

Tax practice toolkit

Specialist products and services for tax professionals



As we celebrate 1 year in the market,
we thank our clients and candidates
for making us a dominant player in
the tax recruitment industry

With over 20 years experience in tax and a global client base,
we consistently deliver excellence in tax recruitment.

Here's what some of our valued clients and
candidates have to say:



Tenacious and persistent, Andrew has proved exceptional when it comes to recruiting various positions for my team. His patience, loyalty, tremendous knowledge and experience of the industry serve him well. Beyond this, he is an all-round approachable, affable, and attentive person to work with; a real pleasure. I can always rely on Andrew.

Head of Tax, leading global online fashion e-commerce retailer



Utterly invaluable, Andrew has successfully helped us find and hire high quality candidates. He listens, works tremendously hard, is committed, keeps you updated and delivers. Andrew is an extremely reliable and fruitful source. He is also very amiable, which makes the whole process a delight!

Big 4 Senior Partner



Working with Andrew is always a pleasure. He's very friendly and approachable, and takes the time to understand what kind of role the candidate is after. Andrew has a great understanding of the practice environment and was able to place me in the right team in the right firm for me to further my career.

Candidate placed into PwC at Tax Manager level



Meticulous, profound, smart. Andrew was a real pleasure to work with during the entire recruitment process. He offered pragmatic advice at every stage of the process which gave me reassurance in what can be a challenging moment in one's career

Candidate placed into EY at Senior Manager level



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Welcome

INSIDE:

4. Tax practice management

A look at some of the key trends in tax practice management today, including fees and recovery rates, the impact of increasing automation and the focus for tax practices in 2019 and beyond.

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I'm delighted to introduce you to the inaugural *Tax Practice Toolkit* guide. Tax is an area of great value to clients, so delivering the correct advice is key. For many firms, tax is part of their general practice, but given the complexity of today's ever-changing tax world, for many it will be impossible to provide every tax service.



I recently joined Markel Tax to head up the tax consultancy services team, but having spent over 20 years in practice I know from first-hand experience how invaluable having access to additional products and support services is to helping a busy tax practice retain clients and grow their business.

A life in tax practice is more challenging than ever before and this Tax Toolkit guide has been developed to showcase some of the leading services and products that support tax professionals to provide first-class advice to their clients. We cover the essentials: tax information, training, software and fee-protection insurance – and also partnering with specialist tax advisers.

The increased volume of UK legislation on existing taxes such as Corporation Tax and CGT, and the introduction of new taxes from ATED to Digital Services Tax, presents a challenge when faced with clients used to the fast responses that technological advances have brought to their day to day life.

The requirement to deliver accurate compliance and advisory services that will stand up to HMRC scrutiny and not result in costly professional fees for resolving disputes continues unabated as additional resources are made available to HMRC to investigate client's tax affairs. The pressure to deliver timely and correct tax advice across the full range of taxes is felt by all those involved in the provision of tax services.

I hope you find this toolkit useful and informative, and it's been an absolute pleasure having Markel Tax contribute to this guide.

Melanie Hicks
Managing Director, Markel Tax

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Contributors



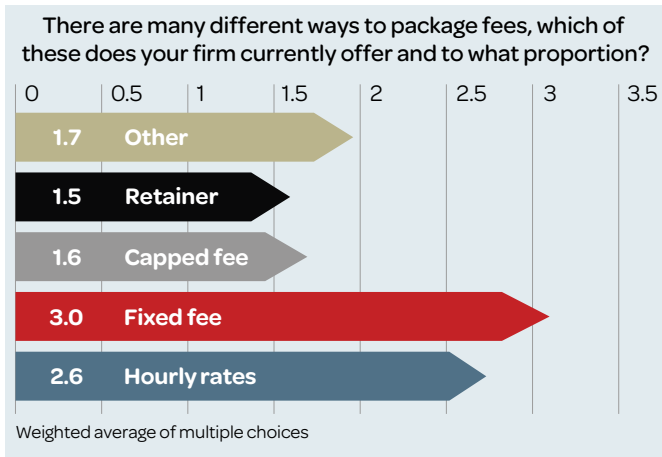
Tax practice management in 2019 and beyond

There is no 'correct' way to run a tax practice.

Each firm is as unique as the individuals who run it and the clients it serves. However, according to *Tolley's 2019 Industry Report**, there are some interesting themes and trends that stand out.

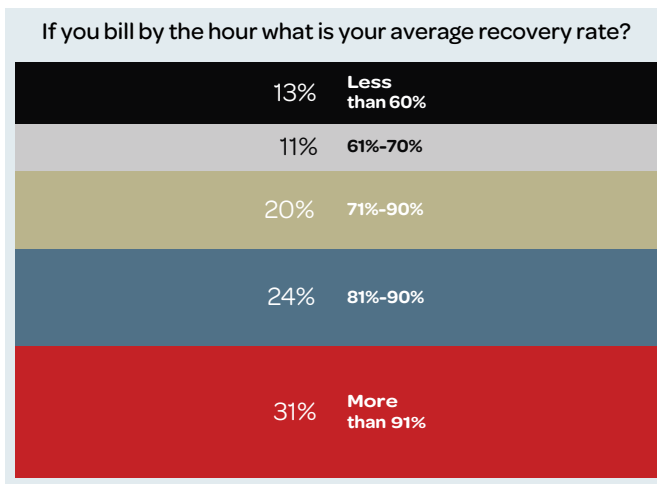
Fees and recovery rates

The most popular way for firms to package fees is by offering a fixed fee. Perhaps this is not surprising as it becomes a self-fulfilling prophecy. If the firm down the road is offering a fixed fee, then you may feel you need to in order to compete and that starts a chain reaction leading to everyone in the market offering a fixed fee.



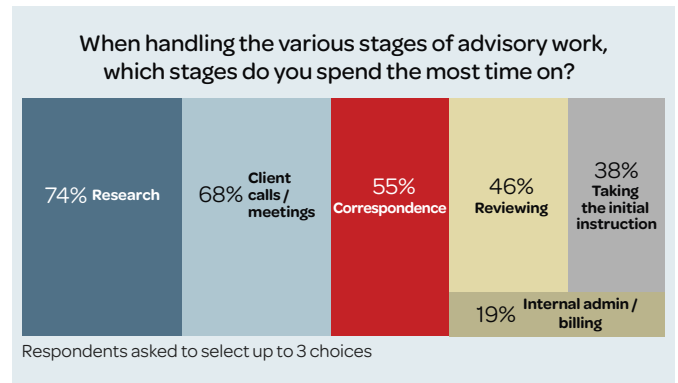
Charging by the hour is the next most popular method of billing and 55% of respondents report that their recovery rate here is 81% or higher, which is incredibly impressive. This may be a result of negligible margins from fixed fee work leading to firms ensuring that they earn the crust they deserve when they are on an hourly rate.

But what of the other firms, those with a lower recovery rate? At 24% nearly a quarter of firms had a recovery rate of less than 70% with more than half of them (13% of the total) having a recovery rate of less than 60%. They may be offering excellent client service and unbeatable value but the author has to wonder at what cost this is given.



Time spent on different activities

Our survey respondents reported that the main activities that take up their time when undertaking advisory work are, in order, research, client calls/meetings and correspondence. If you are wanting to reduce the time spent on projects, then there is not a lot that can be done about client calls and meetings –but there are solutions available to help with the others.



Many practical guidance offerings contain letter templates that can shave hours off corresponding with HMRC as well as providing a simple overview of transactions with links in to deeper research for more complex cases. Adopting these new practical guidance tools can have a dramatic impact on the time taken to execute against advisory work.

It is said that the tax profession is one built on people and the relationships that they have with one another, and that comes across crystal clear in the answers that we got back from our survey this year.

Future direction

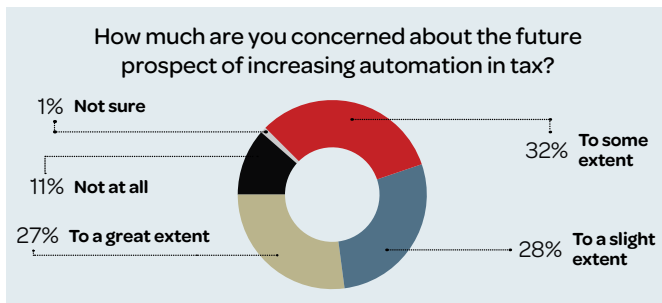
The UK tax market is changing and it doesn't look as if there will be any slowdown in the rate of change. Many practitioners are already changing both the make-up of the fee base of their practice and the way in which they work.

But this doesn't necessarily make anyone feel comfortable about facing what lies ahead.

A massive 59% of respondents admitted they are more than slightly concerned about the future prospect of automation in the profession, with over a quarter of all respondents (27%) being concerned to a great extent. And that is perfectly understandable, no-one wants to see their job being done by a robot. But that is not what automation in the tax market is about.

At Tolley, we often talk about augmentation rather than automation. No-one is currently talking about the role of a tax adviser being automated. Some of the processes may be automated. The tax return might be automatically populated. But the advice that a practitioner gives to their client, the solutions that a skilled professional can find to help their clients realise their life goals and maybe save a bit of tax along the way are not going to be able to be offered by a machine anytime soon.

Automation technology and work flow tools are a potential solution to many of the problems that have been discussed in



this report. And this is exactly what many of you are planning on doing. The top three areas that respondents are planning on increasing their focus on in the next year are; the automation of tax information, embracing new technologies and navigating increasingly complex regulation. Doing the first two will enable practitioners to undertake the third without seeing a detrimental impact on their work-life balance.

It is just not technology that our respondents are looking forward to doing more of. When asked how they anticipate their role changing, the top two answers were more opportunities for tax advisory/consultancy work and more of a leadership role within the business rather than a purely technical role. Technology will enable both of these, freeing up precious time to develop themselves, their firm and their clients.

Reflections

Our survey can only give a snapshot of the tax industry, but we believe that the range and depth of the responses we have received means that we are able to present a realistic picture of the state of our industry. What conclusions can we draw?

First of all, it is in good health. Businesses large and small continue to thrive and there is plenty of space for new entrants. The demand for tax services shows no sign of decreasing – it is highly unlikely that MTD or any other changes which can be foreseen in the short or medium term will mean that individuals and small businesses will want to tackle tax without an advisor. But the structure of tax businesses is changing, and those changes are

beginning to surface both in the market and in the responses to our annual survey. The traditional high street practice continues to play a key part but faces two key pressures.

One is from IT based businesses using the cloud where interaction with clients is in real time and there is no space for the traditional “brown paper bag” approach to account and return preparation.

The other is the growth of niche consulting firms, some of which can be very small. Many of these do offer excellent tax advice at reasonable prices - aimed at the smaller end of the market and have shown that there is good fee potential even without having to rely on a traditional compliance base. All of our recent conversations with tax professionals have suggested that this two-pronged squeeze on the traditional firms will continue to increase and there is nothing in this year’s report to alter our view.

The second key take away is the role the technology can play in helping firms to navigate the pressures that are bearing down on them. From attaining a better work-life balance to making the practice more profitable, technology has the potential to play a key role in the evolution of the profession over the coming years.

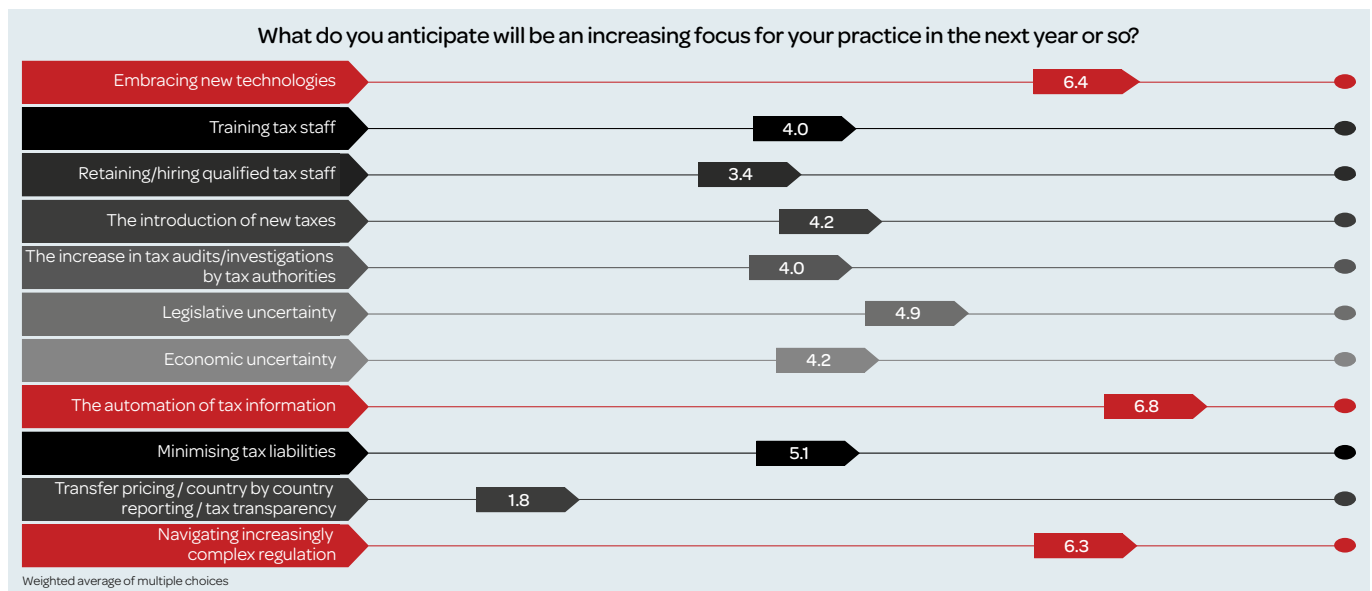
Firms are taking very different approaches to how they adopt technology and this is likely to create a market with more diversification in terms of how services are offered to tax payers than has ever been seen before.

It is perhaps somewhat ironic then that underlying much of this year’s survey is a real concern about MTD. Although the specifics of it are more to do with what machine-based decisions will do to relationships between taxpayers, the profession and HMRC, rather than process automation itself.

Flexibility and judgements appear, to many of our respondents, to be being driven out of the system in favour of rigidity and a sense that “the machine must be right”. It is absolutely right that all parts of the tax system, both from an adviser and HMRC perspective, should take full advantage of enhancements in technology – but this must never be at the expense of enabling the system to work efficiently in a way which is fair to all.

* Tolley’s Industry Report 2019: *The Certainty of Change* is available to download at tolley.co.uk/industry-report-2019.

Tolley



Markel Tax: The value of partnership



Tax is a diverse and complex subject. Practitioners can be faced with client enquiries they are unable to deal with. And, where a client is forced to seek advice elsewhere, the risk of losing that client is very real.

But there's no need for this situation to arise.

Markel Tax acts as the specialist partner to over 2,500 UK accounting firms and other professional intermediaries. Through discreet advice or as part of your client-facing team, our tax specialists provide effective tax solutions.

Partnering with Markel Tax means that you can offer the full range of tax advice from one team to clients without having to take on new staff in specialist areas.

We're independent and here to work with you, not compete with you.

"We believe in building long-term relationships, partnering with you and providing a personal service that exceeds expectations. Harnessing our collective expertise, we specialise in all areas of tax, providing meaningful solutions that put you and your clients' needs first."

Melanie Hicks, Managing Director, Markel Tax



Accessing our services is easy

We work in partnership with our professional clients to provide a comprehensive tax service to their clients, with the philosophy 'when you carry our number, you have us in your team'.

We deliver an excellent blend of advisory services and quick technical support to clients, often coming up with innovative

solutions to client issues which you will not find set out in a textbook.

We support our clients in two ways.

- **TaxDesk** – is available to practitioners Monday to Friday on 0845 490 0509*, from 8am to 6pm. It provides a comprehensive first port-of-call for those looking for a quick response to a tax issue, or a second opinion for added peace of mind. This advice service is provided by our specialist tax consultancy team, who deliver a range of high-level and complex tax advice.
- **Consultancy** – where a client requirement is more complex, Markel Tax's consultancy services can offer the more in-depth support you and your clients are looking for. Whether it's a property transaction requiring VAT, direct tax and SDLT expertise or a business reconstruction involving corporates and an overseas trust, we have the right team.

Across-the-board tax expertise

Our specialist advisers can support you across seven key areas:

- **Incentives, reliefs and funding** – we can help you spot opportunities and prepare robust applications for the generous tax reliefs and government funded grants and loans that might be available to your clients.
- **Value-added Tax** – regardless of how complex the VAT issue, our team's practical and clear advice will help you manage your clients' VAT positions.
- **Employer solutions** – contracting issues, self-employed status, IR35, CIS and employee share schemes can all cause problems if not handled correctly. Our team of specialists can help your clients to remain fully compliant.



- **Tax investigations** – with unprecedented information on UK businesses and taxpayers, the number of HMRC tax investigations is increasing. With a team that understands the inner workings of HMRC, Markel Tax can assist with every stage of an enquiry.
- **Owner-managed businesses** – adopting the right tax strategies from the outset can significantly benefit owner-managed businesses down the line. We can help you advise on company reconstructions, entrepreneurs' relief, EIS and other issues
- **Private client** – specialist advice on all aspects of private client tax is essential to combat frequent and unpredictable changes in tax legislation. Our experts can advise on issues such as IHT, capital gains, income tax relief, residence.
- **Property** – when buying, owning, selling or inheriting property in the UK, the property and stamp duty land tax implications can be significant. We'll support you and your clients in what can be a complex and involved area.

Expect more from your partner in tax

Partner with Markel Tax and you'll enjoy even more benefits in addition to our comprehensive tax solution.

We're one of the UK's leading providers of Fee Protection insurance.

Buy cover for your firm, or individual clients, and lessen the concern over HMRC investigations. Markel Tax will support you throughout the process, offering experienced advice along the way. And our insurance will cover your client fees, leaving you to focus on supporting your client.

You'll get complimentary access to our Law Hub service.

Markel's Law Hub platform provides hundreds of practical legal DIY guidance and templates on topics such as employment, health and safety, trading and contracts, cyber and data

About Markel Tax

Market Tax is one of the UK's leading providers of fee protection insurance and tax consultancy services. We offer tax consultancy services to professional firms and directly to entrepreneurs, SMEs and individuals.

- We have 2,500 accountancy partners.
- We have 20+ years experience providing fee protection insurance.
- We handle 300,000 queries through the tax and legal helpline.

For more information:



Call the TaxDesk on **0845 490 0509*** or email **taxdeskuk@markel.com** and ask to sign up.

To learn more about partnering with us, call **0345 223 2727** or visit **taxpartner.markeltax.co.uk**

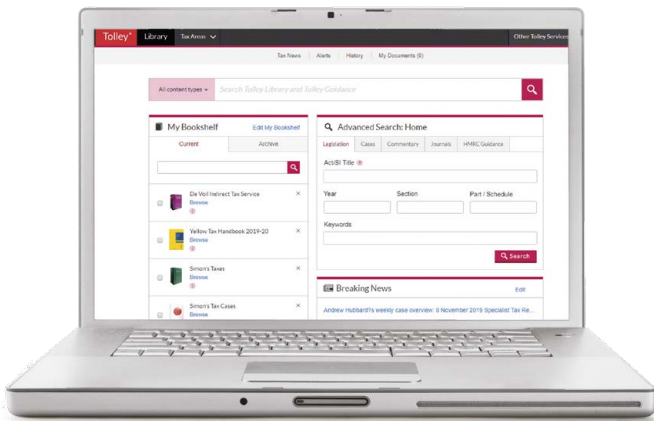
*Calls from BT/standard local lines are charged at up to 5p per minute. Calls from mobile phones are charged at up to 50p per minute plus your phone company's access charge.

The importance of tax information

Tax firms of every shape and size, from sole practitioner to the Big 4, increasingly need access to greater tax resources if they are to function effectively, as they are caught between the opposing forces of increasingly complex legislation and an increasingly competitive market.

Keeping up with ever evolving legislation is challenging and causes research time to quickly mount up. In our most recent industry report *The Certainty of Change*, 74% of tax practitioners told us that research is where most time is spent when dealing with advisory work. In a world where firms are competing for business on reputation, price and quality of service, this research time, which is critical to delivery, represents a prime opportunity to drive operational efficiencies. Having quick access to up-to-date legislation and commentary that you can trust is crucial. Which is why 57% of respondents from our report said that they spend 5% or more of the firm's turnover on online tax tools to help shape the future of their practice. Technology has the power to increase workflow efficiency and has the potential to remove daily frustrations from the work of your fee earners. Efficiency savings enable fee earners to focus on more complex work and facilitate the development of junior members:

"The accessibility of *Tolley@Guidance* means we can get more junior staff involved in search, allowing us to delegate more advisory work to a junior level, making the business more efficient and profitable...This is freeing up our more experienced staff to spend more time with our clients and go out and win extra business" (Menzies).



Tolley@Guidance was developed to specifically deliver these efficiencies. Flowcharts and checklists give junior members of staff the confidence and structure they need to take on tasks with greater autonomy. Guidance notes written in plain English facilitate the understanding of complex, multi-faceted transactions, with links into deeper research to gain a fuller understanding. And worked examples and template documents, such as HMRC clearance letters, both speed up delivery and facilitate the adherence to best practice. Adopting these new practical guidance tools can have a dramatic impact on the time taken to execute against advisory work and some of our clients at Tolley have reported reducing the time spent on research by up to 80% through using *Tolley@Guidance*.

Why Tolley?

At Tolley, we understand the pressure tax practitioners are under to meet client expectations, and the need to provide advisory services in a cost-effective manner whilst maintaining quality. To do this, you require quick access to legislation, commentary, and guidance that you can trust.

Tolley has been the leading name in Tax since 1916 when it published the first Income Tax tables. That reputation has been enhanced along the way with publications of an exclusive range of titles including *Tolley's Tax Annuals*, *Tolley's Tax Guide*, *Tolley's Yellow and Orange Tax Handbook* and *Simon's Taxes*.

More than 100 years later, Tolley is much more than a publisher of books, we harness cutting-edge technology and world-class content to make the tax code easier to navigate. Tolley now provides research, practical guidance, career development and training solutions to tax and accountancy professionals to help them work faster, easier and in more effective ways.

Research

No matter what sort of organisation you work in, it's hard to stay fully informed on all the important new tax cases and amendments to tax legislation. Your clients want you to be able to take advantage of new tax planning opportunities. Your employer needs to be sure that your advice reflects the latest changes to compliance rules.

Tolley@Library gives you quick and easy online access to the UK's largest and most trusted source of tax and accountancy information. Our comprehensive online library offers advanced search capabilities to allow you to get to the information you need faster, the ability to bookmark documents to save to client files and a customisable news page so you keep up-to-date on the changes that could affect you and your clients.

Key features and benefits:

- Track changes to legislation with our enhanced customisable alerts
- Bookmark, print and share material that relates directly to clients
- Create a package of content that suits your organisation's needs
- Customised news alerts on the areas that matter to you

Tolley's Yellow & Orange Tax Handbook

A complete, comprehensive collection of UK tax legislation endorsed by the Chartered Institute of Taxation. The only place for extensive tax legislation in print.

Simon's Taxes

Simon's is the cornerstone of your tax library providing you with expert practical and authoritative guidance written by leading practitioners drawn from a range of different disciplines and reviewed by the distinguished Simon's editorial board.

“Simon’s gives us the confidence to take on complex work. Only in extreme cases do we have to seek a second opinion. I estimate that Simon’s has enabled us to generate an extra 20% work across the practice, including high-end work, generating bigger fees” (Malthouse Company)

Taxwise I & II

These highly practical tax books offer expert guidance on how to approach real-life computations by providing all the relevant points from the current legislation, case law and other official material. Both volumes include numerous worked examples with detailed explanatory notes enabling both tax practitioners and students to gain a thorough understanding of the relevant law and practice.

Written by tax experts who are renowned not only for their technical skill but also for their ability to explain complex issues in simple terms. The authors draw on their extensive knowledge of the UK tax system to include the most relevant worked examples with clear and detailed explanatory notes.

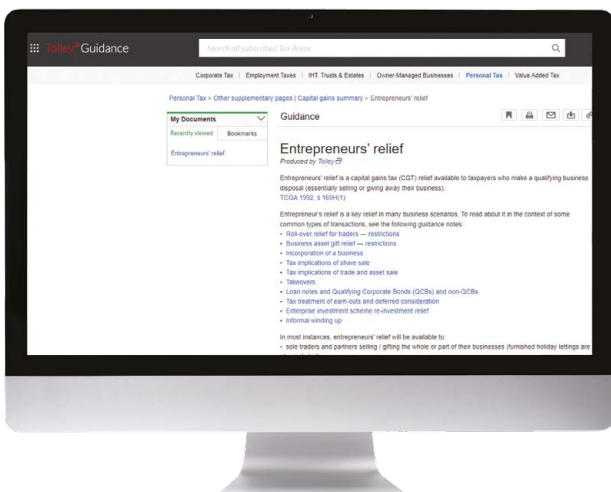
Practical guidance

The tax system is renowned for its complexity and its speed of change. Mistakes are often the result of misunderstanding and occur when the way ahead isn’t clear. With Tolley by your side, there’s no need to have sleepless nights fearing litigation for inaccurate or incorrect advice – or not meeting HMRC statutory requirements. We give you the tools to check that nothing slips your mind and provide evidence that you have taken reasonable care.

Tolley@Guidance

Written in plain English, with practical tools such as worked examples, templates, checklists, flow charts and pro-formas, *Tolley@Guidance* allows you to:

- Delegate tasks to team members - freeing up your time, whilst also upskilling junior members of staff
- Take on work in unfamiliar areas, reducing out-sourcing or consulting costs – the structure of guidance notes takes you through processes with ease
- Save time on researching and drafting letters – with our template documents and pro-formas ready to download and update with your client’s details



CPD/development

Passing your tax exams is just a part of your learning. Continuing professional development is important because it ensures you continue to be competent in your profession.

Designed to help tax and accountancy professionals quickly and easily expand their knowledge and keep up-to-date with the latest insights Tolley@Seminars Online is your essential e-learning tool.

Tolley@Seminars Online



As a busy tax professional it is your duty to stay fully informed on the latest developments that can affect you and your clients. Yet keeping up with the ever-changing tax world can be a challenge. Get the most up-to-date knowledge, gain expert insights and earn CPD points with Tolley Seminars Online.

- Leading lecturers’ analysis of key changes in tax, accountancy and audit
- Online 15-minute sessions to fit in with your schedule
- Programme of 8 to 10 short lectures per month
- Quarterly accounting and auditing updates
- Keep track of your CPD points in the Tolley CPD Tracker

About Tolley

Tolley® Tax intelligence
from LexisNexis

Tolley is the tax and accountancy business of LexisNexis. We are the UK’s only provider of practical tax and accountancy guidance, in-depth reference material, ground-breaking training and learning resources and unique market insight. Established in 1916, when Charles Tolley created the world’s first tax tables, Tolley has long established history working in partnership with the accountancy profession to facilitate adherence to best practice and deliver financial efficiencies.

You can trust Tolley’s comprehensive range of tax products to keep up-to-date with constant changes in tax and find all the details you need.

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Automating your compliance

Organisations are under pressure to do more, driving the need for automation.

Compliance is becoming increasingly complex. Many organisations now have to source data from multiple entities which tax professionals then laboriously record in spreadsheets. Our research indicates that, of the time spent on compliance, 75% is typically dedicated to manual data collection, and it's a problem set to worsen when tax authorities move to digital near real-time reporting. Should MTD for corporation tax arrive, we could see a four-fold increase in workload given that reporting may move to five times a year. Today, automating VAT processes for example can create real efficiencies; one mid-sized UK wholesaler using our AlphaVAT product will save 104 days per annum on VAT return processing by moving to a compliance software solution.

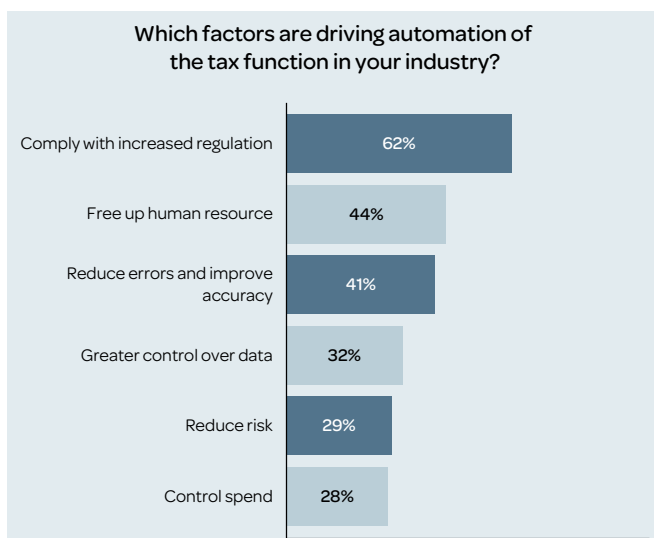
Spreadsheet based compliance processes can also often lead to mistakes. Estimates suggest 88% of spreadsheets contain errors while risk is further heightened in the way these are managed. For example, it can be difficult to deduce how and when changes were made, making it hard to rectify mistakes and impacting official audits.

Compliance initiatives such as MTD for VAT are seeing finance professionals required to perform a raft of digital calculations. In our recent survey of finance and tax teams, we found over half were looking for a software solution that could tackle larger or more complex data collection needs, and 88% were keen to automate VAT group consolidation, partial exemption, fuel scale charges etc. This also included Partial Exemption Special Method (PESM), unique to the business and agreed with HMRC in advance, which is used to evaluate the recoverable amount of VAT. Looking further ahead, nearly 40% also wanted a solution that would lend itself to MTD for corporation tax.

There's a clear driver for change. Tax professionals want to reduce the time spent on data collection, complex calculations and to reduce errors making it a process ripe for transformation.

Simplifying the complex

Automation of key tax processes is essential to reducing risk, improving accuracy and generating efficiency, freeing up human resource. Areas that benefit from automation include data



management, calculations, data review and reporting. To cover all of these aspects of the tax process, we believe it's going to be necessary for many organisation to implement an end-to-end digital compliance solution.

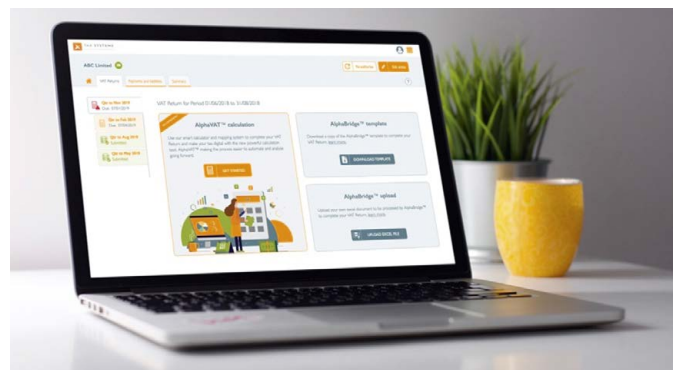
Obstacles in the tax process

- Elevated risk created by human error
- Disparity due to information held in various forms, sources and systems
- Dependency with data siloed
- Time-intensive tasks such as cleansing and validating data
- Poor control due to inflexible, outdated accounting packages
- Manual processes that make it difficult to identify and rectify mistakes

Introducing AlphaVAT

AlphaVAT is Tax Systems' cloud-based compliance engine that provides total control over the preparation, calculation and management of VAT returns, including complete visibility of present and past MTD obligations along with payments and liabilities at a group and entity level.

Suitable for any business that wants to automate their VAT reporting processes and limit/remove their reliance on calculation spreadsheets, AlphaVAT minimises the amount of data cleansing required and automates VAT calculations. This frees up tax resource, giving the tax professional more time to review data and perform analysis. The solution also features built-in tax logic, ensuring it keeps up to date with regulatory change.



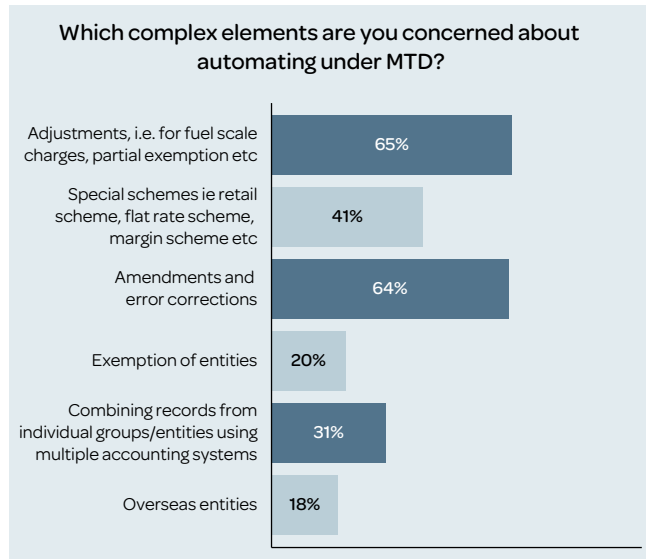
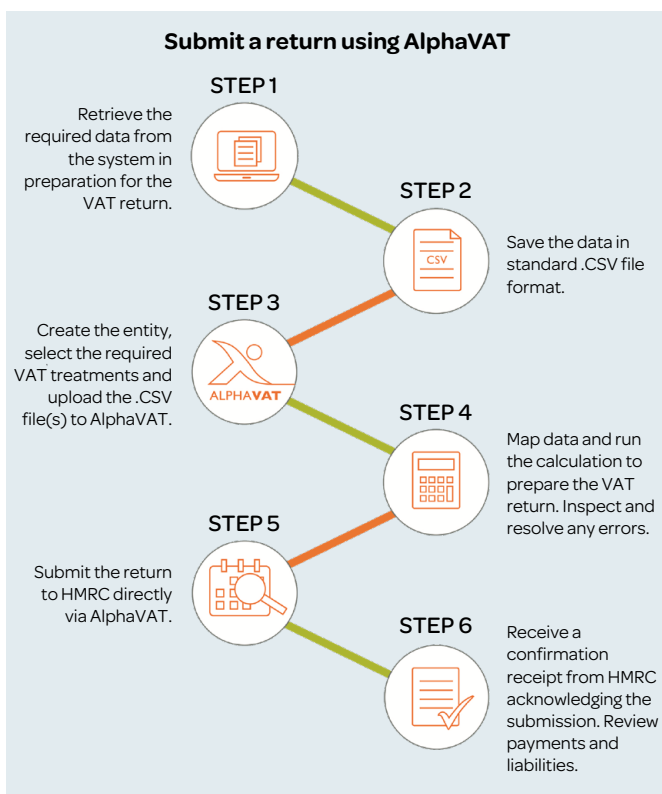
Key features

AlphaVAT offers:

- **Data management** – data mapping and extraction technology to collect, prepare, review and check data accuracy. It can consolidate, filter and interrogate large datasets quickly. This means datasets can be easily broken out into the correct accounting treatments for the VAT return, such as reverse charge and that transactions can be blocked from recovering input VAT or excluded from the VAT calculation. In-built diagnostics advises upon any logical errors.
- **Automated calculations** – calculations such as VAT groups and partial exemption, as well as transactions, are automated while preserving the capability to perform

manual adjustments. AlphaVAT uses calculation blocks to accommodate numerous treatments from sales and exports, to imports and exports, through to reverse charge calculations. Both Partial Exemption standard and special method are supported. Under standard method, transactions are filtered into taxable, exempt and residual while under special method it's possible to treat entities, sub entities or specific business activities as different sectors thanks to range of templates that cover special method scenarios. Over 20 sectors can be accommodated and, if necessary, each can be assigned a separate methodology. Attribution of direct and indirect VAT costs can also be automated. Collectively this then provides more time to review the recovery calculation and perform manual adjustments at year end. Calculation reports also allow drill down analysis to identify the origins of a VAT output and the tracking of historic returns means payments can be compared to quickly resolve discrepancies.

- **Process management** – controls provide the opportunity to analyse, organise and review return data at every step of the process. Role-based access can be applied to folders, entities and groups to assign and log access, ensuring a single touchpoint for digital audit trails. Secure access to Business Tax Account data together with a complete history of an entity's obligations, submission receipts and VAT return summaries, ensures the tax professional has complete visibility.
- **Reporting and security** – An MTD portal and simulated submissions ensure MTD compliant filing. AlphaVAT provides the mandatory link between the VAT calculations and HMRC via the regulator's API to submit the return. Security is assured as the solution uses two factor authentication and is hosted on Microsoft Azure datacentres in the UK.



Future development

As regulations change, so too will AlphaVAT. A dynamic agile platform, the solution will benefit from further enhancements with new modules to tackle bad debt relief, capital goods schemes, fuel scale charge and foreign exchange. The platform will also be extended to corporation tax, income tax and payroll.

AlphaConnect/AlphaLink

AlphaConnect is a powerful product which fully automates the collection and transfer of data from over 300 proprietary accounting systems to AlphaVAT. It requires minimal integration and can be installed within just 20 minutes. Both cloud and desktop versions are available.

For customers operating with a bespoke accounting system, we have developed AlphaLink. This provides similar capability by creating digital links from local/network folders into the AlphaVAT platform.

About Tax Systems



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E: enquiries@taxsystems.com
W: www.taxsystems.com

Company director
Andy Mills, Commercial Director.

Tax Systems is the creator of AlphaTax, the market leading corporation tax compliance software used by over 1100 customers including 43% of the UK FTSE 100 and 23 of the top 25 accountancy firms. We have been working with HMRC for over 25 years on tax compliance and are a recognised supplier of MTD for VAT solutions with our AlphaVAT Compliance Suite.

Becoming a franchisee

TaxAssist Accountants is the UK's largest network of accountants who specialise in helping small business owners and self-employed people with their tax and accounting needs. It is also a franchise.

What is a franchise?

A franchise is a self-employment business opportunity, offering a successful business concept with a brand name for you to operate under, plus the benefit of a team of staff at a Support Centre. Basically, you are in business for yourself, but not by yourself.

With a franchise you get:

- A brand with a strong track record of success
- Training
- Marketing and technical assistance and advice
- Easier to obtain finance than for a new business start-up
- Reduced risk to your investment
- On-going operational support
- An exclusive territory to operate in
- National brand exposure

TaxAssist Accountants has been operating successfully for 24 years and has been a game changer for both the accounting industry and small businesses in the way it 'retails' tax and advisory services through open and welcoming shops. This concept has proven to be a very effective way to build a practice, with many franchisees opening multiple shops in their territory and is very popular with small businesses who enjoy the friendly, convenient local service.

Case study

Vince Dalaimo is a Central London based TaxAssist Accountants franchisee, operating from a shop in Southwark where he looks after more than 1,000 clients with a fee bank of over £1 million. He joined the franchise in 2003 after deciding he needed to change his career path following redundancy.

Before he joined TaxAssist, Vince, a qualified accountant was a senior product controller in credit derivatives for the Royal Bank of Canada. He had also worked for Deutsche Bank, supervising and training teams on corporate and government bond work and for JP Morgan, as a team leader on USA Swaps and latterly as Vice President of structured finance.

"I was a very small cog in a very big wheel and thought there must be more to life," explained Vince.

"At the time I was mid-thirties, fearless and looking for my next challenge. I had no sales experience, I'd only worked in a corporate environment as an accountant in investment banking, and that's why I turned to franchising.

"I didn't think there would be a franchise model which matched my skillset so well, but TaxAssist Accountants enables you to build your client base, with the back-up of a national brand and the high visibility of shop-front premises. I wish I'd done it sooner. It's definitely something that comes with huge rewards.

"I've found the support of TaxAssist Accountants invaluable. They have given me the tools, the experience, the knowledge, the software and the confidence to go out and do it.



"Clients have really taken to the concept of a 'drop-in' shop, where they can get all their tax returns, payroll and bookkeeping needs taken care of as they walk in to work or at breaks and lunchtimes. It means they can concentrate on running their business and increasing their own income and profitability."

He added: "Being so accessible on the high street, means clients feel free to call throughout the year, not just when the end-of-year accounts are being prepared. In contrast to nearly every other accountant hidden away in back offices, we're in a prime position.

"We attract a real breadth of clients, including IT contractors, consultants for insurance and investment banks, graphic designers and illustrators. We're particularly attracting established sole traders and limited companies in the financial services and media sectors. UK tax returns for foreign businessmen and women working over here are also in increasing demand.

"Seventeen years on, I have a business that's worth a lot of money I'm earning more money now than I've ever earned before. I work hard, it comes with its challenges but it's very rewarding at the end of the day."

With over 1,000 clients to service, Vince has now built up his team to 17 and is currently considering opening more shops across his square mile territory.

About TaxAssist



TaxAssist prides itself on being at the forefront of the changes facing the industry by embracing opportunities that innovative, technology-led services offer, and has researched and recommended the best-in-class software suite to its network enabling increased efficiencies and the development of even stronger relationships with clients.

For many clients, a TaxAssist Accountant will be their only advisor, there to guide them through the digital revolution. With a network of more than 300 highly visible high street shops and offices across the UK, TaxAssist Accountants is ideally placed to take advantage of the opportunities that change is bringing.

If you are interested in finding out more about becoming a TaxAssist Accountants franchisee, please contact Nikki Haythorne on **0800 0188297**, franchiseenquiries@taxassist.co.uk or visit www.taxassistfranchise.co.uk.

The award-winning team of experts from Capital Allowance Review Service explain how to claim capital allowances, what qualifies - including recent regulatory changes - and how to avoid some common pitfalls

CAPITAL ALLOWANCES: A STEP BY STEP GUIDE

WHAT QUALIFIES FOR CAPITAL ALLOWANCES?

If your client has spent capital buying, and/or improving commercial property, they may be entitled to tax relief. Property acquisition expenditure can be divided into the proportion which is qualifying embedded fixtures and fittings (this is over and above Chattels). A breakdown of the qualifying embedded fixtures & fittings is often information which is missing from the property's completion statement and sales agreement, and the rules governing it can be fiendishly complicated.

Property Embedded Fixtures and Fittings of different kinds are covered by a complex web of legislation and often governed by time limits for making claims.

These also include relatively small fittings, such as door hinges, which may be easy to overlook. Door hinges, for example, can come under the category of Plant and Machinery because of their function.

Note that even if your client is only renting a property, they may still be able to claim capital allowances through Leasehold Improvements that are carried out.

Some recent regulatory changes to consider:

Capital allowances have been subject to a series of changes in legislation in recent years. These include the following:

Integral Features

A new rate, effective from April this year, of writing down allowances on the special rate pool of plant and machinery has been reduced from 8% to 6%.

Enhanced Capital Allowances (ECA)

Plant and Machinery that is deemed energy efficient and environmentally friendly attracts 100% tax relief through a first-year allowance called Enhanced Capital Allowances (ECAs). However, these are being phased out by 2020, with 2021 expected to be the last year clients can claim for them.

Structural Buildings Allowances

Structural Buildings Allowances (SBA) are available for any expenditure incurred after October 29 2018. The aim of SBAs is to relieve the cost of constructing a new building from scratch when it is intended for commercial use. That includes the conversion of some existing structures. This does not apply to Integral Features such as lighting or heating systems.

WHAT VALUES ARE TYPICALLY FOUND?

On average, 25% of a property purchase cost will have unclaimed embedded fixtures and fittings that qualify for tax relief. This can vary according to the type of property and its use.

For instance, a care home may contain up to 35%, while an industrial building is likely to be at the lower end of the scale.

The average on property improvements is 50%.

Capital Allowance Review Service has acted for properties of all types, from a chain of karaoke bars for which capital allowance savings of £412,791 were made, to a property which a landlord rented out for which unclaimed capital allowances were identified to the tune of 22% of the property cost. More than £160,000 was identified for one client in unclaimed capital allowances on a London based property which they leased, despite a common misconception that it is only possible to claim for property which is owned rather than rented.

HOW THE PROCESS WORKS

STEP ONE

Capital Allowance Review Service works with accountants. With their support & guidance, the accountant can identify if their client has spent capital buying or improving a commercial property and also if they can benefit from a Property Capital Allowance Review. Your clients' plans are important – while they may be entitled to make a claim, this is only worth doing if they are paying tax or expecting to do so.

STEP TWO

Once the potential for a claim has been established, the process of calculating the claim is started. Capital Allowance Review Service will perform a site survey and take an inventory of everything in, on and around a premises. Their team of chartered accountants, tax specialists, qualified surveyors, valuers and property experts will assess every aspect of the claim.

STEP THREE

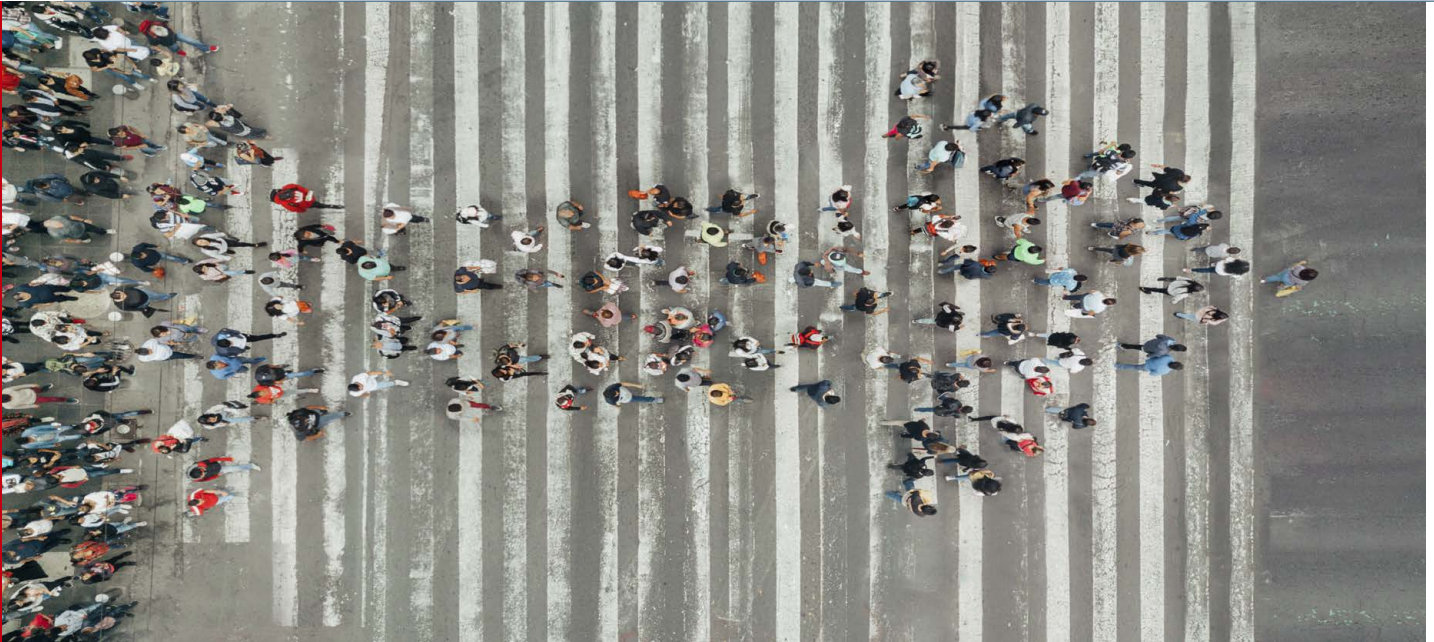
The claim is now applied to the client's tax profile. Capital Allowance Review Service's team will amend any previous tax returns and apply to HMRC for the relevant refund. The team will take over from the accountant in liaising with HMRC, if required.

STEP FOUR

Capital Allowance Review Service then produces a report, which shows how the figures have been calculated and includes copies of any amended tax returns. The report includes the invoice from Capital Allowance Review Service. If the team of experts find unclaimed Capital Allowances, the client will typically be charged a percentage of the secured claim, but if nothing is found, they will not be charged. Frequently, the client recovers enough tax for this to cover all fees. If this is not possible, this is raised at step one before the claim process starts.



Navigating the tax qualification landscape



One of the most important assets for a business is their staff.

You want your staff to be knowledgeable and adaptable in an ever-changing environment, particularly one such as tax. And that's where professional tax qualifications can play an important role. All are designed to equip your staff with the relevant knowledge and skills to be successful in a variety of tax roles.

Not only do these qualifications provide your staff with the right skills to support and grow your business, they also help with attraction and retention of staff; something that 32% of you have identified as a challenge to your business, according to Tolley's 2019 industry report. By providing training opportunities to your staff you are demonstrating your investment in them, which in turn will encourage them to invest, grow and stay within your business.

Which qualification is right for you?

However, there are a number of professional tax qualifications available, so how do you know which one is suitable for which employee? The good news is that there are professional tax qualifications available to suit all levels of employee within your business. The table (right) summarises the main routes in and who they would be suitable for.

Starting from the beginning, the Foundation Qualifications are set by the Association of Taxation Technicians (ATT), providing introductory courses in Personal Taxation, Business Taxation and VAT Compliance. These certificates can be studied at any point during the year and are a flexible and cost-effective option if you want your employees to gain a grounding in just one area of tax. They are online examinations, available on demand and can be sat at home or in the office at a time that is convenient rather than having to travel to an examination centre at a set time. They can also act as a good test for both employer and employee as to whether a career in tax is the right choice and are an excellent way of ensuring that those new to tax get a rapid understanding of the key concepts.

In addition to the Foundation papers, The Association of Taxation Technicians also provides the ATT qualification which is essential for anyone involved in UK tax compliance services. These papers provide a more in-depth understanding of the critical principles that underpin a tax professional's work and this is reflected in the way in which they are examined. These are traditional written papers where the candidate is required to demonstrate not only knowledge but also the ability to apply what has been learned. As well as the core Personal and Business Tax papers, the ATT qualification allows a degree of specialisation with the third paper which is selected from a choice of Business Compliance, Corporate Taxation, IHT or VAT.

The Chartered Tax Adviser (CTA) qualification is set by the Chartered Institute of Taxation (CIOT) and is suitable for advisers dealing with all aspects of taxation. Again, as you would expect, CTA recognises that a degree of specialisation is normal at this stage of someone's career and there are examinations suitable for anyone working in a mixed tax practice, as well as

Qualification	Entry routes into tax		
	Experience level		
	Beginner	Intermediate	Advanced
	<i>Looking to kick start a career in tax</i>	<i>Already working in tax</i>	<i>Experienced tax professional</i>
Foundation Papers	•	•	
ATT	•	•	
CTA	•	•	•
Joint Programme	•	•	
ADIT		•	•

those in the more specialist Private Client, Corporate, Human Capital and Indirect teams. You will often find that students choose to undertake the Tax Pathway which includes both the ATT and CTA qualifications and allows earlier specialisation.

Both ATT and CTA (and the Tax Pathway) can also be studied as part of a wider apprenticeship programme. This is part of the new trailblazer apprenticeship scheme, and is designed to build the knowledge, skills and behaviours required by employers.

Another popular route for tax students is to undertake a Joint Programme. Within this programme they have the opportunity to gain two qualifications in tax and accountancy; CTA alongside either of the ACA or CA qualifications.

Finally, the Advanced Diploma in International Taxation (ADIT) is a specialist advanced qualification set by the CIOT in international and cross border taxation. It is intended for senior level tax professionals and managers, or people working towards a senior level in taxation who are pursuing a career in international taxation. It provides an excellent grounding in the general principles of International Taxation as well as allowing individuals to specialise in a particular jurisdiction, or a particular area, such as Transfer Pricing.

As you can see, there are plenty of options when it comes to professional tax qualifications. However, to ensure your employees' success in achieving these, it's important they have the support of a high-quality tuition provider.

'What we particularly like about working with Tolley Tax Training is that they understand our business and are proactive in helping us find solutions to issues that can arise from time to time. A good example of this is how they worked with us and our apprenticeship provider to put together a Tax Pathway programme that met both the needs of our business and also the requirements of the apprenticeship programme we were looking to launch. In particular they helped us devise a 4 year school leaver programme which managed to incorporate the new ATT Foundation Certificates into the usual Tax Pathway route in a way that allowed it all to form one Level 7 apprenticeship programme.'

Paul Martin, National Tax Training Manager, RSM

How to choose your provider

Here are our top tips on what to look for when choosing a tuition provider:

- Flexible study options to suit both you and your employees, which includes both staggered face-to-face and online tuition, and comprehensive revision classes
- Nationwide provision of face-to-face courses through a network of study centres across the country
- A comprehensive offering of all available tax qualifications, streamlining your processes so that only one tuition provider is required for all employees undertaking tax qualifications
- Experienced and industry-renowned tutors who write the material as well as undertaking tuition, assuring you that they are experts in their field
- Guaranteed Pass Scheme offered, showing the tuition provider is confident that the majority of students will pass their exams first time

Tolley exam training pass rates

ATT - MAY 2019

	TOLLEY EXAM TRAINING*	NATIONAL AVERAGE
Paper 1	90%	70%
Paper 2	93%	80%
Paper 3	97%	92%
Paper 4	85%	73%
Paper 5	89%	86%
Paper 6	90%	63%

CTA - MAY 2019

	TOLLEY EXAM TRAINING*	NATIONAL AVERAGE
Awareness	91%	76%
Technical	69%	49%
Application	74%	56%

* Students who have studied with our Guaranteed Pass Scheme

- Availability of a transparent online system, which allows both training managers and employees to track progress in their studies quickly and easily, and contact the tuition provider in the same portal
- A responsive and knowledgeable client support function, giving both employer and employee peace of mind that there is a team available to answer their queries
- Published pass rates, evidencing quality of tuition and high pass rates

About Tolley Exam Training



Tolley Exam Training was established in 2003 to provide an innovative and cost-effective service to our students and client firms. We are unique in being the only organisation that focuses exclusively on professional tax training.

Our main aim is to ensure that our students develop the skills that are needed in the work place and to ensure they have the best possible chance of success in the examinations. Over the years we have achieved this through a combination of highly experienced tutors, quality training materials and our unique online services. Tolley Exam Training has nine national training centres and online study options, meaning our exceptional pass rates and highly experienced tutors are available nationwide.

For more information, contact:

T: 0203 354 4500

E: examtraining@lexisnexis.co.uk

W: tolley.co.uk/taxcareers

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