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RAISING STANDARDS IN THE TAX ADVICE MARKET – STRENGTHENING THE REGULATORY FRAMEWORK AND IMPROVING REGISTRATION

Response by Association of Taxation Technicians

1 Introduction

1.1 The Association of Taxation Technicians ('ATT') is pleased to have the opportunity to respond to the HM Revenue & Customs ('HMRC') consultation on 'Raising standards in the tax advice market – strengthening the regulatory framework and improving registration'¹ ('the Consultation').

1.2 The primary charitable objective of the ATT is to promote education and the study of tax administration and practice. We place a strong emphasis on the practicalities of the tax system. Our work in this area draws heavily on the experience of our members who assist thousands of businesses and individuals to comply with their taxation obligations. This response is written with that background.

1.3 The objects of the ATT include the requirements:

(i) to prevent crime and

(ii) to promote the sound administration of the law for the public benefit by promoting and enforcing standards of professional conduct amongst those engaged in the provision of advice and services in relation to taxation, and monitoring and supervising their compliance with money laundering legislation.

Raising standards in the tax advice market is therefore at the heart of what we are required to do as a professional body.

1.4 Further details of the ATT are included in the final section of this response.

1.5 A joint working party on regulation was formed with the Chartered Institute of Taxation ('CIOT'), and we have collaborated closely with them on developing many aspects of this response. We issued a survey

¹ [Raising standards in the tax advice market – strengthening the regulatory framework and improving registration - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/raising-standards-in-the-tax-advice-market)

(‘the Survey’) to our joint memberships (students, full members, and fellows) seeking their comments and thoughts on many aspects of the Consultation. We were able to segregate the ATT responses from the CIOT responses, and the comments within this response draw on the feedback provided solely by ATT members.

1.6 We have had the benefit of seeing the response prepared by the CIOT to the Consultation, and we endorse the detailed observations made in that response.

1.7 In this response, we have provided an executive summary in Section 2, some general observations in Section 3, and detailed responses in Section 4 to the Consultation questions. We have grouped responses where this seemed appropriate.

2 Executive Summary

2.1 Mandatory Registration to interact with HMRC

2.2 We agree that a good first step towards a strengthened regulatory framework would be for all those tax practitioners operating in a professional capacity to undertake mandatory registration to interact with HMRC. Registration would allow HMRC to ensure that an individual practitioner or firm meets the standards required and stop tax practitioners who do not meet these standards from gaining access to HMRC systems and taxpayer information.

2.3 We welcome the proposed introduction of ‘a single agent registration service’ to facilitate this process and would recommend that HMRC prioritises its creation and design, as this will be instrumental in the initial stages of monitoring the quality of those who interact with HMRC. The ATT would be happy to be involved in any further consultation or engagement on the creation and design of a single agent registration service. Once designed, HMRC should provide clarity on the requirements necessary for registration, support tax practitioners to meet those standards and provide well communicated and sign-posted guidance. The information required from practitioners to register should be sufficient to identify that minimum registration standards are being met, but not be over-burdensome. Access to the service should be quick, easy, and efficient.

2.4 Mandatory membership of a Recognised Professional Body (‘RPB’)

2.5 The changes the Consultation envisages could profoundly impact the ability for some tax practitioners to legitimately remain within the tax advice market. For this reason, Government and HMRC must be clear what the problems in the tax market are that the proposals are seeking to address and understand who is perpetrating them. Only by fully understanding the problems and the perpetrators can successful solutions be designed and built to both raise tax standards within the tax advice market and increase public trust in the tax profession.

2.6 Of the models proposed, and on the assumption that regulation is coming, in principle we support Approach 1 – mandatory membership of an RPB and consider this to be the most workable solution to raise standards in the tax advice market. However, as discussed in detail below, we consider that there are many elements of that approach that would need further consideration and consultation before it could be fully adopted and implemented. We would need to explore the criteria for recognition as a RPB and how current professional bodies (‘PBs’) would be assessed against those criteria, and in particular, whether any additional supervisory activity is envisaged beyond that already undertaken.

2.7 It is essential that any proposed regulatory oversight creates a level playing field for all those tax practitioners providing tax advice to the public. We can see no justification for there being any exclusions.

- 2.8 We consider that regulation at firm level is the most appropriate model, although there will always be a place for professional standards requirements to be placed on all individual PB members working within firms.
- 2.9 We think that it would be useful to consider the merits of a public register of tax agents. If inclusion on the register was mandatory, it would enable a consumer to check very easily whether the identity of an adviser was known to HMRC.

3 General Observations

- 3.1 We were pleased to see the recognition from Government within the Executive Summary that “good tax practitioners help people pay the right tax at the right time and access the tax reliefs they are entitled to, contributing to the economic success of the UK by allowing business owners to concentrate on growing their business.” A comment which we wholeheartedly support and endorse.
- 3.2 Any changes to the regulatory framework must be designed to ensure that they fully address the minority of people responsible for unprofessional behaviour who are at the heart of poor standards and public mistrust and might otherwise remain outside effective regulation. We therefore support the objectives referred to within section 4 of the Consultation that any changes should “remove sub-standard and unscrupulous tax practitioners from the market by either improving their capability or ensuring they exit the market”. Whilst supporting these objectives, any changes must be proportionate and not place undue burdens on the industry (which will inevitably end up on consumers).
- 3.3 As one of the PBs committed to the principles and standards enshrined in the Professional Conduct in Relation to Taxation (PCRT)², we strongly support steps to raise standards in the tax market. The ATT requires its members to adhere to the five fundamental principles of:
- integrity,
 - objectivity,
 - professional competency and due care,
 - confidentiality, and
 - professional behaviour.

Members are also required to comply with the Professional Rules and Practice Guidelines (PRPG)³.

Failure to fulfil obligations under either the PCRT or PRPG could result in disciplinary action leading to sanctions or even expulsion.

- 3.4 The outcome of the HM Treasury (‘HMT’) consultation: Reforming anti-money laundering (AML) and counter-terrorism financing supervision⁴ (‘the HMT Consultation’) could also have a significant impact on the regulatory landscape going forward, and it is therefore disappointing that we are still awaiting the outcome of that consultation. The remarks in it could have been used to inform some of the comments in this response around monitoring and oversight. At present, it would be straightforward to add on regulatory action to reviews etc already being performed for AML, and AML and professional standards risks do go hand in hand. If AML supervision responsibilities are removed from PBs on the basis that regulation can be better done in another way, then it would appear counterintuitive to give PBs an

² [Professional Conduct in Relation to Taxation | The Association of Taxation Technicians \(att.org.uk\)](https://att.org.uk/professional-conduct-in-relation-to-taxation)

³ [Professional Rules and Practice Guidelines | The Association of Taxation Technicians \(att.org.uk\)](https://att.org.uk/professional-rules-and-practice-guidelines)

⁴ [Reforming anti-money laundering and counter-terrorism financing supervision - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/reforming-aml-and-ctfs-supervision)

extended remit to regulate tax professionals. We expect that our regulatory population would broadly mirror our AML supervisory population, so this is an important point for us.

The views expressed in this response are therefore subject to the results of the eventual outcome of the HMT Consultation, which could materially affect our position.

- 3.5 Any requirement to register with the tax authorities would need to consider the position for the devolved authorities/taxes, and how this might work with them - will there be a need for a separate registration?

4 Responses to questions posed by the Consultation

The limitations of the partial regulatory framework

4.1 Question 1: Do you agree the limitations in the partial framework across the tax advice market contribute to issues observed? Select all that apply.

- no requirements of technical competence to practice
- no general deterrents for dishonest practitioners operating in the market
- disjointed monitoring of tax practitioners
- variations in the action taken against substandard and unscrupulous tax practitioners
- clients being unable to easily assess the competence of a tax practitioner
- other (please specify)

Please give reasons for your answer

(Highlighted entries indicate those limitations we agree with)

- 4.2 We agree that the market problems outlined in section 3 of the Consultation persist, in part, due to the current partial regulatory framework which allows some tax practitioners (who are not members of a PB) to operate with no minimum thresholds of quality or competence and with little or no oversight. Systematic action is needed to address the gaps in the regulatory framework and raise overall standards in the tax market. The development of a common, consistent, and cost-effective approach to address these problems, as well as ensuring a level playing field amongst tax practitioners and providing taxpayers with reliable metrics to make informed choices when seeking tax advice, is essential.
- 4.3 HMRC do have deterrents for dishonest practitioners operating in the market, and can already charge penalties on tax advisers who enable defeated tax avoidance⁵, enable offshore tax evasion or non-compliance⁶ and those who facilitate avoidance schemes involving non-resident promoters⁷. There are the Promoters of Tax Avoidance (POTAS) regime powers⁸ to penalise and sanction promoters of tax avoidance. HMRC can also issue a penalty if an error in a taxpayer's document is attributable to another person⁹. HMRC can also charge penalties on dishonest tax agents¹⁰.

⁵ F(No 2)A 2017 s 65 & Sch 16

⁶ S 162 & FA 2016 Sch 20

⁷ FA 2022 Sch 13

⁸ FA 2014 Part 5 & Schs 34 to 36, FA 2015 Schedule 19 and FA 2017 s24

⁹ A 2007 Para 1A Sch 24

¹⁰ FA 2012 Sch 38

Objectives of a strengthened regulatory framework

- 4.4 **Question 2: Are there other components of a regulatory framework that would support the delivery of these objectives?**
- 4.5 **Question 3: Is there anything else that the government should consider?**
- 4.6 A major component of a regulatory framework that would support the objectives of raising standards in the tax advice market is appropriate collaboration and co-creation. Seven professional bodies already collaborate on the PCRT, but more is needed if the tax market is to have demonstrably consistent standards. There must be more collaboration between HMT, HMRC and PBs to ensure that any chosen approach meets the design objectives and raises standards.
- 4.7 If Government does proceed with a streamlined, automated registration service for tax practitioners to register with HMRC, then the Consultation document suggests that implementation may be possible in 2028. Whilst this would be welcomed, it is vital that this is seen as being part of a suite of actions being developed and implemented to raise the standards in the tax advice market. There must be recognition that additional measures will be required in the short-term to address current low standards, unscrupulous agents, and public mistrust.
- 4.8 We think that it would be useful to consider the merits of a public register of all tax agents. If inclusion on the register was mandatory, it would for example enable a consumer to check very easily whether the identity of an adviser was known to HMRC.
- 4.9 The UK has one of the longest and complex tax legislations in the world. Simplifying the tax system could help improve professional standards. A simplified tax system could alleviate the amount of failures in taking reasonable care and errors in returns, which according to the last published tax gap figures accounted for 45% of the tax gap or over £16bn.¹¹ It is noted that simplification is a priority for both HMT and HMRC, but without any form of external accountability we are concerned that this will be a priority in words only.
- 4.10 Alongside raising the standards of tax practitioners, HMRC must also acknowledge that it must make efforts to improve and maintain its own standards, both in customer service and customer compliance. The introduction of the Compliance Professional Standards¹² into the Customer Compliance Group has helped set a benchmark for HMRC's compliance activities, but the reality is that caseworkers often seem to fall short in practice, seemingly with little recourse, and more needs to be done if taxpayers are to have confidence in tax agents and trust in the tax system.

Strengthening the controls on access to HMRC's agent services

- 4.11 **Question 4: Do you think the government should mandate the approach to registration for tax practitioners who wish to interact with HMRC?**

- **yes**
- no
- maybe
- don't know

¹¹ [7. Tax gaps: Illustrative tax gap by behaviour - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/tax-gap-illustrative-tax-gap-by-behaviour)

¹² [HMRC professional standards for compliance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/hmrc-professional-standards-for-compliance)

If no, please give reasons for your answer.

(Highlighted item indicates our response)

Yes - we agree that Government should mandate the approach to registration for tax practitioners/agents who wish to interact with HMRC.

- 4.12 **Question 5: What are your views on the intention to apply the requirement to all tax practitioners who interact in any way with HMRC in a professional capacity?**
- 4.13 As noted in the Consultation document, tax practitioners interact with HMRC in a variety of ways, through HMRC's online platforms as well as by post and phone. Whilst HMRC already registers tax practitioners for access to its online services (including the Agent Services Account and the HMRC Online Services portal), these requirements can vary between services and are not required for all non-digital agent services.
- 4.14 We agree that improving the agent registration process is an essential first step towards ensuring tax practitioners meet existing basic standards before being able to interact with HMRC on behalf of their clients. Although it cannot solely address the issues in the tax advice market, it will allow HMRC to start to address the clearest cut issues and would support a strengthened regulatory framework by enabling a more effective partnership between HMRC and PBs. Any registration process would need to request details of the agent PB membership, so that HMRC would know where to address any concerns.
- 4.15 We agree that HMRC should have a mandated way of registering tax practitioners/agents which must apply consistently to all tax practitioners/agents seeking to interact with HMRC, thus allowing HMRC to improve its knowledge of the tax practitioners/agents it engages with and build up a complete record of their behaviour across HMRC's systems. We consider that there must be no exemptions from mandatory registration, otherwise there is the potential for unscrupulous tax practitioners/agents to exploit those exemptions.
- 4.16 Whilst we support the mandatory registration of all tax practitioners/agents, it will not address those dishonest agents who (contrary to the guidance contained within PCRT) use clients' gateway login details to directly file returns etc on behalf of their clients. This can only be addressed by the continued education of taxpayers not to share their login details with anyone, even when being asked/encouraged to do so by a 'professional'. Also, it will not affect those agents who provide tax advice, but do not file returns / interact with HMRC. For example, for R&D relief claims (an area subject to much recent scrutiny due to abuses), some R&D agents might prepare the figures to go into the return, but the taxpayer or their filing agent actually submits the return.
- 4.17 We recommend that HMRC prioritises the creation and design of the single agent registration service as this will be instrumental in the initial stages of checking the details of those who interact with HMRC. Once designed, HMRC should provide clarity on the standards necessary for registration, support tax practitioners/agents to meet those standards and provide well communicated and sign-posted guidance. However, care needs to be taken that agents do not use mandatory registration as a 'badge of credibility'. There should also be a way in which consumers can check that an agent is registered, before engaging with the agent.
- 4.18 **Question 6: HMRC currently applies several checks at the point of registration including: whether the tax practitioner has outstanding debt and/or returns with HMRC, and the status of their AML supervision. Are there additional checks that the government should consider for tax practitioners at the point of registration with HMRC?**

- 4.19 We agree that any automated checks on registration should include those currently undertaken on tax practitioners including those relating to outstanding debt and/or returns filed with HMRC, together with the status of their AML supervision.
- 4.20 We also consider that it is fundamental that access to HMRC and HMRC systems by all tax practitioners should be conditional upon their adherence (as a minimum) to HMRC's Standard for Agents (S4A) and that the HMRC standard should continue to be more closely aligned with the PCRT guidelines. Tax practitioners could then be asked to self-declare on registration acknowledged compliance with the S4A and/or PCRT.
- 4.21 In its feedback to the consultation on 'Raising standards in the tax advice market: professional indemnity insurance and defining tax advice'¹³, HMRC decided not to introduce a mandatory requirement for tax advisers to hold professional indemnity insurance (PII) stating that evidence from that consultation showed that PII on its own would not be an effective mechanism to raise standards across the market or improve consumer redress.
- 4.22 Whilst we accept the findings of that consultation, we still see the introduction of a requirement for anyone providing tax advice to have PII as a necessary step towards the policy objective of improving trust in the tax advice market. With the majority (if not all) of PBs already requiring their members to hold PII, it would seem that under the proposed mandatory membership of an RPB (Approach 1 below) only those tax practitioners remaining within the proposed HMRC legacy scheme would no longer have a requirement to hold PII. This does not seem right.
- 4.23 If Government goes ahead with mandatory membership of a RPB, compliance with this can also be checked as part of the registration process.
- 4.24 Other additional checks that Government could consider for tax practitioners at the point of registration with HMRC are:
- Fit & proper tests through the provision of up-to-date DBS checks.
 - Details of all Beneficial Owners, Officers, and Managers (BOOMs) and whether any may be associated with a PB.
 - Information sharing requests as standard issued to PBs where the agent is a member.
 - Questions asked of the services provided by the agent.
 - Background checks such as adverse media string searches, connection with previous businesses where red flags have been identified e.g. multiple businesses connected through common directors, phoenix companies, shadow directors etc.
- 4.25 We strongly agree that these checks should be performed at registration and periodically after registration to ensure ongoing compliance.
- 4.26 **Question 7: Are there specific criteria or checks HMRC should apply if:**
- **an individual, who has previously registered a company with HMRC as a tax practitioner, and attempts to register a new company?**
 - **a tax practitioner operating as a sole trader becomes incorporated?**
- 4.27 Whilst not instigated by tax practitioners, we wonder if the circumstances in the recent HMRC press release dated 10 May giving details of a gang that set up 90 bogus companies in a bid to steal more than £800,000

¹³ [Raising standards in the tax advice market summary of responses.odt \(live.com\)](#)

in a VAT and car finance fraud is symptomatic of the issue being referred to here. Without fully understanding the mischief, which is being addressed, it is difficult for us to comment with any insight.

- 4.28 Whilst an individual may, for any of a number of reasons, decide to incorporate their business, having that incorporated business in itself would not preclude them from creating or incorporating other companies. At present there is no limit to the number of companies that a person can create at Companies House. Each company would be a separate legal entity (although the shareholder(s) and director(s) on each of them could be the same person). We are not company secretarial specialists, but it would appear that without a change of law, an individual would be at liberty to create as many companies as he/she wanted registered with Companies House and HMRC.
- 4.29 If the mischief seeking to be addressed is individuals involved in phoenix companies, then the checks on registration would need to be more in-depth, as they will need to check what other staff are in the business etc as those previously deregistered or disciplined could sit in the background somewhere.
- 4.30 Where an individual operating as a sole trader has chosen to incorporate their business, then the legal entity is no longer the individual but the company (whether incorporated by shares or guarantee). This is an important distinction. At the point of incorporation then the company should be registered with HMRC. As a new company there will be no outstanding returns or debts, but it should be made to comply with other aspects referred to in Question 6.
- 4.31 In the same way in which PBs review Companies House records to identify officers, and review the Persons of Significant Control register, HMRC could be completing the same checks. This includes identifying other BOOMs who have been promoted internally/brought into the firm as directors on incorporation. Such individuals may have adverse media hits or be potentially involved in firms that were previously identified as having red flags etc and appropriate action can then be taken.
- 4.32 Also, as stated at 4.24 background checks could be performed such as adverse media string searches, any connections with other businesses where red flags have been identified previously e.g. multiple businesses connected through common directors, phoenix companies, shadow directors etc. Questions could also be asked to identify the services being provided, and identifying the firm's website or promotional material where there are concerns.

Approaches to strengthening the regulatory framework

4.33 **Question 8: Which approach do you think would best meet the objectives set out in chapter 4?**

- **approach 1: mandatory membership of a recognised professional body**
- approach 2: joint HMRC-industry enforcement
- approach 3: regulation by a government body

Please give reasons for your answer.

(Highlighted item indicates our preferred approach)

- 4.34 Of the three options being proposed, we would in principle support Approach 1, which appears to have the greatest potential to produce common higher standards in the tax advice market for the benefit of both consumers and the Exchequer and also to produce a level playing field between providers of tax services.
- 4.35 However, our support for this could change subject to the outcome/feedback from the HMT consultation: Reforming anti-money laundering and counter-terrorism financing supervision. If the outcome of that

consultation was that the ATT together with the other PBs were to lose their supervisory status, then this could adversely affect our support for this approach. At present, it would be straightforward to add on regulatory action to reviews etc already being performed for AML and AML and professional standards risks do go hand in hand. It would therefore seem counterintuitive to have one regulatory role taken away because the system was not deemed satisfactory, only to give PBs a new regulatory role.

4.36 We would also like to understand exactly what criteria will be used to assess whether a PB meets the requirements for 'recognised' status. We would also want some assurances that once RPB status had been achieved that the amount of work the RPBs had to undertake would not significantly change at a later date, with RPBs finding themselves having to undertake additional compliance activities, or pay for access to systems, which were not anticipated at the application stage.

4.37 **Question 9: What are your views of the merits and problems of the 3 potential approaches described in this chapter?**

4.38 **Question 10: Are there any other approaches to raising standards the government should consider?**

4.39 Approach 1

This approach is the easiest and quickest of the three approaches to implement. It has the potential to minimise extra costs and burdens to tax practitioners who currently meet expected standards, although there will invariably be additional costs of administration that would undoubtedly be passed on to our members. The ATT already delivers the three components of a regulatory framework: subjecting our tax practitioner members to minimum standards, monitoring, and enforcement action; and offering routes for customer support.

PBs will have a greater in-depth knowledge base of their members, greater insight into the services provided and the nature of the businesses, than HMRC.

Individual PBs are able to monitor their own membership more effectively given that they will already have appropriate supervisory and disciplinary functions in place.

The migration of the unregulated population would need to be managed with sensitivity. The use of a legacy scheme could ensure that those tax practitioners who were seeking to exit the tax advice market in the next few years would have the ability to continue to trade without having to seek membership of an RPB.

There is a concern that Approach 1 could pave the way to Approach 3 and that it would be naïve not to appreciate the risk for PBs and their members of investing time, energy and expense in travelling to a destination of choice only to find that it was simply an overnight stop on the way to a different destination.

The challenge here is to ensure that the mandatory membership of an RPB builds on what already exists and thereby avoids as far as possible the introduction of untried processes, additional levels of regulatory authority and disproportionate burdens.

4.40 Approach 2

We consider that if HMRC were to take on a supervisory role of tax practitioner professional standards whilst administering the tax system this could create a conflict of interest, with HMRC acting as both judge and jury.

In addition, HMRC may not have the budget to provide the resources, staff, and training necessary to undertake a regulatory service.

We also agree with the Consultation document that there would be the potential for there to be different requirements and levels of oversight and enforcement for HMRC-supervised tax practitioners compared to PB-supervised tax practitioners. This would create a dual system of regulation that could undermine the objective of supporting consistent standards and enforcement in the pursuit of creating a level playing field.

This approach could be adapted to deal with those who are not currently members of PBs under Approach 1. The Consultation document considers a legacy scheme as a potential way to manage the transitional period, which could allow some tax practitioners, such as those already registered with HMRC, to continue operating as usual for a specified period while gaining qualifications or meeting any other requirement placed on them by an RPB. At the end of the transitional period, any tax practitioners who were not members of an RPB would need to exit the market. A legacy scheme could work for those tax practitioners who are qualified by experience and intend on retiring from the tax advice market in the short-term.

4.41 Approach 3

All tax practitioners being regulated by one Government regulator should lead to a greater level of consistency in the application of reviews and oversight. However, we have concerns as to the deliverability of this approach.

We understand that a Government regulator (either existing or new) would set standards, conduct checks on tax practitioners seeking to be regulated and ensure they meet the required criteria. It would also supervise tax practitioners including inspections of tax practitioners on a risk-assessed basis to check they continue to meet expected standards, investigating issues and complaints, and enforcing sanctions.

The creation, resourcing and staffing of an independent regulator is likely to mean that it would be the most expensive of the three approaches, unless the terms of an existing regulator could be changed to incorporate tax advice.

As well as sourcing the staff to manage this new regulatory body, any new employees would need appropriate training.

This is likely to be the longest approach to implement, as all the data currently held in the various PBs would need to be migrated across to the single regulator.

4.42 **Exploring how mandatory membership of a professional body could raise standards**

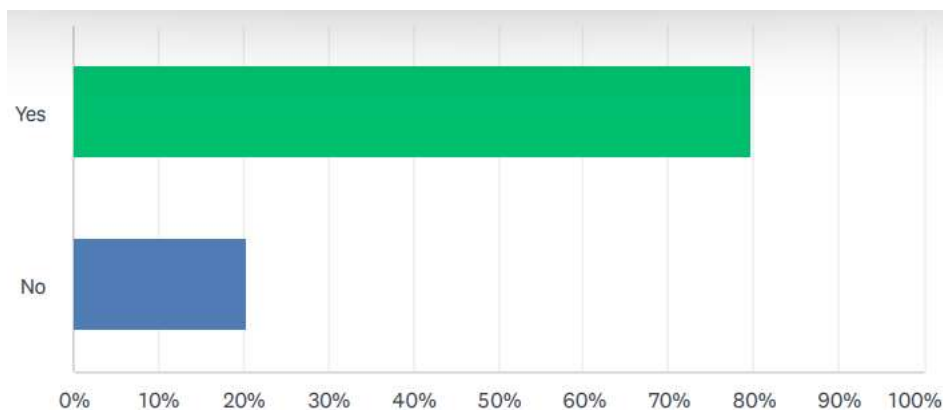
4.43 **Question 11: Do you think membership with a professional body raises and maintains standards of tax practitioners?**

- **yes**
- no
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

4.44



Our Survey results indicate that 80% of our members thought that membership of a PB raises and maintains standards of tax practitioners.

4.45

ATT members are typically immensely proud of their achievements, and do not want to see bad actors damage or harm the name of their profession, their firm, or the ATT.

4.46

Obtaining membership of the ATT requires a person to have achieved the following:

- Passes in the two compulsory Certificate papers (Personal Taxation and Business Taxation)
- Passes in the three compulsory Computer Based Examinations (Law, Professional Responsibilities & Ethics and Principles of Accounting)
- A pass in any one of the other four Certificate papers (Business Compliance, Corporate Taxation, Inheritance Tax, Trusts & Estates or VAT)
- At least two years' practical experience in UK taxation.
- Be a fit and suitable person.

4.47

Achieving and maintaining the ATT qualification demonstrates to the employer and client that a benchmark has been achieved. ATT members are committed to continuing their long-term professional development, so that employers and clients can be sure their knowledge and skills are up to date, giving the business a competitive edge.

4.48

The fit and suitable person requirement is obtained by a self-certified statement of the members working experience and names and contact details of two sponsors.

4.49

As well as the above, members are required on an annual basis to confirm that they maintain and develop skills and competencies necessary to conduct professional and technical duties competently.

4.50

The ATT consider failure to meet CPD obligations to be a breach of membership obligations and could result in referral to the independently run Taxation Disciplinary Board (TDB). Additional information on the TDB can be found at www.tax-board.org.uk

4.51

We understand that the TDB will be submitting their own response to the Consultation.

4.52

Question 12: What is your view of the capacity and capability of professional bodies to undertake greater supervision of tax practitioners?

- 4.53 This depends on whether firms or individuals need to be registered. We would envisage that the supervision would be similar to that undertaken as an AML supervisor, and that the supervision would be of the firm with the principals taking responsibility for the actions of their staff.
- 4.54 The ATT is an AML supervisor for about 600 firms of tax advisers who provide related accountancy services. Firms vary in size considerably and whilst it is often the view that larger accountancy firms dominate the market this ignores the existence of a large number of smaller firms. These firms need additional support and assistance to comply and have less scope to absorb or pass on additional regulatory costs. 49% of the firms ATT supervise have annual client fees of £50,000 or less and therefore very clearly fall into the smaller firm category, although many with higher fees are also sole practitioners without compliance teams internally.
- 4.55 At present the ATT does not undertake practice assurance visits or review member clients' files. If recognition as an RPB was dependent on undertaking such practice assurance visits, this would require additional staffing and training.
- 4.56 The ATT is the leading PB for those providing UK tax compliance services in the UK and is seen as the entry level for those looking to obtain a recognised tax qualification. It is possible, although there is no evidence to support this, that many tax practitioners who are currently qualified by experience will choose the ATT as the most appropriate PB with which to seek membership. Dependent on the number of potential new students, there may be additional resourcing and staffing requirements, although part of these costs would be funded from the additional student fees. The ATT is used to dealing with high numbers of students and currently has over 7,000 registered.
- 4.57 **Question 13: What more could the professional bodies do to uphold and raise standards for their members?**
- 4.58 The PCRT principles and standards are the main PB code governing the tripartite relationship between advisers, their clients and HMRC, and is much more extensive than HMRC's own Standard for Agents ('the Standard').
- 4.59 A parallel but less considered topic has been the diversity in the regulatory processes of the existing PBs. That diversity is seen at its most obvious between the seven PBs which have responsibility for the content of PCRT ('the PCRT bodies') and those which do not.
- 4.60 We think that there should be common standards and processes that apply to all tax agents, and we see the PCRT principles and standards as being the 'gold standard'. Common and consistent standards should give both consumers and HMRC confidence. We would therefore advocate all PBs adopting the PCRT standards as part of attaining RPB status.
- 4.61 The ATT and other PCRT PBs seek to provide appropriate guidance and communication on practice areas of current interest and importance to members. We are regularly reviewing our regulations, guidance, and monitoring so it remains fit for purpose, and ensures that members are fully aware of their responsibilities and obligations as tax practitioners.
- 4.62 One way in which standards can be upheld would be for HMRC to make better use of the agreement with PBs to share information and instances where the conduct and competency of tax practitioners who are members of that PB has fallen short of acceptable standards. Only by making the PBs aware of 'bad' or incompetent actors, can PBs take appropriate action, and raise standards in the market.

4.63 **Question 14: What additional costs may professional bodies face if strengthening their supervisory processes?**

4.64 Without fully understanding what is needed to meet the requirements of being an RPB, and exactly what ongoing supervision actions would be required, it is difficult to estimate the additional costs in strengthening our supervisory processes.

4.65 If the intention is for firms to be regulated, then the ATT is already an AML supervisor for about 600 firms of tax advisers, monitoring their compliance with the AML legislation and the CCAB's Anti-Money Laundering Guidance for the Accountancy Sector (AMLGAS). Member compliance with this supervision includes the submission of an AML annual return, with exceptions and failures being reviewed in more detail. We seek, wherever possible, to work with firms to bring them into compliance. However, there is a requirement on us to take effective, proportionate, and dissuasive disciplinary measures where non-compliance is identified, and this is dealt with through the independent disciplinary body the TDB.

4.66 There would undoubtedly be significant additional costs in extending our supervisory frameworks to new members. We would have extra staff costs if we were required to carry out practice assurance visits. The AML fee only covers being supervised for AML so our fees would need to increase cover any other required regulations. New members would be subject to the same fee structure as existing students and members, but without understanding exactly what additional supervisory requirements are intended to be placed on RPBs, it would be difficult to anticipate the extra costs for both new and existing members.

How mandatory membership of a professional body approach could operate

4.67 **Question 15: What is the best way to ensure current and new professional bodies maintain high standards?**

4.68 The Consultation recognises that there are many PBs, reflecting the diversity and complexity of the market for tax advice and services. Not all PBs are the same: among the PBs there are differences in the way they supervise members, the independence of their disciplinary functions, minimum requirements for membership and their capability and capacity to monitor and enforce standards. Some PBs also supervise parts of the market for AML.

4.69 We would suggest that the best way to ensure current and new PBs maintain high standards would be firstly, to be clear what the criteria are for recognition as an RPB, and only allow those PBs to gain recognised status who can adequately demonstrate compliance with those criteria. It should not be a case that PBs are able to obtain recognised status just because they show a willingness and desire to become an RPB. It should be noted though that the imposition of externally determined qualifying criteria could create tensions between Government and prospective RPBs (and between PBs). Given the significance of recognised status, there is an existential threat to prospective PBs of failing to qualify as an RPB, and this would require some form of appeals process which could ultimately involve the courts. Secondly, there has to be some form of oversight whereby compliance by the RPBs with the criteria can be monitored, with appropriate sanctions for failing to maintain those standards.

4.70 If a body could not meet the RPB criteria within the relevant timeframe, that would have the dramatic consequence that its members would not be authorised to continue in practice. They would need to arrange membership or some other form of association with a body which had achieved RPB status. This could be very destabilising for the market.

- 4.71 The challenge here is to identify how to minimise the number of bodies which would be unable to meet the RPB criteria and maximise the support available to those aspiring to qualification.
- 4.72 **Question 16: What role could the professional bodies play in supporting the clients of their members?**
- 4.73 The main role that the ATT plays in supporting the clients of their members is by ensuring that there are rigorous rules and guidelines which members must adhere to, and a well-publicised and independent complaints process for clients where actions by members have been sub-standard.
- 4.74 The ATT's PRPG is an educational and ethical framework of the highest standard aimed to produce tax advisers of the best quality for the general public. PRPG has an entire chapter devoted to setting out recommendations to ATT members in relation to the handling of complaints.
- 4.75 A member in practice is strongly recommended to have procedures in place to manage complaints from clients which should include:
- Informing each new client in writing of the name and status of the person to be contacted in the event of the client wishing to complain about the services provided, and of the ability to complain to the TDB (unless alternative forms of alternative dispute resolution are outlined). This information should be included in the engagement letter.
 - Acknowledging each complaint promptly in writing.
 - Investigating each complaint thoroughly and without delay. The investigation should be conducted by a person of sufficient experience, seniority and competence who preferably was not directly involved in the act or omission giving rise to the complaint. The client should be told about the investigation.
 - Taking appropriate action if the investigation finds that the complaint is justified in whole or in part.
 - Considering whether to inform professional indemnity insurers.
- 4.76 TDB is legally independent of the ATT and manages the Taxation Disciplinary Scheme which is the practical mechanism for handling complaints made against ATT and CIOT members.
- 4.77 TDB investigates complaints and acts where appropriate against a member who has not maintained the high standards of behaviour and performance required by the ATT. They also review and act as appropriate on appeals made against the outcome of a complaint.
- 4.78 The TDB website www.tax-board.org.uk provides guidance for the public and members. It includes the governing documents, namely the Taxation Disciplinary Scheme and the associated Regulations, and explains the disciplinary process in detail.
- 4.79 As well as providing clearly sign-posted guidance to clients who have concerns over a member's conduct or behaviour, we think that it would be useful to consider the merits of a public register. This was briefly touched upon at 4.8 above and could be used to assist the choice by customers of a tax adviser and importantly in avoiding placing reliance on the advice of anyone whose name did not appear on the register. However, without common standards and processes across the PBs, it could be misleading by implying a level of consumer protection which did not exist.

4.80 **Question 17: Should government consider strengthening customer support options beyond the current complaints processes offered by professional bodies?**

- yes
- **no**
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

4.81 Less than 30% of our Survey respondents considered that Government needed to consider strengthening customer support options beyond the current complaints processes offered by PBs, with most respondents selecting “don't know” or “maybe” as their answer.

4.82 HMRC already have the Agent Compliance Team, which was set up in 2012, to assist and identify risks posed by agents. The definition of a tax agent is quite wide and can be any individual who, in the course of business, assists clients with their tax affairs, directly or indirectly. It may include sole accounting practitioners, business advisers, tax advisers, etc and can be professionally tax qualified or unqualified.

The main focus of the Agent Compliance Team is on:

- Working with compliant agents
- Enabling agents to align with HMRC's compliance strategy
- Maximise 'upstream' compliance
- Penalising non-compliant agents
- Reducing the tax gap

Part 3 of Schedule 38 of Finance Act 2012 confers the powers to acquire the tax agents' working files in specific circumstances with the approval of a tribunal.

The work of this team could be more widely publicised to strengthen customer awareness and support.

4.83 A substantial amount of legislation has also been introduced in recent years with the specific purpose of tackling tax avoidance. Optimising and publicising the use of that has a significant part to play in addressing 'bad' professionals and raising public trust in the tax advice market.

4.84 The power available to HMRC which has most obvious relevance in tackling poor behaviour is the facility provided by s.20 Commissioners for Revenue and Customs Act 2005 to refer concerns about standards of professional behaviour to a member's PB. Although there has been a slight increase in the use of this facility by HMRC, it remains substantially under-used. We think that it would be helpful for HMRC to explore with the profession the perceived barriers (including HMRC's internal processes) to making more disclosures. The facility does not of course have any application to unaffiliated agents, but this would not be a problem if the mandatory membership of an RPB came into force.

4.85 Without the facility provided by s.20 CRCA 2005 PBs would otherwise have no means of knowing or requesting/accessing the information that HMRC holds, so it is pivotal to successful regulation that this referral and information happens and is strengthened under any model.

- 4.86 Whilst we believe that all tax practitioners should have PII cover, this might still leave the client in the position of having to incur costs of suing their agent. The complaints facility offered by PBs on the other hand provides a route to resolving issues which involves no cost for the client. The costs, which can be significant, are borne by the relevant member and/or their PB which in turn has to pass that cost on to their membership at large. We acknowledge though that the courts have discretion to award compensation, which our complaints facility does not.
- 4.87 Where HMRC have identified agents submitting claims with no merit, they must also make more use of their existing powers (for example refusing to deal with the agent, dishonest agent penalties or even public interest disclosures where appropriate) to protect taxpayers.
- 4.88 The ATT does not support a system of customer compensation being introduced, particularly if this is to be funded by PBs. We consider that redress funds should come via insurance and the fees members receive, not from the PBs. As referred to at 4.21 above, if all firms were required to have PII in place (not just PB members) this would strengthen customer support.
- 4.89 **Question 18: What role should HMRC/the government play under approach 1: mandatory membership of a recognised professional body?**
- 4.90 One of the key benefits of Approach 1 is that it would mean that HMRC would have less involvement in regulating the market, and the PBs would have more involvement.
- 4.91 However, we recognise that special rules or a slightly different approach may be required to enable the transition to full mandatory recognised PB membership, and that HMRC would want to be involved in the creation of the criteria for recognition as an RPB. In order to obtain maximum support from PBs we would recommend that the composition of the criteria for RPB status is properly consulted on before being issued.
- 4.92 To ensure that RPBs are consistently conforming with the terms of the recognised status requirements, we consider an oversight committee may be needed. We can see that HMRC may want to take some part in such an oversight committee to have some involvement in ensuring compliance with the status requirement. We would want to ensure that HMRC's involvement in any oversight committee was clearly defined, proportionate, and limited to a role that was necessarily held by HMRC. We would not want to see an oversight committee morph into something more akin to Approach 3 or facilitate any potential of the conflict of interest we have explained above that we have concerns about with regards to HMRC's role in regulation. We would therefore recommend that the composition of any oversight committee together with its terms of reference are fully consulted on before being introduced.

Who should be regulated?

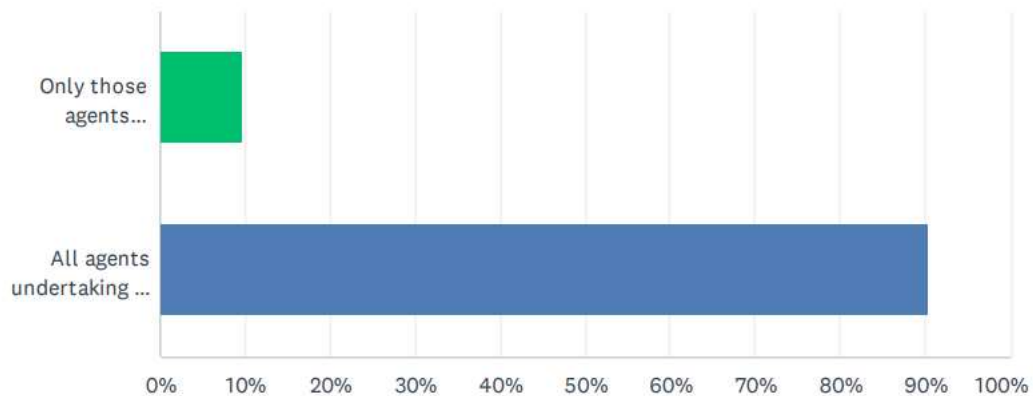
- 4.93 **Question 19: Do you agree that the requirement should only apply to those who interact with HMRC?**

- yes
- **no**
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

4.94 No, we strongly disagree that the requirement should only apply to those who interact with HMRC. This was also the view provided by 90% of the Survey respondents.



4.95 We recognise that having this requirement apply to tax practitioners that interact with HMRC in a professional capacity rather than the whole market might ensure the competence and compliance of those who interact with HMRC and its systems, but this would not address those unscrupulous tax practitioners who have no direct interaction with HMRC.

4.96 Whilst we appreciate that ‘action to widen the scope to the whole market’ could be taken ‘should problems persist’, we believe that the restriction is likely to undermine the policy from the start by not reaching some of the most significant concerns driving it.

4.97 **Question 20: Do you agree that the requirement should only apply to controlling or principals of firms?**

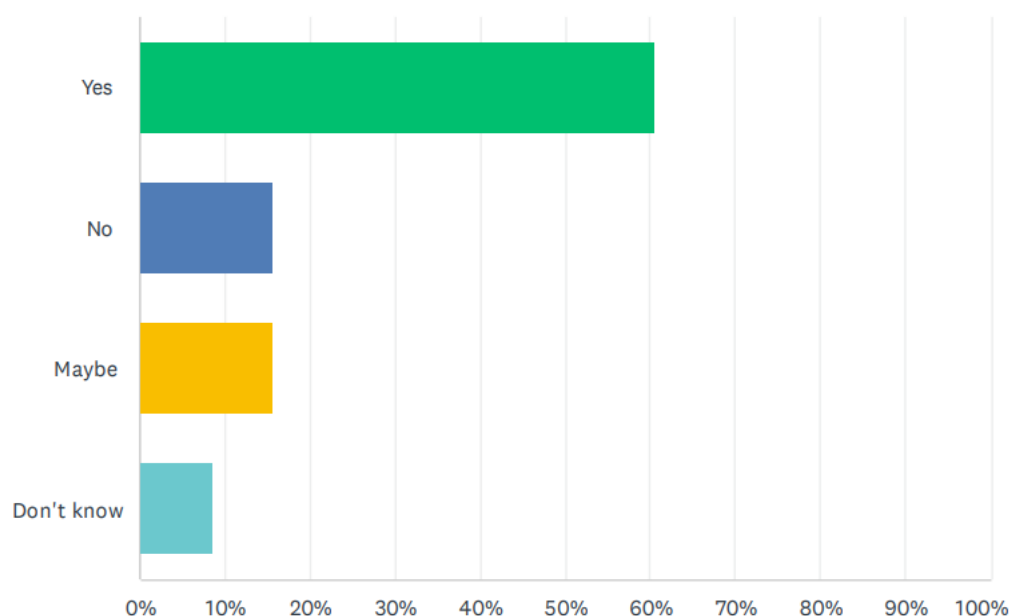
- **yes**
- no
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

4.98 The consultation proposes that regulation is applied at firm level, to help minimise burdens on the tax advice sector. To ensure firms are complying the Government will require the controller or controllers of the firm (for example, the principal or director) to be a member of an RPB and to be accountable for ensuring their staff are complying with professional standards.

4.99 Over 60% of our Survey respondents agreed that the requirement should only apply to controllers or principals of firms.



- 4.100** Members of staff should still be able to have the option (or be required to by their employer) of undertaking the steps to qualify and become members of an RPB, but it should be the responsibility at firm level to ensure that staff are adhering to the regulatory requirements. Especially in the short to medium term, it would be administratively burdensome on the profession, with questionable impact on raising standards, to expect all employees to qualify as members of an RPB where their employer already oversees the work completed. All BOOMs of a business who provide tax services as part of their role should be required to be subject to regulation due to the level of their responsibilities.
- 4.101** Principals and directors of small firms can be held responsible for ensuring that they and their staff comply with professional standards, and this should not pose any particular problems. However, this may not be possible or the case in larger firms, where tax advice may be given by individuals who are not principals or directors, who may be operating in different locations and at levels below that which the principals or directors would have immediate control.
- 4.102** Placing the onus on principals and directors does not directly address those individuals who maintain poor or unacceptable standards, as it may allow those people to avoid taking personal responsibility and being accountable for their actions. If a firm was to be sanctioned as a result of the unacceptable actions of a member of staff, to what extent will that address and change that member of staff's mindset? Will they seek to improve their own standards? If they are reprimanded by their employer and even their employment terminated, will they 'mend their ways' or will they just find another firm to continue displaying the same unacceptable standards?
- 4.103** Whilst not directly addressing the issue above, HMRC could look to make one person in each firm take greater responsibility for compliance with the regulations by introducing a requirement similar to that of the Senior Accounting Officer regime. The individual could be required to sign an annual declaration that the firm is adhering to all its regulatory obligations and providing appropriate training and oversight to its staff. That person would then be personally liable if it were later found that there were material breaches within the firm. This could apply to all firms regardless of size and would mean that at least one person in each firm will have compliance with the regulations as a priority.

4.104 The challenge here is raise the standards in the tax advice market by ensuring that there is no place for 'bad' actors to hide, whilst at the same time developing a system that is proportionate and fair to all.

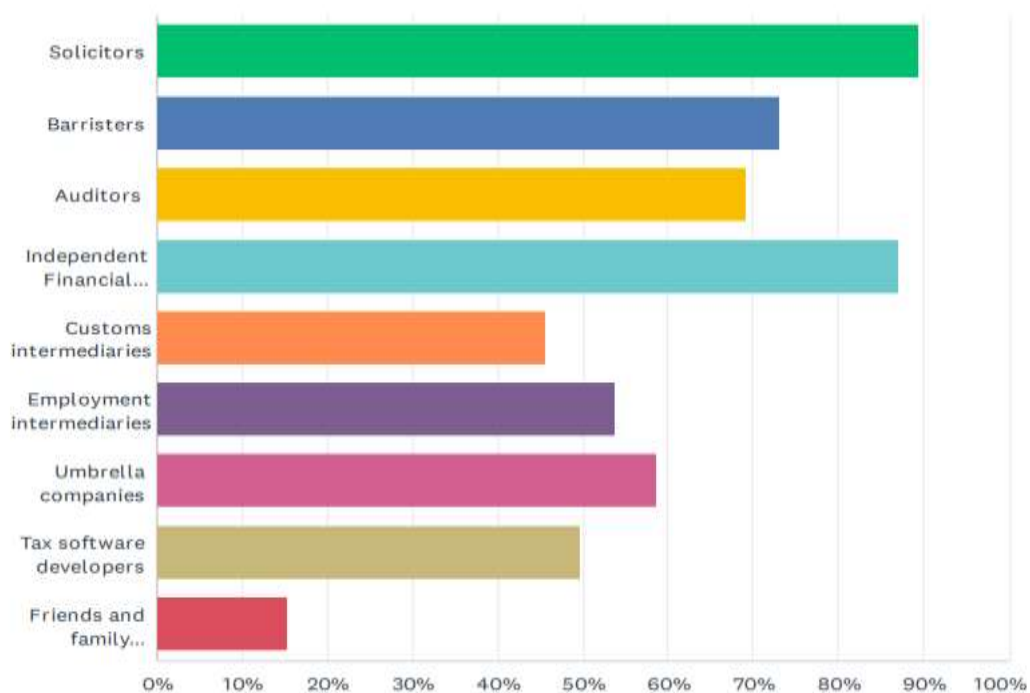
Exclusions

4.105 [Question 21: Are there any other regulated professions that should be excluded from this requirement?](#)

4.106 [Question 22: How can the government ensure members of regulated professions have high standards in relation to their work providing tax advice or services?](#)

4.107 [Question 23: What are your views of the proposed exclusions?](#)

4.108 When ATT members were asked in our Survey - should any of the following providing tax services be included in the requirement for regulation (choose all that apply)? The responses were as follows:



4.109 We recognise that there are situations where an individual or a firm may be subject to more than one regulatory regime including possibly regimes within different professional disciplines - for example auditing, surveying or even what is defined as a reserved activity in law. However, if the aim is to raise standards in the tax advice market, the fact that a person or a firm may be regulated and maintain appropriate CPD for say investment advice, would not confirm their competency to provide tax advice.

4.110 As the provision of tax advice has never been a regulated activity, no current regulatory framework would specifically encompass the provision of such advice, and therefore, we are of the opinion that all practitioners who are controlling principals or directors of firms providing tax advice should be 'regulated' for the provision of such advice, and that there must be no exclusions.

4.111 Lawyers, barristers, and other professionals potentially being considered for exclusion do not have to meet basic PCRT standards unless they are also members of a PCRT body. This is a key reason why they must not be excluded from regulation. At present these professionals are under no obligation to meet standards, such as the requirement to correct errors. Importantly they are also not obliged to meet the tax planning standards set out in PCRT. KCs provide generic opinions on which tax planning schemes are often based

but unless they are part of a PCRT they do not have to meet the tax planning requirement to provide client specific advice.

- 4.112 The only exclusion that we would support would be individuals who might interact with HMRC to help their friends or family members on a non-professional, unpaid basis.

Potentially in scope

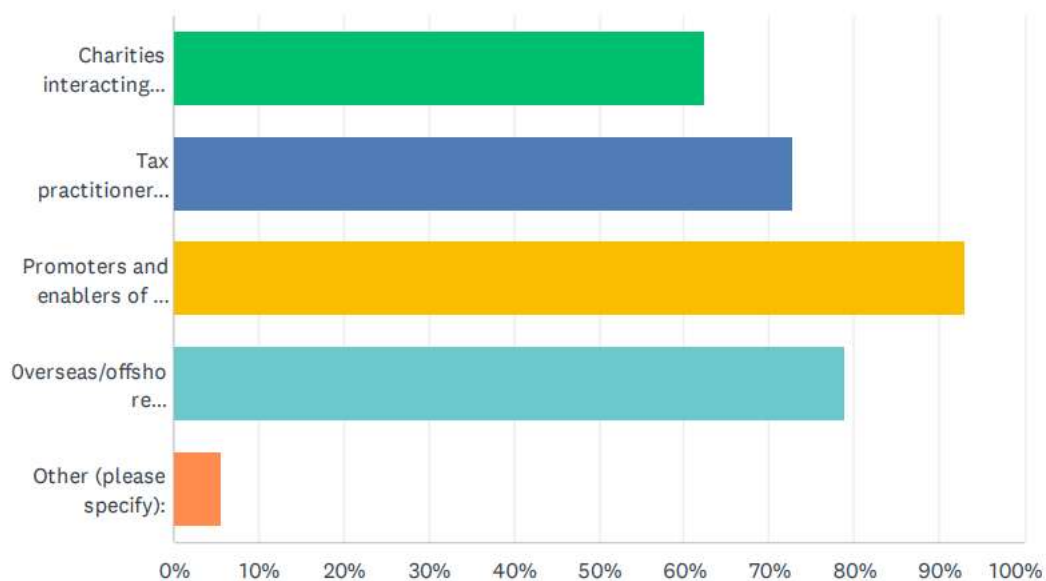
- 4.113 **Question 24: Do you think the following tax practitioners should be in scope of the requirement to become a member of a professional body member? Select all practitioner types you think should be in scope.**

- charities interacting with HMRC on behalf of taxpayers
- tax practitioners providing pro-bono services
- promoters and enablers of tax avoidance
- overseas/offshore practitioners
- other (please specify)

Please give reasons for your answer.

(Highlighted items indicate those we think should be in scope)

- 4.114 When asked if these types of practitioners should be within the scope, our members responded:



- 4.115 If the objective of regulation (in whatever format) is to raise standards in the tax advice market so that there is improved quality of service to clients from higher quality tax advice and tax services, and more taxpayers can get access to quality tax advice and services that enable them to pay the right amount of tax at the right time and access appropriate tax reliefs, then it is essential that the requirement to become a member of an RPB is on **all** controlling principals and directors. Only by requiring all tax practitioners who are controlling principals or directors to register will taxpayers be protected from unscrupulous tax practitioners and the tax system protected.

- 4.116 Improving quality in the tax advice market should support a level playing field in the tax advice market, where all tax practitioners must meet high standards in order to practice and taxpayers can have confidence that their tax practitioner will provide a quality service.
- 4.117 A client will have an avenue of redress where a tax practitioner's behaviour has fallen short of acceptable practice, by being able to report that member to the RPB for enquiry. This would not be the case if some tax practitioners were able to remain outside of the RPB model.
- 4.118 The challenge here is to ensure that the appropriate senior members of a firm take responsibility for both their own and the actions of their staff in a way which is proportionate and fair.

Definition in legislation of a provider of tax advice and services

- 4.119 **Question 25: What could be the consequences of introducing a legal definition of a provider of tax advice and services?**
- 4.120 **Question 26: What gaps or issues can you see arising because of this definition?**
- 4.121 We note that the Government intends to draft a legislative definition of a 'tax practitioner' as 'a provider of tax advice and services' to support the implementation of the mandatory membership of an RPB approach. As well as defining tax practitioner, it would be equally necessary to have legal definitions of 'tax advice' and 'tax services' in order for there to be no ambiguity in their meaning or application.
- 4.122 We consider that the definitions of 'tax advice' and 'tax services' should be widely drawn, and principles based so that they can be built on over time. They will need to be enforced actively to demonstrate that all tax advice and services comes within the definitions unless specifically excluded. For the avoidance of doubt, we consider that the definitions must include:
- The activities of tax avoidance boutiques
 - Umbrella companies operating disguised remuneration schemes
 - Advice embedded in software
 - Tax advice embedded in wider advice
- 4.123 Whilst recognising that creating a legislative definition of 'tax practitioner' is complex, and ascribing descriptions and classifications of 'tax advice and services' complicated, we can see that having these definitions in legislation would be beneficial to taxpayers, agents and HMRC, and could ensure that there is no confusion or misunderstanding in the scope of the regulated activities.
- 4.124 The challenge here is to create legal definitions that are broad enough to capture all the necessary permeations without being too prescriptive, whilst all the same time being specific enough as to clearly articulate what is being defined.
- 4.125 We are pleased that Government will consult further on this proposed legislation, and we look forward to responding to further consultations.

Implementation and next steps

- 4.126 **Question 27: How could unaffiliated tax practitioners be transitioned into professional body membership?**

4.127 Question 28: Should a legacy scheme be adopted?

- yes
- no
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

- 4.128 During discussions between HMRC and the PCRT bodies in 2018/19, we considered how currently unaffiliated agents might be brought into the general agent structure through some form of (probably temporary) association with an existing PB. We identified that there would be understandable sensitivities amongst qualified members of such bodies if the status of those benefitting from such association was perceived to have equivalence with that of those who had been obliged to invest many hours of study in order to qualify. There was recognition that nomenclature, rights, and obligations would require careful consideration.
- 4.129 There was also some concern expressed that, regardless of the status accorded to such new arrivals, it could undermine a PB's brand to the detriment of its members. This is very much a view shared by the ATT.
- 4.130 There would also be a degree of risk attached to any association with individuals who had not previously been accountable to a PB for their professional conduct.
- 4.131 Whilst the ATT would be happy to accommodate currently unaffiliated tax practitioners who were able to satisfy our membership requirements, we are currently disinclined to provide a route to membership outside of the current process.
- 4.132 Given the comments above, it would seem prudent/necessary for HMRC to manage the transition by adopting a legacy scheme which could allow some tax practitioners, such as those already registered with HMRC, to continue operating as usual for a specified period while gaining qualifications or meeting any other requirement placed on them by an RPB. It would also give those tax practitioners who were looking to exit the market a framework and timescale to work to.
- 4.133 Question 29: Do you agree a transition period of 3 years would give sufficient time for the market to adapt to the introduction of mandatory professional body members?

- yes
- no
- maybe
- don't know

Please give reasons for your answer.

(Highlighted item indicates our response)

- 4.134 The challenge here is to identify a timescale which is sufficiently short to sustain commitment to raising standards in the tax market, but sufficiently long enough to ensure that unaffiliated tax practitioners have

time to make necessary adjustments, and that there is time to address any issues that emerge in the transition period.

4.135 Our view is that membership of the ATT can be achieved within three years, but it would be sensible for the period in which unaffiliated tax practitioners have to obtain membership of a RPB to be set at five years. All ATT students have five years in which to successfully complete their certificate exams and the three Computer Based Exams required for membership (see 4.46). Any exemptions must be applied for during this five-year period.

4.136 It should be noted that some people who were previously PB members are now unaffiliated due to their lapsed membership. A lapsed membership can occur for any one of a number of reasons including cost, a perceived lack of value or a lack of engagement or connection with the PB.

4.137 Of greater concern are those unaffiliated tax practitioners who, for one reason or another, have been previously expelled from a PB rather than left on their own account. It would seem that unless they were able to obtain acceptance by another RPB, then they would be excluded from providing tax advice and interacting with HMRC.

4.138 **Question 30: What future developments would need to be accounted for in implementing mandatory professional body membership?**

4.139 The complexity and diversity of the tax advice market makes the sharing of evidence essential. Only through understanding the particular issues and positions of the various stakeholders can we hope to identify ways of raising the standards in the tax advice market. HMRC must make use of the agreements with the PBs to share information and instances where the conduct and competency of tax practitioners who are members of that PB fails short of acceptable standards, so that action can be taken, and potential referrals made to the appropriate disciplinary boards.

4.140 The call for evidence on 'Raising standards in the tax advice market' published on 19 March 2021 at section 94 stated:

"In line with this best practice, the government will establish a data bank/source to which all stakeholders can contribute evidence, as an agreed source from which discussion can proceed, and which will inform decisions."

We hope that HMRC will continue to establish a data bank/source, and we would seek confirmation that all stakeholders will be able to access the data bank/source as well as contribute evidence. Such transparency will be critical to the level of confidence in the data.

4.141 The Consultation recognises that at present Approach 1 (mandatory membership of an RPB) is being explored as the primary means of raising standards in the tax advice market. If the approach is taken forward, we would expect further consultation on areas such as:

- The exact criteria for recognition as an RPB
- The timeframe for implementation as an RPB
- How any legacy scheme would work, and QBEs be transitioned to RPBs
- What oversight there would be of RPBs
- What the likely costs would be to the RPB
- The composition of any oversight body of RPBs
- What would be the information powers of any oversight committee.
- The penalties and sanctions that the oversight committee could impose on non-compliance

5 Contact details

- 5.1 We would be pleased to join in any discussion relating to this consultation. Should you wish to discuss any aspect of this response, please contact atttechnical@att.org.uk.

The Association of Taxation Technicians

6 Notes

- 6.1 The Association is a charity and the leading professional body for those providing UK tax compliance services. Our primary charitable objective is to promote education and the study of tax administration and practice. One of our key aims is to provide an appropriate qualification for individuals who undertake tax compliance work. Drawing on our members' practical experience and knowledge, we contribute to consultations on the development of the UK tax system and seek to ensure that, for the general public, it is workable and as fair as possible.
- 6.2 Our members are qualified by examination and practical experience. They commit to the highest standards of professional conduct and ensure that their tax knowledge is constantly kept up to date. Members may be found in private practice, commerce and industry, government, and academia.
- 6.3 The objects of the ATT include the requirements:
- (i) to prevent crime and
 - (ii) to promote the sound administration of the law for the public benefit by promoting and enforcing standards of professional conduct amongst those engaged in the provision of advice and services in relation to taxation and monitoring and supervising their compliance with money laundering legislation.
- 6.4 The ATT is an AML Supervisory supervisor for about 600 firms of tax advisers who provide related accountancy services. Firms vary in size considerably and whilst it is often the view that larger accountancy firms dominate the market this ignores a large number of smaller firms. These firms need additional support and assistance to comply and have less scope to absorb or pass on additional regulatory costs. 49% of the firms ATT supervise have fees of £50,000 or less and therefore very clearly fall into this smaller firm category although many with higher fees are also sole practitioners without compliance teams internally.
- 6.5 The Association has more than 9,800 members and Fellows together with over 7,000 students. Members and Fellows use the practising title of 'Taxation Technician' or 'Taxation Technician (Fellow)' and the designatory letters 'ATT' and 'ATT (Fellow)' respectively.