

Networking and Knowledge for Newly Qualified AITIs

The Irish Taxation Institute (ITI) held a hugely successful one-and-a-half-day conference for newly qualified AITIs in Kilkenny on 15 and 16 September 2006, which was the first residential conference aimed at this hugely important sector of ITI members. Over the past 5 years 1,000 people have been conferred with AITI, representing one-fifth of the Institute's membership. The Kilkenny event built on the success of the one-day conference held for this group in Dublin in May. Mark Redmond, ITI Chief Executive, began Friday's session by warmly welcoming everybody and giving a comprehensive overview of the conference.

The 9 speakers covered tax technical and non-technical material, which provided attendees with an essential toolkit for driving their careers in tax. This invaluable insight gave attendees a flavour of the range of careers and career paths that fall under the umbrella of tax. All this was combined with a strong social element (and a sympathetic late start on the Saturday morning) to foster a great atmosphere of enjoyment and camaraderie.

Some recurring themes emerged throughout the course of the presentations including the importance of knowing and understanding your client and the business environment in which they operate and the need for non-technical skills such as project management, people management and "tacit" skills.

The first speaker was Jackie Masterson of Russell Brennan Keane who delivered a very useful talk on structuring for family companies. Jackie spoke about seeing ourselves as "business advisers", affirming the significance of knowing the world in which your client operates. She also pointed out that this knowledge alone is not enough; it must be coupled with a strong client relationship. Jackie, and the following speaker, Fergus McCarthy, spoke of the importance of teasing out what it is your client actually wants. In many cases the client themselves may not have a clear understanding of this. Jackie recommended that advisers start with simple questions, which will lead to the degree of depth required of the case. Jackie also led the audience through some technical issues she had experience using practical examples. This was the first block in the technical toolkit provided by the conference material.

Fergus McCarthy of Kennelly & Twomey Ltd gave a very informative talk on Tax Structuring for High net worth individuals (HNWIs). Continuing the mix of technical and non-technical material, Fergus highlighted the significance of project management skills and their importance for tax advisers. He pointed out that more often than not, tax advisers are best positioned to manage a project, which requires a skill set all of its own. Fergus used some practical examples of HNWI projects with very different clients. As well as giving technical information to the audience, it allowed Fergus to show that management techniques differ hugely depending on the client's profile. He also pointed out that technical skills are vital and can often be taken for granted.

In introducing Dan Pender, Head of Communications at ITI, Mark Redmond reaffirmed Fergus's final point above, adding that communication skills are essential, flowing neatly into Dan's very interesting presentation. Dan made the very real statement that there are few things in this country, with the exception of the GAA, that touch as many people as tax does. Communications stem from and relate to everything we do as tax advisers, all of the time and accordingly communication skills form an essential element of an advisers' bank of skills. From an ITI perspective, Dan pointed out that it is concerned with long term goals that will lead to achieving the following link amongst members and the public alike – "think tax – think ITI!"

Sinead McSherry of the Revenue Commissioners provided attendees with a very valuable insight into the workings of her employer under the heading of Collaboration – The Way Towards Revenue Compliance. By describing Revenue's structure, focus and approach, Sinead equipped attendees with the requisite practical knowledge for dealing with Revenue on a daily basis. She also described Revenue's new REAP system (Risk Evaluation, Analysis & Profiling) which helped listeners to understand the impact of this system on their own client base. Sinead's description of a "good" and "bad" tax adviser allowed us to see our world from Revenue's perspective.

Niamh Carmody of EU Commission Ireland delivered a comprehensive guide to the increasingly influential area of EU law and decisions of the European Court of Justice entitled "EU – What's new?" This is an area whose salience increases as a tax practitioner's experience deepens; all the more welcome, then, this thorough presentation of the issues. Niamh described the workings of the Commission in Dublin, allowing members to see the types of information available both in the capital and nationwide. By detailing the current state of play for all EU matters, Niamh set the political background in the EU for many aspects of a tax advisers' work. The talk also touched on the very topical CCCTB, giving attendees a strong foundation on this subject and well as other aspects of EU corporation tax.

The next talk, Risk Management in the Current Tax Environment by Aidan Walsh of Ernst & Young, was a comprehensive tour of the current risk management environment for tax advisers. Aidan stressed the significance, not only of the detail of advice given by AITIs, but its practical implication within this environment. He explained that tax risk management is, and should be, a constant process, which arises mainly as a result of the division of knowledge within any firm. No practitioner can know what everyone else in a firm is up to, and all employees may not know the consequences of their actions! Aidan spoke about the advantages of flowcharting as a risk management tool. To expand on the recurring theme, he pointed out that risk management is cyclical process where knowledge of your client is essential. Aidan also spoke of the importance of "tacit" skills; a non-technical area where advisers develop a "feel" for the correctness, or otherwise, of a tax computation or piece of advice.

Elaine McGleenan of KPMG spoke about "Key Professional Skills for Tax Advisers" and what employers want from a newly qualified AITI. One of the key pieces of practical advice she gave in this very interesting talk was to develop the work practice of never

putting things off. Picking up on the theme of understanding your client, Elaine highlighted the fact that employers want a tax adviser with a sound business focus who is commercially aware and can spot opportunities for their client and/or firm. Touching on the project management elements of a tax adviser's role, Elaine explained how activities pursued by people outside of their work environment can be a huge learning experience in this area e.g. volunteering or other charitable work.

Once Friday's final presentation had been given, having soaked up a wealth of information, technical and otherwise, attendees had a couple of hours to relax and enjoying the facilities of Hotel Kilkenny before gathering for the evening. The following talks were delivered on Saturday morning.

Lorna Gallagher, Barrister-at-law, gave a very thorough introduction to life as a tax barrister in "Tax Advisers and the Bar!" She also covered the interaction between her work and that of other AITI's, pointing out the "direct professional access" that AITI's have to barristers. The significance of areas such as counsels' opinions and tax appeals become more pertinent to advisers as they gain more experience in tax consultancy work. Creating a link between the ECJ and Niamh Carmody's talk, Lorna advised the audience to keep an eye on the ECJ website for landmark decisions that will impact on the work they do, as did the Halifax, Cibo and Cadbury Schweppes cases. Lorna also detailed the workings of the Appeal Commissioners, an area with which tax advisers need to be familiar.

Michael Lynch of KPMG gave a very interesting, practically-focused, presentation called "Property Transactions and Developments". Michael stressed the importance of looking at the objectives of the other party to a property transaction when working on behalf of either the vendor or purchaser. The aims of both parties will impact directly on the tax aspects of any deal. He also warned that there are a number of areas that can be forgotten about until the last stages of a deal, often making complicated plans impossible to execute e.g. warranties, indemnities, VAT on freeholds, leaseholds, feasibility of a corporate sale, etc. Michael spoke about the rapidly expanding area of overseas property, highlighting pitfalls which included the mismatch of tax rules governing interest, depreciation, foreign tax costs and the structuring of ownership.

Friday night's "non-taxing" socialising began with a relaxed drinks reception on a sunny terrace of the hotel. Delegates got the chance to chat and get to know their AITI colleagues, without any element of time pressure. The variety of delegates' jobs was striking. Nowadays the AITI qualification can be a second career, an added expertise for other professionals, a major benefit for the self-employed and, of course, a full-time career as a practitioner or a member in industry.

Following the drinks reception, the group was invited to be seated for dinner, followed by an address by Mark Redmond. As well as reviewing the day's success, Mark introduced Mick Wallace, of Wallace Construction, as the guest speaker. For this, his first talk to a room full of tax advisers, Mick delivered a very fluent and thought-provoking account of his professional life as a builder; a builder with strong ideals and beliefs. His account of

his experiences was inspirational and eye-opening, reminding (or telling) delegates what life was like for somebody starting a business in 1980s Dublin. It was clear from Mick's speech how his "work hard, play hard" catchphrase developed.

Dinner was very relaxed and enjoyable, flowing seamlessly, no pun intended, into the bar where delegates mingled in this tried and tested forum!

The success of this residential conference was proof of the benefits for learning of taking people out of their work environments and of getting the balance right between the soft and technical aspects of a career in tax. As people are increasingly busy, the fostering of working connections and friendships can too often get pushed aside. When faced with a problem, it is so much easier to lift the phone to ask an expert colleague for help when you have enjoyed a drink and a chat in the past, in the mutual knowledge that you will do the same for them in the future. Kilkenny provided plenty of these shared moments on which to build a network of AITI colleagues as well as essential technical and practical tools for a career in tax.