

Presidents Inaugural Address
Annual General Meeting 30 May 2005

Introduction

Past Presidents, Council Members, Members of the Irish Taxation Institute – I am extremely proud and honoured to take office as your President for 2005/06.

One of my first memories of the Institute dates back to late 1974 when my then boss, the late Donald McClean, the first President of the Institute, was canvassing the views of his staff on the new crest that he was about to send to the Chief Herald for approval. He explained that the crest encapsulated the core objectives of the Institute – the coin symbolising the national wealth, the chequerboard representing the Exchequer which, as you know, extracts part of that wealth. He explained that the two swords represent the powers of the Revenue to enforce that extraction - and that the swords are blunt at the tip – this indicating that Revenue’s powers are not unlimited – how things have changed!! The final and key element, he told us, is the torch of knowledge and understanding at the centre of our crest. This represents the central role of our Institute in shaping and sharing tax knowledge.

With the re-launch of the Institute’s corporate identity, which reverts to the original crest, I am particularly pleased, after a short spell in storage, to once again don that first President’s medal, worn by such a distinguished body of Past Presidents, under whose direction this Institute has grown from strength to strength since its foundation. Like them, I hope that during the coming year, with my colleagues on Council, I too will guide the Institute in the field of education, training, publishing and representing the tax profession in Ireland.

I am indebted to my employers, AIB Group, for their encouragement and support for my involvement in the Institute over the years and in this my presidential year. AIB have had a representative on Council since the Institute was formed and I am delighted to follow in the footsteps of the late Donald McClean, Niall Kerrigan and Jimmy O’Mahony.

Frank Hussey

I would like to pay tribute to Frank for his tireless work as your President last year. Frank took over as President when the Institute was about to start a recruitment campaign for a new Chief Executive Officer and during the interregnum period between CEOs was punctilious in ensuring that the affairs of the Institute ran smoothly. He devoted considerable time to ensuring that we chose a new CEO with the leadership qualities we require for the future. In Mark Redmond, I know he found the best candidate in what was a very intensive recruitment process.

Frank has his own personal style and is not shy about rising to a challenge. In dealing with such issues as the practical difficulties for members brought about by the Revenue

restructure; the ongoing issues arising on foot of Revenue's investigation of offshore accounts and more recently single premium policies and the unworkable extension of the aiding & abetting legislation which was originally proposed, Frank used his practical knowledge and experience and his direct, no nonsense approach to confront these matters on behalf of members.

During Frank's Presidency, we finalised and launched our new strategic plan which will guide the Institute's strategic direction over the coming years; we announced the establishment of our new regional initiatives to better represent our members at local level; we sold Sandymount Avenue (our home for 14 years but which had become increasingly un-user-friendly) and we are at an advanced stage of negotiations for the purchase of our new head office in the heart of the Dublin Docklands and on the doorstep of the IFSC, a fitting location in an area whose rejuvenation was founded on tax incentives and which has been extremely successful – now contributing high quality employment and significant tax revenues.

These are but a few highlights of Frank's Presidency. Our Presidents Committee, comprising Frank, Dermot, Suzanne, Mark and myself, worked well together and under Frank's chairmanship our Council guided the Institute through a number of key strategic decisions in 2004/05. I know that Frank's commitment during the past year took its toll on his chargeable hours at his practice LHM Casey McGrath. Frank – you can be justifiably proud of your achievements and the Institute is indebted to you for your time and effort.

Council 2005/2006

I would like to congratulate Olivia Lynch, Margaret Sheridan, Dermot Byrne, Andrew Cullen and David Fennell on being re-elected to Council and to welcome Mary Honohan who joins Council this year. I would also like to pay a special tribute to John Bradley who retires from Council having completed two years following his Presidency. John's contribution to the Institute has been enormous – he made an immense contribution to TALC, including a year of chairmanship, he is one of our longest-standing authors, one of our most extensive seminar speakers and has expertly chaired a number of Institute committees, as well as Council in his capacity as President. John has been consistently generous of his time to the Institute and to this day John is still quietly but expertly guiding committees and staff of the Institute. On behalf of all members - thank you John.

I look forward to working closely with Dermot O'Brien my Deputy President and Joan O'Connor my Vice President in the coming year and know I can rely on your guidance and advice, as well as that of Frank and Suzanne as immediate Past Presidents.

The role of Council is to set and oversee the strategic agenda of the Institute on behalf of members. We do this, in part at least, through a series of sub-committees of Council. This year I propose to streamline our Committee structure to ensure that it is fully aligned with oversight and fulfilment of our strategic objectives and operates in accordance with the highest standards of corporate governance. Each committee will be given ownership

of a specific part of the Strategic Plan and I am asking each of the Committee Chairpersons to present a work-plan for their Committee for the year together with Terms of Reference for the Committees operation to our first Council meeting in June. As we go through the year, I will ask each Committee to update members through the Irish Tax Review.

I would encourage as many members as possible to give something back to your profession through involvement with the Institute, either by running for Council, joining a national or regional committee or contributing in whatever other way is best for you – whether as an author, a lecturer, an examiner or suchlike. I can personally vouch for the fact that, even with a busy schedule, such work is rewarding, beneficial and enjoyable and builds networks and friendships that endure.

Objectives for my year as President

I always think it is important to set clear objectives for ones self and to review performance on a regular basis. The old saying “What gets measured gets done” is a true one. Of course life is not predictable and priorities can change throughout the year, but I would like to share with you my objectives for 2005/06.

These are by no means a set of objectives designed by me alone. On the contrary, what I would like to highlight are the key aspects of our strategic plan which, with the guidance of my fellow council members and the implementation effort of our Chief Executive Mark Redmond, his fellow executives and the hard working, dedicated staff of the Institute, we plan to address this year. In many cases, they are part of a rolling agenda of ongoing improvement.

Education and Training

Education and training are the lifeblood of our Institute. The quality and relevance of our professional qualification is what differentiates us. It is what makes clients want to deal with qualified AITIs when seeking tax advice. It is what makes employers want to employ our students. It is what keeps our members informed and at the leading edge of tax law and practice. We compliment our education and training with our publication programme.

During 2005/06 we plan to carry out a comprehensive review of all aspects of our formal qualifications programme and implement all required changes identified. We will also promote our qualifications with greater focus and energy – particular in the third level sector. We will work more closely with our employer members to ensure our qualifications are embedded in the typical career path of the tax adviser.

Our members need access to relevant, structured professional development – access must be provided on a country-wide basis – this is an absolute priority for the coming year.

Regionalisation

At the Institute/Revenue Joint Conference in Kilkenny in February we announced that we would set up a nation-wide branch network for the Institute. I believe this structure will allow for effective communication channels with members country-wide and better enable the Institute to represent its members – particularly with Revenue. We have received universally positive feedback from members on this initiative – we announced the details of the branch network at last weekend’s conference and we will reproduce this in the next edition of the Irish Tax Review. Putting this in place will be a key priority for the early part of 2005/06.

Representation / Public Interest

The Institute is not a lobby group for interest groups or sectors. Our aim is to promote an efficient, fair and workable tax system which can be administered by our members for the tax paying community. From our considerable knowledge and practical experience of the tax system we have a lot to offer. Tax practitioners – our members – are what make the tax system work. Our tax system is complex. Tax practitioners assist our clients to comply with their tax responsibilities. We ensure that our clients are aware of the benefits and reliefs available to them under law and advise them on managing their tax affairs.

Too often ill considered tax law and administrative practice is foisted on the tax paying public without any consideration of the consequences. Policy makers and legislators seem to be concerned that advance consultation is a sign of weakness or presents an opportunity for advance warning of what is to come.

In the coming year, the Institute, and I as President, will use all possible avenues to encourage politicians, government departments and the Revenue Commissioners to consult us in advance of any major initiatives. We will also promote a fairer tax system and a tax system which safeguards the competitiveness of Ireland as an economy. We will encourage the public to be tax compliant but equally will encourage the tax system to be fair and just to taxpayers and Revenue to be efficient in the administration of the tax system.

We will continue to argue for a more sensible approach to changing tax legislation, including adequate advance consultation. We have consistently promoted the desirability of dealing with tax legislation not linked to Budget day measures independently of the very tight Finance Bill process. Our submission on the role of tax incentives highlighted the danger of focussing solely on the apparent cost of the incentives and ignoring the benefits.

Today marks the beginning of our first Tax Return Week – we are using this week to articulate some key messages to our members and the general public – you can read the detail in the special report in this Wednesday’s Irish Times. These messages will include the current difficulties in carrying out important but supposedly routine business with

Revenue offices. Finally, we will continue our representative work on behalf of our members in industry, including on issues relating to directors' compliance statements.

Infrastructure

I have already mentioned our negotiations to acquire a new headquarters. Council have decided that our new home should be exclusively comprised of office space. We have decided to outsource the provision of facilities for our education and training programme. In Dublin, for example, we have entered into an agreement with the National College of Ireland to use their state of the art facilities in the IFSC for our formal qualifications sessions.

Thanks to our prudent financial management over the years we should be able to fund our move without the need to borrow – now that we have resolved our premises requirement we can invest any future surpluses in our education, representation and information activities. A key area targeted for investment is our research function – this function should underpin all our activities and provide us with the depth and rigour required to secure our position as a respected and credible professional Institute.

By this time next year we will be operating from a new well located and functional head office, our students and members will be educated and trained in the best facilities available and rather than saving for bricks and mortar, we will be investing our revenues in the Institute's core activities.

Conclusion

The Irish Taxation Institute has come along way since Donald McClean was agreeing our crest with the Chief Herald in the early 70's. Under the direction of successive Presidents we have developed into a highly professional body. But nothing stands still and we must continue to change with changing times. As your President, I look forward to representing your interests and driving the change agenda during the coming year. I will touch upon various aspects of the above themes at various times as I move through my presidential year and report back on these and other priorities that evolve.

Thank you very much.