the most exciting question of all. Where do we start when it comes to thinking differently about this?

For a start, some beliefs about winning new business might be getting in your way. The things we think must be done, but prefer not to and therefore don’t do. It’s easier to identify things that are disliked or that we are disinclined to do. And often these are the very things that can keep us stuck. When looked at slightly differently, they may hold some inspiration on how to get moving. Then I’ll give you two further suggestions on what to do next.

### New business myths

In one of the great Greek myths, Theseus is taken to Crete to be eaten by the Minotaur – a creature that roams the labyrinth beneath the king’s palace. However, he slays the beast before safely escaping and returning home to Athens. Before we move our business forward to win new business, perhaps we also need to kill off a few “myths” on this subject.

- “I must chase/pursue people.” We don’t like to feel chased and we don’t like to chase. We feel as though we’re “after someone” and we feel they must be “running away from us”.
- “I must ‘pitch’ them,” When we finally reach our new prospect, we feel the need to tell them everything about our business. We want to cram in as much useful information as possible, while they listen quietly and obediently. This feels “too much”, even when done with the best of intentions.



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- *"I must overcome their objections."* Following the pitch come our prospect's concerns. They'll come back with questions and objections such as "We don't see the need for this." We treat these as barriers to jump over but, quite frankly, this is starting to feel much like a war of attrition.
- *"I must do most of the talking."* We start to speak and then just carry on speaking. This feels uncomfortable, so we either carry on and feel bad or don't start at all and feel frustrated.
- *"I must close them."* There is an immortal line from a famous film: "ABC – 'Always Be Closing'." We must ask for the business, but we don't want to be heavy handed or do a "smash and grab" job so we hold off.
- *"I must contact as many people as possible."* Another approach is "spray and pray" – the more people we contact the more chances we have of making a sale. This feels too broad and random so we are reluctant to follow that road.

These are all "winning new business myths" and are best avoided. The problem, of course, is that these myths are so ingrained that it is awkward to uncover alternatives so we find it difficult to make progress past them. Consequently, we end up following some of these approaches but we don't feel great about this and still find that we are not getting the results we want.

### Myth-busting

The way to create some room and become unstuck is to reframe these myths ever so slightly. A change in our way of thinking can lead to a change in our actions and in this way we can make ourselves more comfortable with winning work.

Rather than relying on outdated myths, there are some more realistic alternative practices that we can put to good use.

- *"I'll be consistent."* Think about sales as a journey rather than a moment in time. What journey do we want to take our client on? How do we communicate it? To be effective, we need to be consistent and be useful to our clients and prospects. Think about how they can be supported with something useful before they have become a client.
- *"I'll have a point of view."* What do you think and why? If we have a point of view we have something that can be discussed and debated. It can be shared and can evolve. Unlike a pitch, we don't get attached to it and are happy for people to debate and disagree with it. We can include the client in our point of view and this can develop an understanding of how you add value.
- *"I'll be curious and listen."* Ask a question, listen to the response and ask about that. What you hear will not feel like an "objection" because nothing will have been pitched. It may feel more like a "concern", in which case ask the client to say more about it and discuss how it could be addressed.
- *"I'll have a conversation."* This is a two-way exchange and has an agenda that has been

pre-agreed. The course of the conversation can change and wind around. It may become a series of conversations that take place over time. The outcome is learning for both sides. The client leads the conversation.

- *"I'll ask them what they'd like to do next."* When it seems the right moment ask questions. "What else do we need to look at? What needs to happen next? Shall we move forward?" This becomes the "close".
- *"I'll focus on the right clients for us."* We need to consider with whom our thinking or point of view will have most resonance. Look at existing clients. What are they like? What characterises how the practice works for them, what benefits them and what is the relationship between client and adviser? Accountants should ask themselves whether they are seeking more of these clients or should they be looking elsewhere?

### From myth to movement

There are some other things we can do to get things moving.

- *Turn this from an I into a We.* Start a conversation with colleagues and involve the whole business. Establish the existing attitudes towards winning business and see how many "myths" can be heard.
- *Understand how best to win business.* What does everyone agree on? What would suit the clients best? What will work for you and your practice?
- *Go on your own journey.* It's not possible to flick a switch and have a result. Answers to the above questions will come over time through discussions with clients.

There are three places that we can find material for discussion: our clients, our ideas and ourselves. Reviewing these three areas and establishing where they overlap is how options can be found. These are the ingredients to finding an effective way to build relationships and create the conversations that secure new business.

- *Our clients.* What are the challenges and changes they are experiencing and what do they think about it? What are their options?
- *Our ideas.* What is our point of view on these topics? What can we offer in relation to the challenges our clients and new prospects are facing? Where do we fit in and why?
- *Ourselves.* Who are we when it comes to these challenges? What are we experiencing? What do we personally believe that can be done for our clients? Why does that matter to us?

### Conclusion

A useful way for the accounting profession to respond to the effects of increased automation is to head in the opposite direction when it comes to marketing their expertise. Rather than mythical methods, a human approach to starting conversations brings with it the chance to build relationships and create the opportunities to work with clients that no "chat-bot" would be able to replicate. What do you think?

### FURTHER INFORMATION

Further Information Register for the "Winning new business" half-day workshop  
Date: 20 June 2018  
Time: 9:30am – 1pm  
Where: IFA head office, London EC1R 0AT  
Cost: £85.00 inc VAT  
CPD: 3.5

# A greener business

Ewan McClymont explains that there are many benefits when an eco-friendly business sees the green light.



## TEN SECOND SUMMARY

- 1 Shifting public and corporate perceptions can lead to changes in manufacturing, service and consumption.
- 2 Firms that are socially responsible, transparent and communicative can be seen as more attractive to consumers.
- 3 Government provides financial incentives and information to support businesses.

## ➤ FURTHER INFORMATION

Bishop Fleming is a leading provider of accounting, tax and business consultancy in the UK, and a provider of professional services to the academy sector. Currently ranked as number 30 in the *Accountancy Age* league table, the firm has a wealth of knowledge and experience in areas such as personal tax, corporate finance, business recovery and insolvency, business and international tax, payroll services, forensic and litigation support, grant services, VAT, audit assurance and accounting. The firm is a top financial adviser for UK small and mid-market transactions.

Bishop Fleming is a member of Kreston International, a network of independent accounting firms in more than 100 countries.  
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Businesses are becoming enlightened as to the many benefits of going green. Once seen as a fad, taking account of environmental issues is now part of our everyday way of life, starting with domestic recycling. In 2017, the BBC's *Blue Planet II* programme, narrated and presented by naturalist Sir David Attenborough, dramatically raised public awareness of plastic pollution in our oceans and its effect on the food chain. This has helped environmental pressure groups such as Surfers Against Sewage to leverage public opinion and persuade the government to look seriously at the introduction of a plastic bottle deposit scheme.

Even the most optimistic forecasts from the Intergovernmental Panel on Climate Change indicate that the global temperature is likely to rise by between 0.3°C and 1.7°C by the end of this century if emissions are not cut drastically. Climate change affects everyone and is scientifically recognised as a global issue. This has focused attention on alternative energy production such as renewables, and a shift in public and corporate opinion that we can all make a difference by changing how we manufacture, service and consume things.

There are numerous benefits to be gained from embracing an environmentally-friendly approach to running a business.

### Cost savings

Substantial costs can be saved if business resources are managed with a view to conservation. Savings on, for example, mileage, paper and electricity can

not only help to reduce costs, but also inflict less damage on the environment.

In 2017, our practice saved the annual equivalent of 99 trees, compared to its annual paper usage when it first started its environmental management system back in 2012. As the benefits of IT investment continue to pay dividends, an absolute reduction in paper usage of 33% has been achieved, with a reduction of more than 40% in reams per employee. And although we cover a wide geographical area, the increasing use of technology such as Skype and telephone conferencing has reduced inter-office travel – a key priority.

Environmental aspirations are becoming increasingly important when engaging new clients, and the ability to measure these metrics is an important qualification in a competitive market. With electricity and gas consumption down by nearly 7% per employee and mileage down by more than 26%, our environmental values continue to meet the tough requirements of eco-friendly prospects and clients.

### Social responsibility

There is increasing public pressure on firms, particularly through social media, to show they are being socially responsible, more transparent and communicative and are taking an active approach to making the world a better place. Surveys have shown that consumers are willing to pay more for products and services from companies that are socially and environmentally responsible.

Social responsibility benefits sales, staff recruitment and customers' perceptions of the

business as a brand. It helps to highlight the environment as a core brand value, alongside economic and social values. Small and medium-sized businesses (SMEs) are realising there is much to be gained by promoting their ethical credentials for people, plant and profits.

### Product design

Companies designing environmentally friendly products may benefit in several ways, not least from the marketing perspective. Many consumers are attracted to green products that align with their own environmentally responsible outlook.

From a different marketing perspective, there are tax advantages to be gained for businesses that purchase energy-saving products and vehicles. Consequently, firms that manufacture such equipment will be able to stress the tax reliefs that are on offer to purchasers.

As an example, business buyers can claim enhanced capital allowances (ECAs) for specific types of energy and water-efficient equipment. Such products can be found in the energy and water-efficient technologies product lists ([tinyurl.com/yc6vt43e](http://tinyurl.com/yc6vt43e)). And if a firm can have its products listed here, it will have an important marketing advantage over those that do not.

Another important tax benefit is research and development (R&D) tax credits. R&D by UK companies is actively encouraged by the government through a range of tax incentives. The government views such investment as key to economic success. The type of expenditure claims that can be made are often surprising. Business costs that would otherwise be written off could be increased for tax relief purposes, resulting in a substantially reduced corporation tax bill, or even a tax repayment to help fund further development.

There are other government incentives too. Feed-in tariffs (FIT) promote the uptake of renewable and low-carbon electricity generation technologies, and the renewable heat incentive (RHI) pays cash payments to those who install or have already installed an eligible renewable heating technology.

### Energy savings opportunity scheme

As well as the "carrot" of the direct benefits mentioned above, the government can also exercise some "stick" through the energy savings opportunity scheme (ESOS). Large companies must comply with this and it is only a matter of time before it is extended to SMEs to ensure they have systems in place to record and reduce their energy consumption.

ESOS is a mandatory energy assessment scheme for large organisations in the UK and is administered by the Environment Agency. Every four years, organisations affected must carry out ESOS assessments, which are audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures. Organisations must notify the Environment Agency by a set deadline that they have complied with their ESOS obligations.

### Obtaining help and advice

There are numerous sources of help and advice available online that can point businesses and their advisers in the right direction to becoming a greener business.

A good place to start is the Carbon Trust. This offers practical advice and runs a loan and small grants scheme (the Green Business Fund) to incentivise environmental investment (see [www.carbontrust.com](http://www.carbontrust.com)). The Green Business Fund can offer up to £5,000 of grant support (visit: [tinyurl.com/ya9mhujo](http://tinyurl.com/ya9mhujo)).

### Five top tips to get started

To help businesses to move onto the green road, here are five top tips to get started:

1. *Doing nothing is not an option.* Rising energy and fuel costs are a certainty. Think in terms of cost saving rather than carbon reduction – the two go hand in hand, but the language of cost saving usually gets the attention of senior management.
2. *It's not about making big investments,* but if upgrading equipment, make the energy rating part of the buying decision.
3. *Keep it simple.* Go for the low hanging fruit such as reviewing electricity and gas tariffs on an annual basis and insulating lofts. Turning down the thermostat by 1°C can save about 8% on a heating bill. Set printers to print double-sided, avoid stand-by mode on computers and switch off unnecessary lighting.
4. *Measurement.* If it's not measurable, it's not manageable so will not be minimised. Start by implementing simple processes to measure key areas for improvement. There is no point measuring things for the sake of it, so stick to what's important and areas that will make an impact. It's also important to set realistic targets.
5. *Involve staff.* Seek out suggestions from employees, update them on progress, and give awards for good ideas. It's basic stuff, but cultures can only change if everyone buys into the plan. Appoint someone or a group to co-ordinate progress – ask for volunteers. A focus on the environment will also help with recruitment.

### The role of the accountant

The accountant has a key role to play here, and in many instances may be the only adviser to the organisation. Three ways the accountant can help are as follows.

- Help educate clients in cost savings and social benefits of environmental investment.
- Highlight where they can get help and advice.
- Highlight tax and government incentives that will assist.

Starting down the green road is best done sooner rather than later. With what may still be regarded in some quarters today as an esoteric topic, changing times will see acting green as a business standard in the future.



**Ewan McClymont**

is Director of Grant Services at Bishop Fleming Chartered Accountants. He works with businesses across a wide range of sectors, identifying funding options to maximise their investment opportunities and business plans. He has also developed and implemented an environmental management system at Bishop Fleming, which has helped the business to measure its sustainability targets. Ewan is a member of the Chartered Institute of Marketing and is a keen cyclist in his spare time.  
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# A busted flush

Business rates increases will affect half a million properties in the coming years.

*Martin McTague* discusses how the tax works and why it is in urgent need of reform.



## TEN SECOND SUMMARY

- 1 Business rates are similar to council tax but are levied on commercial buildings rather than residential property.
- 2 Half a million buildings are seeing rates increases in the years ahead as a 2017 business rates revaluation takes effect.
- 3 There are some lifelines for businesses that have been adversely affected and there is pressure for future change.

**B**usiness rates have their roots in the Elizabethan poor laws, which recently celebrated a 400-year anniversary. Over the years, the rates regime has grown in complexity and navigating it is a real challenge for a lot of small firms.

In brief, rates are calculated by reference to a property's "rateable value" (RV). This is an estimate of the property's open market rental value according to the Valuation Office Agency, the body that oversees rates. A multiplier, usually around 50p, is then applied in-line with a firm's size to calculate the final rates bill. As an example, an occupier of a property that has a rateable value of £20,000 will pay about £10,000 a year in business rates. The tax is charged on all non-residential spaces, so the likes of hospitals, holiday homes and car parks are also liable.

A revaluation of RVs in April 2017 saw 500,000 non-residential properties subjected to increased liabilities. Although there were some winners, many areas were left with steep rises, including areas such as West Somerset (+84%), the London Borough of Hackney (+46%) and Leicester (+17%). Increases are phased in over the revaluation period, with an inflation-linked rise in bills also added each year.

In England, a limit on any reductions in rating bills funds a cap on increases. A mid-sized firm with a higher RV for this period, for example, will see a maximum 12.5% rise in year one followed

by a maximum 17.5% increase in year two. On the other hand, a smaller firm with a lower RV enjoys a 20% reduction in year one followed by a 30% drop in year two. For more about transitional arrangements for this rates revaluation period, see the FSB website at: [tinyurl.com/y9rmb4tt](http://tinyurl.com/y9rmb4tt).

## Flaws in the system

Since the introduction of the Elizabethan Laws, much has changed but the rates regime is still stuck in the past. The fundamental principle underlying it – that property value is a reasonable proxy for an occupant's wealth – is no longer fit for purpose.

Businesses in many properties rent, so they receive no benefit if their shops and offices rise in value. However, they are still expected to pay increasing business rates on top of rising rents. In no way is the tax linked to fluctuations in trade or income.

Further, in the digital age the tax creates perverse outcomes. At the same time as the multi-million-pound e-commerce giants that operate out of remote warehouses are seeing their rates fall, thousands of small high street shops are suffering massive hikes in their liabilities as a consequence of last year's revaluation.

One of the issues with the system is that revaluations are so infrequent – five-year intervals are the norm.

## FURTHER INFORMATION

### FSB

As experts in business, the FSB offers its members a wide range of vital business services including advice, financial expertise, support and a powerful voice in government. Its mission is to help smaller businesses achieve their ambitions.  
W: [www.fsb.org.uk](http://www.fsb.org.uk)  
Transitional arrangements for this rates revaluation period:  
[tinyurl.com/y9rmb4tt](http://tinyurl.com/y9rmb4tt).

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Last year's revaluation had a twist. It had been expected to take place in 2015 (based on 2013 property values) but was delayed by two years (with bills calculated using 2015 values). In the interim, property prices in many pockets of the country surged and this meant that the businesses which saw increases were hit much harder than anticipated. For many businesses their rates bills rose again in April 2018 because the year one caps on increases were lost and the inflation-linked rise was applied.

Business rates is a tax that might have made sense once. Today, though, it's a busted flush.

### Change at a rate of knots

The FSB has fought hard for business rates reform. Many more small firms are exempt from the tax, reducing the rates liability for the small business community by £6.7bn for this revaluation period.

Small business rates relief is now thoroughly embedded in the system, taking the smallest businesses out of the tax altogether, and providing tapered relief for those who are just above the £12,000 RV threshold in England. The relief now needs to be expanded, with targeted help for those in areas hit hardest by rates rises; not least London where few small firms qualify. The threshold should be adjusted in inner and outer London to enable more small businesses to receive relief.

At the Autumn Budget, we secured a reduction in the annual inflation-linked increase in bills. The increase is now applied according to the consumer prices index, rather than the considerably higher retail prices index. It is estimated that this will reduce business rates by about £2.3bn over the next five years.

### The staircase tax

We also convinced the government to overturn the staircase tax, which unfairly penalised businesses in shared properties operating over multiple floors. Other wins include a £435m support package unveiled by the Chancellor as part of the 2017 Spring Budget. It breaks down as follows.

- A £300m business rates hardship fund to enable local authorities to grant discretionary relief to those hit hardest.
- A one-year £1,000 business rate discount for public houses with a rateable value of up to £100,000.
- A limit on the annual increase for small businesses losing small business rate relief to the sum of £50 a calendar month or the real terms transitional relief cap.

Now, our efforts are turning to securing 100% business rates relief for childcare providers in England to mitigate the myriad cost pressures facing the sector. It is crucial that small businesses that need larger premises and provide a vital public service, such as childcare providers, are protected.

### Revaluations and support

In 2018, the government has committed to more frequent revaluations – every three years rather than every five – and this should help to make the system fairer, as long as it does not come with additional administrative costs for small firms.

Over the long-term, a fundamental review of business rates has been promised. It can't come soon enough.

Firms with a "rateable value" of less than £12,000 are exempt from business rates in England. Those below £15,000 receive a tapered discount, but these reliefs vary in different parts of the UK.

Any firm that saw a significant rise in their bill after April 2017 should speak to their local council about discretionary relief. We know that the £300 million fund is not reaching firms on the ground as quickly as it should.

There are hundreds of rating surveyors who approach small businesses promising a discount on rates in return for a fee. Firms should handle these proposals with caution. Our advice is to use only those consultants who are accredited by the Royal Institute of Chartered Surveyors. If a business owner is unsure about a contract, they should not sign until they have sought legal advice.

Within the FSB community, our campaigning on business rates continues. The tax is 400 years in the making and we're not done fighting it yet.



**Martin McTague** is the FSB's Policy Director and is determined to protect and enhance the FSB's hard-won reputation as the UK's leading business lobbying organisation. Martin works closely with Government and opposition leaders, attending ministerial meetings and representing the FSB and its members' at the most senior levels. He also works in Brussels to ensure that members' views are represented. Martin started his own business 28 years ago and now owns and manages three businesses – offering public policy, engineering and IT consultancy services. Over nearly three decades, Martin has worked with institutional investors, operating sophisticated financial management systems, marketing complex IT systems and managing more than 60 employees. T: 08082 020 888 E: customerservices@fsb.org.uk

# Logo legalities

Dominic Green and Tom Wilkin explain the commercial importance of trade mark registration.



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## TEN SECOND SUMMARY

- 1 Registration provides a statutory right to the trade mark and facilitates protection of it.
- 2 Unauthorised use of a trade mark may result in a claim for damages and destruction of offending goods.
- 3 Action can be taken for "passing off" if a trade mark is not registered, but this may be difficult.

Once a business has decided upon a trading or brand name, it is important to ensure that is appropriately protected because this has two benefits. First, the business has a statutory right to the exclusive use of the name and its associated goodwill. Second, if a third party is using a registered trade mark or a similar mark without permission, it is easier for a business to enforce its rights than if the mark is not registered.

### Protecting a trading name

The most effective way for a business to protect its brand name is by registering it as a trade mark. In the UK, trade marks are registered with the Intellectual Property Office.

Trade marks are registered against different use classes, of which there are 45, representing different goods and services. For example, if a provider of legal services wished to register its trading name as a trade mark, it would likely seek protection under class 45, which covers legal and conveyancing services. The number of use classes a mark can be registered against is not limited, however the applicant cannot make an application to register a mark against classes for goods or services it does not, or does not intend to, provide.

Once registered, the proprietor will have exclusive rights to the use of the mark for ten years. And as long as the mark is still being used, registration can be renewed. The proprietor can give permission to another party to use the trade mark (usually by means of a license) or assign the rights to the trade mark in full.

Note that not all trading names can be registered, and an application will be refused if:

- The mark cannot be represented graphically.
- The mark is purely descriptive in nature.
- The trade mark would be contrary to public policy.

If an application is made to register a mark that conflicts with a pre-existing trade mark, the Intellectual Property Office may refuse registration and notify existing trade mark holders, providing them with an opportunity to object to the registration. In this circumstance, unless the parties can come to an agreement, the party making the application must either withdraw its application or the issue may have to be determined.

### Use of a trade mark without permission

The proprietor of a trade mark has the right to bring an action for trade mark infringement. An infringement arises when a trade mark is used in the course of trade without the trade mark proprietor's permission. If the infringing mark is similar rather than identical to the registered mark, as long as it is being used for identical or similar goods or services and is likely to cause confusion to the public, the proprietor may be able to bring an action for trade mark infringement.

If such a claim is successful, the remedies available to a successful claimant may include injunctions, damages on account of profits, an order for the removal or destruction of offending signs and an order for delivery and destruction of offending goods.

### Non-registered trading names

If a business does not register its trading name and finds a third party using it, the only available course of action is a claim for passing off. The claimant will need to show that there is goodwill attached to the goods or services provided under the name, that the act of the third party in using the name is likely to mislead the public as to the origin of its goods or services, and that the claimant has suffered damage. It is more difficult to successfully bring a claim for passing off and trade mark registration is desirable to effectively protect a trading name.



# Opening doors

*Susan Divall* explains how the IFA's new route to membership can be the pathway to improved career options for students and existing members.

## TEN SECOND SUMMARY

- 1 The new route to membership will enhance the experience of students by providing a broader and deeper understanding of key subject matters.
- 2 A flexible approach enables students to structure their study around their own commitments, but with the full support of academic professionals.
- 3 Members who want to progress their studies beyond degree level can apply to take the IPA Group-Deakin MBA programme.

In May, the IFA is launching a new route to membership that will enhance the experience of our students by giving them a broader and deeper understanding of key subject matters relevant to accountants who are working in or supporting small businesses. In partnership with CU Coventry, the IFA Admission to Membership Programme (AMP) will provide a unique modular way to study for those seeking IFA membership or applying for a practising certificate.

## The new approach

The online modular approach will provide a flexible, portable and modern format allowing study to take place around other commitments irrespective of where students are in the world and without the need for them to be away from their workplaces.

The programme is ideal for:

- part-qualified accountants seeking IFA membership;
- employers wanting to upskill their finance team and become IFA members;
- accountants seeking recognition of their experience and membership of the IFA;
- school, college and university students seeking a career in accounting; and
- tax agents seeking recognition of their experience and membership of the IFA.

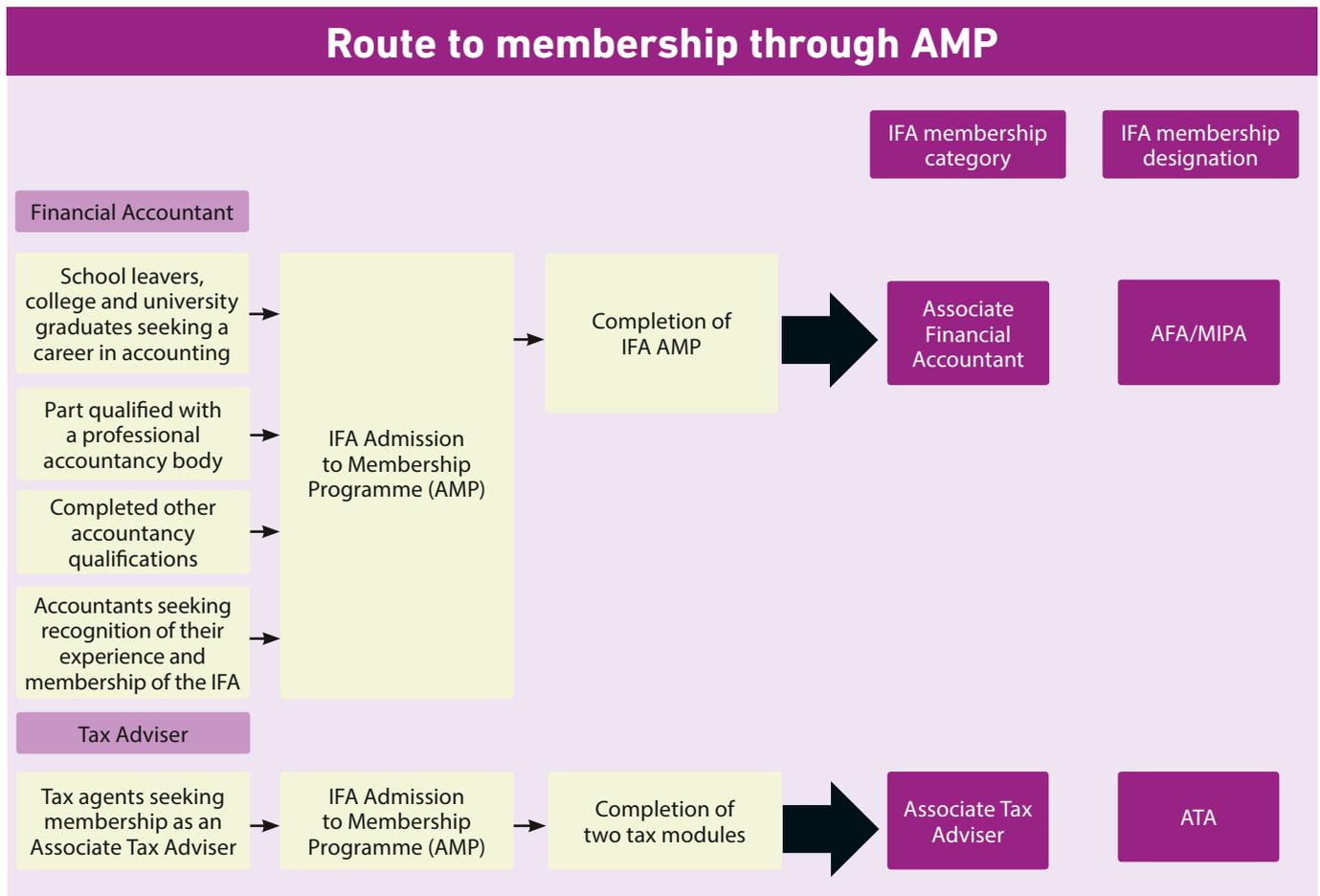
Nicholas James, Head of Curriculum for Accounting and Financial Services at CU Coventry said:

"These are exciting times for the continual development of the IFA as a professional accounting body.

"CU Coventry is pleased to be working in partnership with the IFA in developing its new



*Susan Divall* is education manager at the IFA and is responsible for all activities related to the educational routes to membership provided by the IFA.  
E: [susand@ifa.org.uk](mailto:susand@ifa.org.uk)  
T: 020 7554 0730.



online educational provision to facilitate existing and future members of the IFA.”

John Edwards, CEO, IFA replied:

“We are excited to be working with CU Coventry to introduce this new educational programme for access to membership of the IFA.

“This significant development will ensure that our students will benefit from a modern, flexible programme to support them in becoming a member of the IFA and meet the required knowledge and skills to be a financial accountant.”

#### Admission to Membership Programme

The IFA’s Admission to Membership Programme has ten modules and covers all the key subject areas essential for working and practising in the accountancy and tax industry as follows:

- 103. Principles of taxation.
- 104. Credit management control and ethics.
- 107. Financial statement, internal controls and systems in a business environment.
- 108. Budgeting in a business environment.
- 201. Management information.
- 203. Law for accounting.
- 208. Financial reporting.
- 209. Business finance.
- 301. Assurance.
- 302. Advanced taxation.

During 2018/19, the modules will be offered as shown in the **Timetable**.

#### Programme benefits

All ten modules are available online and as well as access to other IFA resources they provide the following features.

- Discussion forums with other students.
- Access to 30 hours of contact time with a tutor over the six-week module.
- Self-guided learning.
- Online library.
- Test of knowledge quizzes.
- Understanding questions to assist those revising for end of module assessments.
- End of module written assessment.

#### Flexible learning

These modules are designed to provide flexibility so that students can structure their study around their own commitments, but with the full support of academic professionals. The online module materials are available 24 hours a day, seven days a week from any location around the world through the internet.

For full details of the Admission to Membership Programme and how to register:

- visit [www.ifa.org.uk/amp](http://www.ifa.org.uk/amp); or
- telephone the Education Team on + 44 (0)20 3567 5999.

### Existing students and qualifications

The IFA has provided a qualification route to membership since its inception. However, it is important that this route to membership remains relevant in the market place and does not stand still.

By working with employers, members and past students to continuously review our syllabi, learning materials, support and assessment we concluded that our current qualification route could no longer deliver the breadth and depth of learning required for the financial accountant of today.

As result, the current IFA qualifications will be replaced by the IFA Admission to Membership Programme by June 2019. All current IFA students have been contacted with specifically tailored options.

### Alternative route through CU Coventry BA (Hons) in Professional Accounting

The three-year degree provided by CU Coventry includes all the modules in the IFA Admission to Membership Programme and two further modules.

- 309. Business strategy analysis.
- 310. Financial management.

Students who successfully complete this degree will automatically be eligible to apply for IFA Associate membership. Students will receive access to 60 hours of contact time with a tutor over the six-week module as well as a mid-term assignment and an end-of-course assessment.

The degree programme provides access to student funding for UK students.

For full details of the programme and how to apply please contact CU Coventry at: [tinyurl.com/CUpabadegree](http://tinyurl.com/CUpabadegree)

### Professional progression

#### Professional Accounting top-up degree

Associate or Fellow members of the IFA can apply to undertake CU Coventry's one-year top-up degree.

There are several benefits in topping up a current professional qualification to an honours degree. Completing the top-up degree demonstrates to an employer that the candidate has the academic, organisational and management skills needed for their chosen career path. It may also open further opportunities in the future.

The top-up degree includes the following modules.

- 301. Assurance.
- 302. Advanced taxation.
- 309. Business strategy analysis.
- 310. Financial management.

As with the three-year degree programme, students have access to 60 hours of contact time over the six-week module. Likewise, there is a mid-term assignment and an end-of-course assessment to complete.

### TIMETABLE

Dates	Module	Module	Module
17 September 2018 – 26 October 2018	107	201	301
5 November 2018 – 14 December 2018	108	209	302
14 January 2019 – 22 February 2019	103	203	309 (degree programme only)
4 March 2019 – 12 April 2019	104	208	310
29 April 2019 – 7 June 2019	107 + 103	201 + 203	301 + 309
17 June 2019 – 26 July 2019	108 + 104	209 + 208	302 + 310

The degree programme provides access to student funding for UK students. For full details of the programme and how to apply please contact CU Coventry at: [tinyurl.com/CU2018-19](http://tinyurl.com/CU2018-19)

#### IPA Group-Deakin MBA programme

Members who are keen to progress their studies further beyond degree level can apply to take the IPA Group-Deakin MBA programme. This MBA, designed and delivered in partnership with Deakin University, provides new concepts and ideas, enabling students to improve their ability to critically analyse information and provide a range of valuable strategic advice to their clients. It features an MBA unit designed exclusively for IFA members, focusing purely on strategic advice for the small business sector.

The MBA programme is delivered online allowing students to study at their own pace. The course content is updated regularly and reflects the latest developments that affect the accounting profession and the world of global commerce.

MBA subjects available include:

- business process management;
- marketing management;
- people management;
- principles of leadership;
- strategy capstone; and
- managing for growth of SMEs.

For further information on the MBA programme contact the IPA by email at [pathways@publicaccountants.org.au](mailto:pathways@publicaccountants.org.au) or visit the IPA website at: [tinyurl.com/IPAdeakin](http://tinyurl.com/IPAdeakin).

CU Coventry is part of the Coventry University Group. It delivers an innovative approach to higher education which allows you to fit studying around your busy life. Coventry University is ranked No. 12 UK university by the *Guardian University Guide 2018*.

# Making a difference

Ian Hornsey recommends that active involvement with the IFA can make a difference both to the Institute, its members and their practices.

## TEN SECOND SUMMARY

- 1 The importance of the Institute's new articles, bye-laws and regulations, which came into effect on 1 January 2018.
- 2 Using the IFA logo and designation promotes members and the IFA to the outside world.
- 3 IFA members should ensure that they are compliant with anti-money laundering regulations and remember they have free access to online software.



**Ian Hornsey** joined a local accountancy firm after leaving school, gaining knowledge in all areas of accountancy before starting his own practice, Devonports Accountants, in December 1994. Devonports continues to expand and now acts on behalf of more than 1,200 clients. The practice currently employs 13 members of staff and undertakes a range of services for SME clients. Ian is chair of the Brentwood branch of the Institute of Financial Accountants. Outside of the office he enjoys cars, travelling and fine wines. T: 01702 433313 E: ian@devonports.co.uk.

In January this year I was honoured to be asked to take over as chair of the Members Advisory Committee of the Institute, a committee that is made up mostly of branch chairs from around the country including myself as the serving Essex branch chair, a role I have held since February 2013.

As members already know, the Institute has undergone change since its amalgamation with the IPA under the leadership of our Chief Executive Officer, John Edwards, and his team, and I am now working closely with it to take the IFA to the next level. In this new role I am trying to visit as many branches as possible, to meet members, gain a feel for their views about the Institute, to see how we can do more to assist them, and to discuss the benefits that they receive by being a member.

### Raising the bar

As you will be aware, and as reported in the March/April issue of *Financial Accountant*, (see "A game changer", page 28), the Institute's new articles, bye-laws and regulations came into effect on 1 January 2018. It is extremely important that all members make themselves familiar with these. They will provide guidance to ensure compliance.



I will also be working with the IFA team to develop a process of quality assurance for practising members. Again, this will give help, assistance and guidance in running practices which I know many of members will appreciate. If there are any worries or queries, please remember to contact the Membership Team on +44 (0)20 3567 5999, myself, or your local branch chair.

### Branch meeting benefits

I remember when I first became an Institute member that it took some time before I considered attending a branch meeting. In my case, this was the East Anglian branch – before the Essex branch had started. However, once I had done so, I felt welcomed, met other members and gained professional development through the talks and subjects. This led to my being approached to start the Essex branch in 2013. Although initially daunting, with the involvement of fellow members the branch has grown into a vibrant organisation having attendance numbers of more than 100 at the most recent meeting.

Branch meetings are a great benefit to members, not only as a time and place to network with each other, but also to gain contact with other business professionals including banks and financial institutions. They are a beneficial way for these organisations to understand who we are as small and medium-sized practices looking after micro and small and medium-sized businesses. I strongly believe that some of these are the businesses that make the economy run and are the large businesses of tomorrow.



© iStockphoto/Cecilia\_Arcuri

I would encourage all members to attend local meetings and promote them to other members, staff and professionals. Do remember to register attendance on the IFA's website to be credited with continuing professional development. Together we can continue to raise the bar as members and for the Institute as a whole.

### Let us be proud

Last year saw the introduction of the new IFA brand and logo which we should all be proud to display on business cards, letterheads, websites and other promotional materials. As an Institute member the designatory letters AFA/ATA or FFA/FTA can be used after your name.

Using the logo and designation promotes not only ourselves as practices but also the IFA to the outside world.

The IFA logo is available to download from the website along with guidance on how to use it correctly. See [www.ifa.org.uk/logo](http://www.ifa.org.uk/logo).

### Compliance and practicing certificates

As mentioned, all members should be aware of their responsibilities, especially following the introduction of the Money Laundering Regulations in 2017. I encourage all practicing members to ensure they are compliant and would remind them that, as members who hold a practicing certificate, they have free access to AMLCC online software which can assist in carrying out risk assessments, training and other required obligations.

The Institute is, of course, a supervisory body that in turn is now supervised by the Office for Professional Body Anti-Money Laundering

Supervision (OPBAS). It is therefore imperative that all members are compliant and complete their annual member and firm returns. The Institute is carrying out visits and reviews on a regular basis to all members.

### The future

The Institute has an increased presence and voice at meetings with government and the other major accountancy bodies. It is also a full member of International Federation of Accountants (IFAC).

I have already gained the impression from members I have met and spoken to recently that they feel they belong to a professional and dedicated accountancy body. This is something we can continue to grow and from which we can run successful practices.

### FURTHER INFORMATION

IFA logo:  
[www.ifa.org.uk/logo](http://www.ifa.org.uk/logo).

## CLIENTS' MONEY

*Anne Davis provides the answers to some frequently asked questions*

The IFA's new public practice regulations, which include clients' money regulations, came into effect on 1 January 2017. The clients' money regulations aim to ensure that the firm's client bank account is used for legitimate purposes and bona fide transactions. This helps to minimise the risk that the firm is involved in money laundering or terrorist finance. Payments into and out of the firm's clients' bank account must relate to an accountancy service that is being (or has been or will be) provided by the firm.

We have received some queries on this area and the answers to these are summarised below.

- *Some of my clients pay my fees on account by standing order. The standing orders are paid into a clients' bank account set up solely for this purpose. Can I do this?* No. Fees paid in advance for professional work agreed to be performed and clearly identifiable as such shall not be regarded as clients' money for the purposes of these regulations. A separate office bank account should be opened, re-designate the clients' bank account or have these fees paid into an existing office account.
- *My firm will be receiving tax repayments on behalf of clients. We will not take our fees out of the repayments but will pay the amount in full to the client on the day of receipt or the following day. Do we need to open a clients' bank account?* Yes, a separate clients' bank account must be set up because this money belongs to the clients. It makes no difference that the amounts are promptly paid out in full.
- *My firm receives tax repayments on behalf of clients. Our firm's fees are taken out of the tax repayments and any balance paid to the client. Do we need to get written permission from the client to do this?* Yes, written permission must be obtained from the client to deduct professional fees from tax repayments. This could be done as part of the letter of engagement. Because such written permission may have been obtained a while ago, it is good practice to remind the client of the action to be taken before deducting the firm's fees from the client's tax repayment.
- *My firm provides payroll services to clients. It receives the exact amount from my client for the net pay and HMRC liabilities which my firm then pays out immediately. Should these transactions be included in a clients' bank account?* Yes, these transactions fall within the definition of clients' money in the regulations and therefore a clients' bank account must be set up. For accounting convenience, the firm may want to set up a separate designated account for the client.

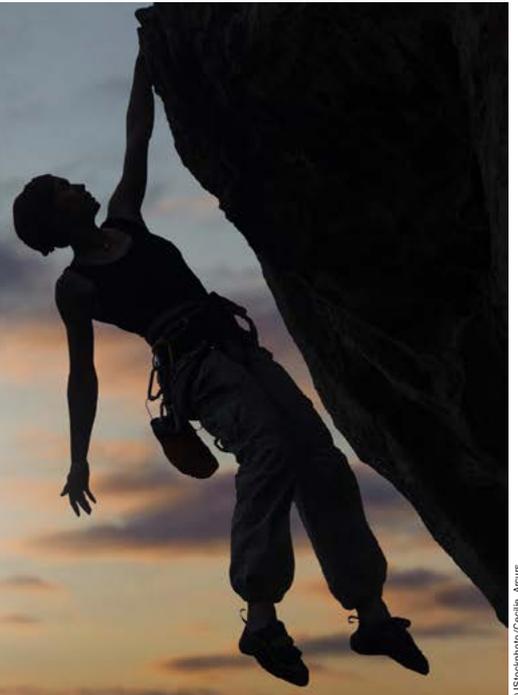
Further information

Client's money: [tinyurl.com/y9wqbjzg](http://tinyurl.com/y9wqbjzg)

Public Practice Regulations: [tinyurl.com/mxbbe5w](http://tinyurl.com/mxbbe5w)

# Don't take risks

The anti-money laundering and counter terrorism financing rules impose strict obligations on accountancy practices. *Richard Simms* explains the benefits of the free resources that are available to IFA members.



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## TEN SECOND SUMMARY

- 1 **Free online package of anti-money laundering risk management and compliance tools.**
- 2 **A risk-based approach allows firms to allocate resources to high-risk areas.**
- 3 **Regulated firms are legally obliged to make a suspicious activity reports.**

If an IFA member holds a practicing certificate, and is supervised for compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations SI 2017/692 (MLR 2017) by the Institute, they have free access to the Anti-Money Laundering Compliance Company (AMLCC) software. This package usually costs £197 plus VAT a year, so this is a significant saving and includes free access by the money laundering reporting officer (MLRO) and three staff.

The regulations setting out the anti-money laundering (AML) compliance requirements for accountants and bookkeepers were updated last summer. We are encouraging firms to look beyond pure compliance to the actual risks that exist for them and their clients.

There's no room here to cover all the changes brought in by the MLR 2017 so those who have not already done so should read "Keeping watch" by Anne Davis, IFA Head of Regulation and Policy in the March/April edition of *Financial Accountant*.

AMLCC is an online package of tools that work in unison to deliver AML risk management and compliance. The package brings order and logic to the process of guiding advisers through the recording of the compulsory steps.

Tailoring the AMLCC package to how a firm operates is important because each practice works in its own way. Adding comments to the answers to questions and personalising the AML policy for the firm's approach are examples of customising AMLCC. All compliance aspects can be easily updated as part of a practice's ongoing commitment to keeping its AML measures up to date.

The secret of a successful risk-based approach is to allocate resources where they are needed most. The flexibility of AMLCC facilitates the implementation of a risk-based approach to AML and countering the financing of terrorism (CFT) allowing firms to allocate their resources to the higher risk areas. The implementation by a firm of a risk-based approach to AML/CFT is a mandatory requirement of MLR 2017.

### The AML policy and services

The policy is drafted to be purposely wide in its scope and to contain an educational content. If team working is involved, staff members must read and acknowledge their understanding of the policy within AMLCC. The draft policy is available in a text editable format through the online AMLCC system. Any changes a firm makes to bring the policy into line with its approach and operating structure will be saved with a date and time and can be edited at any time in the future.

The firm services list is another important part of tailoring the AMLCC system to a specific practice. The MLRO can update the list at any time and a revised report of the services is saved and stored.

If appropriate, guidance and links have been included for individual firm services. These are cross-referenced to those the firm lists as being provided to any particular client.



Having trained as a chartered accountant and licensed insolvency practitioner, in 1999 *Richard Simms* took over the role of managing director at FA Simms & Partners, a long-established insolvency and rescue practice. FA Simms & Partners has been involved with the IFA for many years and is the Institute's chosen partner to support members with client insolvency and cash flow matters. Richard is also a director of the Anti-Money Laundering Compliance Company Ltd (AMLCC).  
T: 01455 555 444  
E: rsimms@fasimms.com.

### Risk assessments

The AML regulations require every practice to perform a firm risk assessment alongside the client risk assessment that it is already undertaking. The AMLCC online firm risk assessment will take the business through a series of questions that will document the risks it may be subject to. Guidance and mitigation steps are an additional benefit.

The new risk mitigation function in AMLCC discussed below will provide a simple way for each firm to show that it has understood and mitigated against its money laundering and terrorist risks by assessing customers, countries of operation, products and services and delivery channels for those products and services.

The new function of creating and saving risk assessments for similar clients, which can then be amended, allows for a quicker method of completing and reviewing client risk assessments.

A risk assessment is required for every client and a series of questions for different client types will guide the user through the key risk areas. There is also the facility to add comments, read guidance and mitigation and follow links to useful documents and sources.

The scope of the MLR 2017 is more detailed and more areas are covered in greater detail within the client risk assessment.

We have worked to simplify the client risk-assessment process by introducing some "dependent" questions that will be either pre-populated or marked as "not applicable" depending on the answer to an earlier question.

### Risk mitigation function

This facility provides firms with control over client risk profiles and enables them to demonstrate that they have taken positive steps to understand and mitigate the risks identified for a client.

When a user is completing a client risk-assessment process they can flag a high-risk answer to a question as one for which they believe the risk has been mitigated. The MLRO for the firm (or addressed directly if the risk assessment is being performed by the MLRO) can then accept or reject that the risk has been mitigated.

If all the high-risk answers to a client risk assessment have been successfully mitigated, the client will move out of the high-risk category and into the risk mitigated category.

### Saved template answers function

If a firm has clients with similar profiles it can save a set of template answers for a client risk assessment. Each saved template can be assigned to a particular client type, for example a personal or corporate client. A user can then select a set of saved template answers when creating a new client or updating an existing client risk assessment.

The selection of a set of template answers will pre-populate the answers to the client risk assessment. A template will include any comments on answers as well. The template answers can then be edited to match the precise risk profile of that particular client.

Using this function will incur a charge based on the number of slots available to save templates. Template slots can be bought individually or in batches, £45 for one, £90 for three and £170 for eight. Charges are annual and will be incurred when first choosing this feature, then at the next renewal date and yearly thereafter.

Use of this feature is optional.

### AML records, manual and reports

If it's not written down it didn't happen, and AML records are a firm's defence to criticism.

- Retain a record of key documents on AMLCC.
- Keep a history of updates and amendments along with an audit trail of key changes.
- Upload important documents including copy ID documents.

The AMLCC professionals' guide is available online through the AMLCC platform.

Regulated firms are legally obliged to make a suspicious activity report (SAR) to the National Crime Agency (NCA). Failure to do so could have legal, regulatory and disciplinary consequences.

Reports can be made between staff and the firm's MLRO within the system. Reports to the NCA must be reported directly to them.

### Continuing professional development

The training of staff and senior management is a responsibility of the firm. Any lack of training could leave the firm exposed to legal, regulatory and disciplinary action if the regulations and sector guidance is not followed.

Two levels of online training videos are each accompanied with a deck of slides. The online tests allow users to demonstrate an understanding of AML. A log is kept within AMLCC of the videos being watched by users and a certification confirming successful completion of the test of also produced.

The detailed policy template provides additional educational content as do the guidance, links and mitigation steps available across the risk assessments and firm services tools.

### Due diligence and monitoring

It is crucial to identify and verify all the firm's clients and their beneficial owners by obtaining copies of ID, conducting online identity verification checks and, ideally, meeting the client face to face. Access to Equifax online verification checks is available through the AMLCC.

The regulations explain that there are circumstances for which enhanced due diligence (EDD) is required. AMLCC guides users through the circumstances for which this higher level of due diligence is required and the measures to apply.

Finally, the AMLCC package enables monitoring visits to be made a little less painful. With the firm's authority, the IFA will be able to review its AML compliance with a read-only supervisor's access code. This will help to facilitate the IFA's AML supervisory role and make life a little easier, something that finds favour with almost everyone.

### ➤ FURTHER INFORMATION

MLR 2017 by the IFA:  
[tinyurl.com/ybk2n344](https://www.ifa.org.uk/tytinyurl.com/ybk2n344)  
 AMLCC:  
[tinyurl.com/y8vg2bla](https://www.ifa.org.uk/tytinyurl.com/y8vg2bla)  
 "Keeping watch" article by  
 Anne Davis:  
[tinyurl.com/y957x2eu](https://www.ifa.org.uk/tytinyurl.com/y957x2eu)

# 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.

### Become an IFA branch chair

Could you be the new branch chair for Bristol, High Wycombe, Manchester or Hampshire region? To be considered for this rewarding voluntary position you will need to:

- be an IFA member;
- chair each branch meeting;
- be the local figurehead for the branch and promote the IFA locally;
- organise six branch meetings a year, find and book appropriate venues for each meeting, and identify (with the help of IFA head office if needed) and contact suitable speakers;
- ensure all speakers provide full details of their presentation in a timely manner;
- encourage non-members to pursue IFA membership or take required IFA qualifications; and
- complete necessary budgetary forms each year and submit to IFA head office.

You will be fully supported by IFA head office which will help to identify speakers and promote events by email, social media and *Financial Accountant*. Event registrations are managed centrally and you will be reimbursed for any expenses you incur.

If you are interested, please contact Jonathan Barber in the first instance by email at [jonathanb@ifa.org.uk](mailto:jonathanb@ifa.org.uk) or call on 07711 955 939.

## 13 JUNE 2018 (19.00 – 21:00) – 2 CPD HOURS

Scotland

**Mattioli Woods:** Retirement wealth planning

**Spotcap**

**Frama UK Ltd**

David Lloyd Centre

Newhaven Pl, Edinburgh EH6 4LX

## 31 MAY 2018 (18.00 – 19.30) – 1.5 CPD HOURS

Antrim

**Robert Kirk,** Professor of Financial Reporting at University of Ulster: An update on Financial Reporting Standards

Dunsilly Hotel

20 Dunsilly Road, Ballymena BT41 2JH

**13 JUNE 2018 (18:15 – 21:00) – 3 CPD HOURS**

Milton Keynes

**Mann Island:** Vehicle acquisition costs for businesses

Holiday Inn

500 Saxon Gate Milton Keynes MK9 2HQ

**25 JUNE 2018 (18:00 – 21:00) – 3CPD HOURS**

Brentwood

**Ian Hornsey**, branch chair: How to grow a successful practice

Jupiter House

Warley Hill Business Park, The Drive, Brentwood CM13 3BE

**21 MAY 2018 (17.30 – 20.30) – 3 CPD HOURS**

Ipswich

**Robert Leggett**, Ensors Accountants LLP: Business tax update and topical issues

Ipswich Hotel

Old London Road, Copdock, Ipswich IP8 3JD

**3 JULY 2018 (18:30 – 21:00) – 3 CPD HOURS**

Gatwick/Crawley

**Mattioli Woods:** Retirement wealth planning**Dale Sidebottom**, Natwest Accelerator: Accelerating early stage and growing businesses

Arora Hotel

Southgate Ave, Southgate, Crawley RH10 6LW

# On the international stage

Introducing the IFA's international representatives.

## Igor Zhuravlev Ph.D, Ass.Prof, FFA, FIPA, FIAB

International Vice President and Regional Director – Russia

I am Principal Partner and Executive Chairman for REANDA RusAudit which is a member firm of the audit and consulting companies network REANDA International.

I am the Principal of IPD postgraduate-RAA and previously the director of the SME Support & Development Center (the Russian Presidential Academy of National Economy and Public Administration (RANEPA)).

I hold a PhD in Engineering Science from Bauman Moscow State Technical University (MSTU) and was awarded Associate Professor (IT, CAD/CAM) status by The Highest Certifying Commission of Russian Ministry for Education and R&D on the basis of RANEPA Information Technologies in Management chair submission.

### INTERESTS

Outside of work I enjoy fishing, forest walking and travelling both locally and abroad. However, business and professional development is my principal interest and a significant part of my activities is linked with research and development, design, due diligence, and international team working for foreign investment arrangements and IPO/ICO.



### Contact details

T: +7 916 523 7133

E: zhur2011@gmail.com



## Saqib Iqbal ACCA, UAECA, AFA, MIPA

IFA Representative – United Arab Emirates

I am the IFA representative for United Arab Emirates (UAE). I qualified with ACCA and have more than ten years' experience of accounting and finance in sectors ranging from manufacturing to retail. I have worked on tailoring, delivering and promoting various accounting qualifications which included building influence and reputation. I have also taught business analysis and accounting subjects in many leading institutes.

### INTERESTS

Outside of work I enjoy meeting new people and love to play chess. I find it very rewarding to mentor young professionals to enhance their employability skills in the accounting profession.

### Contact details

T: 00971 55 3658 234

E: Saqibi@ifa.org.uk

# Great savings from IFA partners

Your membership gives you access to some fantastic offers and benefits through our approved partners. Here are our top picks for May/June 2018. Find the full range at [ifa.org.uk/memberbenefits](http://ifa.org.uk/memberbenefits).



## Reckon

### 30 days' free trial on online accounting software

You can switch for free and any member purchasing Reckon One for their company receives two months' free usage. Members in practice get free sign up to the Reckon cloud advisor partner programme and 25% commission discount ongoing.

W: [ifa.org.uk/reckon](http://ifa.org.uk/reckon)



### Free R&D audit

Don't miss out on research and development tax credits. Take a free ten-minute audit now to see whether we can recover R&D tax credits for your company.

R&D tax credits are about rewarding the innovation and improvement taking place every day in devices, materials, processes, products, service and systems in many businesses.

W: [ifa.org.uk/catax](http://ifa.org.uk/catax)  
T: 03333 058 247



### Private medical insurance

Transfer to HMCA at any age and without a medical examination and benefit from:

- No break in protection.
- 30-day cooling-off period
- 40% discount on underwriter's standard rates.
- Comprehensive plan which provides generous cash benefits for surgery.

W: [ifa.org.uk/hmca](http://ifa.org.uk/hmca)  
T: 01423 799 949



### Exclusive insolvency information portal

With helpful videos, blog posts and help sheets about different insolvency and business rescue procedures, the portal can be used as and when you need to find out more information.

There is also a free helpline for support and assistance if you ever have a query regarding a client and need assistance.

W: [ifa.org.uk/fasimms](http://ifa.org.uk/fasimms)



Arthur J. Gallagher

### Unbeatable PI insurance

Professional indemnity insurance helps protect your business against claims by a client or other third party for loss or damage.

- Broad civil liability cover protecting your business.
- £250 excess reduces exposure.
- £300,000 limit on any one claim.
- Optional home, office and liability insurance.
- Free monthly instalments.

W: [ifa.org.uk/ajgallagher](http://ifa.org.uk/ajgallagher)  
T: 01732 744 745



### Vehicle finance at exclusive rates

Take advantage of a wide range of finance options, from a variety of hire purchase and loan options, contract purchase, contract hire, finance lease and access to asset finance and tax loans for the professions sector.

And obtain insights into tax changes and what's best for your clients when purchasing vehicles.

W: [ifa.org.uk/mannisland](http://ifa.org.uk/mannisland)



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**FINANCIAL  
ACCOUNTANTS®**  
A MEMBER OF THE IPA GROUP



PROUD TO BE A MEMBER?

WHAT INSPIRED YOU TO JOIN US?

HOW WILL IFA MEMBERSHIP HELP YOU?

TELL US WHY YOU JOINED AND WHAT  
MEMBERSHIP OF THE IFA MEANS TO YOU.

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