

**TAXATION  
DISCIPLINARY  
BOARD**

**ANNUAL REPORT**

**and**

**ACCOUNTS**

**2010**

# **THE TAXATION DISCIPLINARY BOARD 2010**

## **Board Directors**

**Desmond Hudson** LI B (Chairman since 2009)

**John Clark** MA, CTA (Fellow) (2005)

**Peter Gravestock** CTA (Fellow), FCA, ATT (2006)  
(Year of appointment shown in brackets)

## **Executive Officers**

### **Executive Director and Company Secretary**

Neville Nagler OBE, MA

### **Secretary to Disciplinary Committee**

Peter Douglas FCA

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## CHAIRMAN'S REPORT

This is my first full year as Chairman of the TDB, and I have been most impressed by the volume and range of work carried out by such a small organisation, with only two part-time staff members. The past year has seen a number of significant developments which have left the TDB in good shape to carry out its important tasks in the public interest. A great deal of activity went on behind the scenes, some of which is only now coming to fruit.

### **Complaints and enforcement**

As described elsewhere in the report, during the year we received the same number of complaints as in 2009. But we were able to dispose of several long-standing complaints, and at the end of the year the Disciplinary Tribunal had only two cases outstanding, both referred in mid-December and involving a single member. Of the ten cases carried forward at the investigatory stage, four were closed early in January. So the backlog of long-running cases has now been cleared.

As with many other disciplinary bodies, a major practical problem which we face is the collection of fines and costs awarded by Disciplinary Tribunals. Where a member or ex-member fails to pay his fines or costs, and provides no reasonable explanation, we have recourse to the courts, who have thus far always issued judgment in our favour. That still leaves the problem of collection, which can prove a time-consuming process, but the public interest requires us to do everything possible to implement Tribunal decisions. It is also unfair to the membership as a whole if they have to pay

for the proven misconduct of a small number of individual members.

### **Review of jurisdiction**

Against this background, we welcomed the decision of the CIOT and ATT to set up a working party to look into the jurisdiction of the TDB. The aim was to examine the powers available to the TDB and their interaction with the obligations which members of the two bodies undertake to be bound by when they apply for membership. The working party identified a few changes which would clarify the obligations of members and ex-members in complying with decisions made by the TDB. It is intended that these changes, which require amendments to the laws of our participants, will be implemented in the course of 2011, and put the jurisdiction of the TDB beyond question. Last year we also completed the comprehensive review of our Regulations, in order to close any gaps or ambiguities. We introduced the new Regulations to take effect from August 2010.

### **Institute of Indirect Taxation**

As I indicated in last year's Annual Report, we have for some time been considering the possibility of other professional tax bodies joining the TDB. Throughout 2010 we were engaged in discussions with our participants about the possibility of the Institute of Indirect Taxation (IIT) joining the TDB. The IIT has a small membership, composed of experts in the field of indirect taxation (mainly VAT), but it subscribes to the same high standards as the ATT and CIOT, who were both entirely supportive of its proposal to join the TDB. With the

approval of the Councils of the CIOT and the ATT, as well as the membership of the IIT, it was agreed that the IIT should join the TDB as a third participant early in the new year. Following completion of the necessary legal formalities, the IIT joined us in February 2011. Needless to say, we are delighted and look forward to a happy and productive relationship. We shall continue to explore whether there may be other tax bodies interested in joining forces, as the development of common standards and a unified disciplinary process could be of great benefit to all sections of the profession.

### **HMRC**

Such a development may well be of interest to the tax authorities, as they seek to strengthen their engagement with tax agents. Early in 2010 my fellow directors and I were invited to a meeting with HMRC. This took place within the framework of consultations on HMRC's programme "Working With Tax Advisers". We were pleased to be able to explain in some detail our approach to dealing with disciplinary failings by tax professionals who are members of our participant bodies. We also appreciated HMRC's explanation of how at that time it was taking forward its relations with tax advisers and agents, particularly those who do not belong to any professional body. While the precise details of HMRC's engagement with tax agents have still to come to fruition, we welcomed the meeting and hope to build a good working relationship with HMRC.

### **Panel appointments**

In the course of 2010 we recruited some new lay members in order to replace Panel members who had retired or resigned. We carry out an open recruitment process,

advertising vacancies in the journal Tax Adviser and inviting other professional bodies in the legal and financial sectors to inform their lay members of our vacancies.. In the event we received nearly fifty applications of a very high quality. We invited a dozen for an interview with myself and my fellow Directors. As a result, we appointed six new members, four to start in September 2010 and two from January 2011. All have received induction training, and are now starting to deal with cases.

### **Cost-effectiveness**

As I commented last year, any disciplinary body is bound to be largely reactive. We have procedures to follow, and are required to be fair to all parties who have an interest in a case. We cannot cut deals or short-cut the defined procedures, even if that might seem to be a more cost-effective route. Last year I personally had to examine a complaint that had originated in January 2008 and had gone through every stage of our procedures, before ending up at the Appeal Tribunal last November. I came to the conclusion that the whole process had been conducted with scrupulous fairness, yet it still gave the impression of being rather onerous precisely because the issues were finely balanced.

The effect of such a process is that the costs of hearings and legal input can mount up. After making a significant deficit in 2009, we sought an increase in the contributions from our participants in 2010. We also obtained a higher income from the collection of fines and costs than hitherto. Having also deferred some expenditure to 2011, including our annual consultation with panel members, we ended 2010 with a sizeable financial surplus.

## **Guidance to Panels**

As we note later in the Report, we issued two important pieces of guidance to our Panel members in 2010, both published on the website. The first provided guidance to members of our Investigation Panel on their role and their responsibilities in assessing whether a complaint passes the prima facie test. Members of the Disciplinary Panel were issued with our long-awaited Indicative Sanctions Guidance. The latter sends out a clear signal to members of our participant bodies about the sort of sanctions that are likely to be imposed for breaches of the requisite professional standards. The Indicative Sanctions Guidance should help to ensure greater consistency and proportionality in the imposition of sanctions.

## **Relations with stakeholders**

Last autumn the Directors and I held an Awayday to review our various policy initiatives and to assess our overall operational effectiveness. Early in 2011 we held our annual consultation meeting with our Panel members. Whilst we received a number of helpful thoughts and suggestions for further improvement, the Board is currently satisfied that there are no major or significant problems in terms of our constitutional structure or arrangements or legal developments that give rise to any concerns or the need for any material or substantial changes to our current procedures, rule books and practices. I and my fellow Board Directors remain satisfied that all the necessary support, communication and appropriate relationships that allow the TDB to operate in accordance with its original objectives, particularly in terms of independence, are in place, are operating well and cause no

difficulty whatsoever to the smooth operation of our solid working relationships with our participants.

## **Conclusion**

The TDB still has a significant agenda to carry out. In taking forward the work of the TDB. I once more would wish to thank our dedicated Executive Director, Neville Nagler, who ensures the smooth running of the organisation and provides an invaluable contribution in taking forward many of our policy issues. I have appreciated my close working relationships with the professional heads of our (now) three participants, namely Peter Fanning at the CIOT, Andy Pickering at the ATT and Terry Davies at the IIT.

Finally, it is a privilege and pleasure to work with my fellow Directors, John Clark and Peter Gravestock. I am grateful to them all for their wise advice and consistent support. It is a matter of sadness that John Clark retires in May 2011, having served for six years as the CIOT's nominated Director. John has been an enormous asset for the Board, giving freely of his wise counsel and sound knowledge of legal issues. We will greatly miss him, but I am glad to report that he will be succeeded by John Dewhurst. I look forward to working with him and Peter Gravestock in the year ahead: together we will do our best to ensure that the TDB remains at the forefront of best regulatory practice.

**DES HUDSON**

**Chairman**

### **AIMS AND OBJECTIVES OF THE TDB**

The **aims** of the Taxation Disciplinary Board are to investigate complaints and take action against CIOT, ATT and IIT members who have breached professional standards; provided inadequate professional service; or behaved in an unbecoming manner, in order to:

- Protect the public, especially those who use the services of members of the CIOT, ATT and IIT;
- Maintain high standards of behaviour and performance among members of the CIOT, ATT and IIT;
- Ensure that confidence is maintained in the CIOT, ATT and IIT.

The **objectives** of the Taxation Disciplinary Board are to:

- Deal with complaints expeditiously, thoroughly and fairly;
- Be open, fair, transparent and cost efficient in handling complaints;
- Ensure appropriate disciplinary action is taken against those who breach the applicable professional standards, provide inadequate professional service or display unprofessional conduct;
- Provide some redress for those who receive poor service from members of the CIOT, ATT and IIT (although the Scheme is no replacement for Court action in serious cases);
- Where a complaint is found proven, recover the costs of handling that complaint from the member of the CIOT, ATT or IIT.

## CASES HANDLED IN 2010

### Complaints received by TDB

The TDB received 33 new complaints during 2010, the same number as in the previous year. The table below sets out the annual total of complaints received and cases disposed of by both the Investigation Committee and the Disciplinary Tribunal (formerly the Disciplinary Committee). It demonstrates the fluctuations in the volume of complaints received and handled by the TDB since it was set up.

<u>Year</u>	<u>Complaints received</u>	<u>Cases disposed of</u>
2001 (May—Dec)	4	3
2002	35	23
2003	22	29
2004	26	15
2005	17	25
2006	22	20
2007	35	35
2008	38	38
2009	33	25
2010	33	40

The table below sets out in more detail the handling of cases by the TDB in 2009 and 2010.

	Number of Cases	
	<b>2009</b>	<b>2010</b>
<b>Complaints received by Reviewer</b>		
Brought forward from previous year	5	12
New cases in year	<u>33</u>	<u>33</u>
	<u>38</u>	<u>45</u>
Cases withdrawn or not pursued by complainant	5	12
Cases rejected by Reviewer (trivial, vexatious or outside jurisdiction)	5	4
Cases where fixed penalty charge ordered	4	5
Cases referred to Investigation Committee	12	14
Cases carried forward to next year	<u>12</u>	<u>10</u>
	<u>38</u>	<u>45</u>
<b>Investigation Committee</b>		
No prima facie case or no action taken	1	7
Prima facie case but no action taken	0	0
Referred for presentation to the Disciplinary Tribunal	12	6
Cases adjourned pending receipt of more information	<u>0</u>	<u>1</u>
	<u>13</u>	<u>14</u>



### **Disciplinary Tribunal**

Brought forward from previous year	4	7
New cases in year	<u>12</u>	<u>6</u>
	<u>16</u>	<u>13</u>

Case dismissed	0	0
Sanction imposed	9	11
Cases awaiting hearing at end of year	<u>7</u>	<u>2</u>
	<u>16</u>	<u>13</u>

### **Appeal Tribunal**

Cases appealed by the Board	1	1
Appeals upheld	<u>1</u>	<u>1</u>

In 2010, the 33 new complaints were made against 35 professional members, of whom 12 belonged to the ATT, 22 to the CIOT and 1 had dual membership. One complaint was made against a firm registered with the CIOT. In addition, twelve cases were brought forward from the previous year, giving a total of 45 cases to process. Ten cases were carried forward to 2011; most of which were received during the last three months of the year.

### **Source of complaint**

The new complainants in 2010 fell into the following categories:

- 4 were current clients
- 5 were former clients
- 1 was a relative of a deceased client
- 1 was the accountant for a deceased client
- 1 was a successor adviser
- 3 were former employers
- 1 was a former employee
- 1 was a rival firm
- 1 was brought by two former directors of a client company
- 8 were referred by the TDB for having been subject to disciplinary action taken by another regulatory body (including the Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants, the Solicitors Disciplinary Tribunal and the Financial Services Authority)
- 2 were referred by the ATT and CIOT for having received criminal convictions
- 3 were referred by the ATT for failure to provide CPD or AML returns
- 1 had no apparent relationship to the member

### **Grounds for complaint**

The 33 new complaints received in 2010 raised in total 52 separate grounds for complaint. These fell into the following categories:

Maladministration	2
Deception	4
False accounting	1
Fraud or Fraudulent trading	3

Failing to respond to correspondence in a timely manner	6
Incompetence	5
Professional misconduct	1
Poaching clients	1
Failure to submit CPD record	2
Dishonesty	2
Practising without Professional Indemnity Insurance	1
Criminal conviction	2
Failure to report disciplinary action taken by another professional body	8
Inadequate professional service	5
Failing in duty of care	1
Discreditable conduct	3
Lack of integrity	3
Failure to register for AML purposes	1
Publishing defamatory material	<u>1</u>
Total number of grounds for complaint	<u>52</u>

### **Handling of complaints by the Reviewer**

A number of cases were withdrawn before they reached the Investigation Committee. Four cases were rejected by the Reviewer on the grounds that they fell outside the jurisdiction of the Board. In one case it was found that the person who was the subject of the complaint was not a member of either body; another proved on investigation to be a fee dispute; whilst in a third case it was established that there were no valid grounds for complaint: the complainant criticised the form in which the member had presented the accounts of a small charity, even though they conformed to statutory requirements. The fourth case was rejected as being vexatious, following a great deal of correspondence from the complainant; the decision was upheld on appeal to an Investigatory Assessor.

No complaints were sent to the CIOT's Conciliation Officer during 2010. In five cases the Reviewer imposed a fixed penalty charge: four cases involved a failure to notify the CIOT of a disciplinary order made by another regulatory body in cases which raised no tax issues; whilst the fifth case related to a failure to provide the ATT with CPD details when so requested.

In twelve cases the complainant decided not to pursue the complaint. Four complaints

were withdrawn by the complainant, whilst eight complainants failed to provide any evidence to support their complaints or to respond to queries raised by the Reviewer.

In the course of the last three months of the year, 11 complaints were received, and most of those were still being dealt with at the end of the year or awaiting submission to the Investigation Committee.

The processes for the handling of cases prior to their consideration by the Investigation Committee and the planned timescales are described on Pages 16-17 below.. Of the fourteen cases which went to the Investigation Committee during 2010, the time taken from receipt of the complaint form to the Committee's first consideration of the case broke down as follows:

<u>Time taken</u>	<u>Number of cases</u>	
	<u>2009</u>	<u>2010</u>
1 month	0	1
2 months	0	2
3 months	2	3
4 months	2	4
5 months	1	1
6 months	2	3
<u>More than 6 months</u>	<u>5</u>	<u>0</u>
Total	<u>12</u>	<u>14</u>

The above figures show the total time taken between receipt of the complaint form and its consideration at a meeting of the Investigation Committee. No allowance is made for delays caused by members or complainants in responding to correspondence. The planned timescale shown at Page 16 indicates that in a case where two rounds of correspondence take place with both the member and the complainant, it is likely to take around four months before a case will be considered by the Investigation Committee. The cases which take less time are those which are more straightforward, particularly those where the member has failed to report disciplinary proceedings taken by another professional body, as less correspondence is required in order to establish the facts. In one such case the complaint was brought by the TDB after the member had failed to comply with a court judgment in favour of the TDB.

Although the above figures suggest an overall drop in the average time taken for a case to reach the Investigation Committee, there remain some cases in which the member fails to cooperate with the TDB. In cases where this becomes apparent early in the process, the Reviewer may well decide to submit the complaint to the Investigation Committee without allowing the member an excessive amount of time to procrastinate. In one such case, the Committee considered the original complaint in June and asked for additional information. Although the member had previously volunteered to provide such information, he had still failed to provide a response by December, when the Committee reconsidered the complaint.

### **Investigation Committee**

The Investigation Committee held four meetings during the year. It considered four cases started in 2009 and ten cases started in 2010. At the end of the year, one case was adjourned pending the receipt of additional information.

Of the thirteen cases completed in 2010, the Investigation Committee rejected seven cases on the grounds that no Prima Facie case had been established. Several of these complaints alleged incompetence or the provision of Inadequate Professional Service. None of the cases which the Committee rejected was appealed to an Investigatory Assessor. The remaining six cases considered by the Investigation Committee were all regarded as sufficiently serious to be referred to a Disciplinary Tribunal.

### **Disciplinary Tribunal**

Five Disciplinary Tribunals were held during 2010. Meeting in panels of three, the Tribunals dealt with seven cases brought forward from 2009 and four cases referred in 2010. Two cases were pending at the end of 2010, both involving the same member.

None of the cases heard by the Disciplinary Tribunal in 2010 was dismissed for lack of evidence; in each case one or more of the charges was found proved. Brief details of each case are set out below.

- A member of the CIOT was found to have acted dishonestly and without integrity in agreeing to act as the agent for two of his clients in the purchase of stock market shares and failing to do so. Furthermore he failed to return the money to his clients when requested to do so. The Tribunal also found that the member failed to respond to telephone calls and correspondence from the two complainants, and ignored correspondence from the TDB in relation to the complaints. The Tribunal decided that the matters in question were so serious that the necessary and proportionate sanction for each charge was expulsion from the Institute. The member was fined a total of £23,000 in respect of the five charges and ordered to pay costs of £3,500.

- A member of the CIOT admitted that he had failed to inform the CIOT when disciplinary proceedings were begun by both the Institute of Chartered Accountants in England and Wales (ICAEW) and the Association of Chartered Certified Accountants (ACCA). The Tribunal found that the findings reached by the disciplinary authorities of the two bodies demonstrated that the proved charges were very serious and brought discredit to the defendant and to the tax profession. The Tribunal also found that the member had failed to respond to correspondence from the TDB in a timely manner. It decided that the matters in question were so serious that the necessary and proportionate sanction was expulsion from the Institute. The member was ordered to pay costs of £3,400.
- A member of the ATT failed to provide a sufficient response to communications from a successor adviser during early 2009. His response was only provided in September 2009, after the TDB had received a complaint from a client and the TDB had written to the defendant. The Tribunal found that such conduct was plainly discourteous and unprofessional. The Tribunal also found that the member had failed to disclose all information which might be needed to enable the successor adviser to decide whether or not to accept instructions from the complainant. The Tribunal decided that the member should be censured, pay a fine of £250 on each of the proven charges and costs of £3,338.
- A member of the ATT admitted that he had failed to respond a request from the ATT to submit his CPD record for 2008; had failed to respond to subsequent letters from the ATT regarding the requirement to submit his CPD record; had failed to comply with an order made by the TDB in August 2009 to pay a financial penalty in respect of the first two charges; and had failed to respond to correspondence from the TDB regarding all these matters. The Tribunal ordered that the member be censured on each of the four charges and reinstated the financial penalties of £300 previously ordered by the TDB. He was also ordered to pay costs of £2,217.
- A member of the CIOT performed his professional work inefficiently to such an extent as to be likely to bring discredit to himself and the Institute, by failing to carry out the work promised to a client. A second charge that the member had failed to be courteous and considerate to his client was not found to be proved. The Tribunal ordered that the member should be required to apologise in writing to his client and to pay £1,500 towards the costs. The Tribunal also directed that, in view of the member's very long unblemished record and the fact that his failings in this case were at least contributed to by illness, his name should not be mentioned in any publication of this decision.
- A member of the ATT had failed to respond to requests to submit his CPD return for the previous year. He then

failed to comply with an order made by the TDB to pay a financial penalty for breaches of the ATT rules. When the TDB initiated court proceedings for the debt, the defendant failed to act with courtesy by failing to respond to correspondence from the court mediation service in order to settle the dispute. Subsequently the member failed to uphold the professional standards of the ATT by failing to comply with the judgment granted to the TDB by the County Court in October 2009. The Tribunal did not make a finding on a fifth charge, namely that the member had failed to act with integrity. The Tribunal informed the member of its proposed sanction, but allowed time for him to substantiate his claim that he had been suffering from medical problems at the relevant time. In the event, the Tribunal concluded that two reports received from the defendant's surgery regarding his medical condition would have no bearing on the proposed sanction. The Tribunal therefore confirmed that the matters in question were so serious that the necessary and proportionate sanction was expulsion, and the member was ordered to pay costs of £3,220.

- The Tribunal found that a member of the ATT was not honest in the conduct of his professional work, in that between 2003 and 2007 he undertook that work in such a way as led to his being found guilty of 16 counts of dishonesty by the Solicitors Disciplinary Tribunal (SDT) in December 2009. The Tribunal accepted the findings of the SDT that the member played an important role in a

large number of property transactions. He had caused a good deal of loss to mortgage lenders and to HMRC and economic havoc to members of the public. The member also admitted that he had failed to inform the ATT at any time that disciplinary proceedings against him had begun in the SDT. The TDB's Disciplinary Tribunal decided that the matters in question were so serious that the necessary and proportionate sanction was expulsion from the Association. The member was ordered to pay costs in the sum of £2,641.

- A student member of the CIOT had knowingly or recklessly made a false statement when applying in July 2009 for re-registration as a student member of the CIOT by falsely stating that he had never been the subject of disciplinary action by a professional body, tribunal or regulatory authority. This was untrue as earlier that year he had been served with an order by the Financial Services Authority (FSA) prohibiting him from carrying out any function in relation to any regulated activity. He had also failed to inform the CIOT that disciplinary proceedings had commenced against him by the Association of Chartered Certified Accountants as a result of the FSA order. The Tribunal decided that the matters in question were so serious that the necessary and proportionate sanction was expulsion, ie removal from the student register of the Institute. The student was ordered to pay costs of £2,049.
- A member of both the ATT and the CIOT was convicted in the Sheriff Court in May 2010 of operating a

fraudulent scheme, which resulted in HMRC being defrauded of £186,353. The defendant had been sentenced to a three-year probation order. She admitted the charge, apologised for her actions and submitted mitigation to the Tribunal. However, the Tribunal decided that the charge entailed a serious departure from professional standards and an abuse of the defendant's position of trust. It decided that the matter was so serious that expulsion was the necessary and proportionate sanction in all the circumstances. The Tribunal ordered the member to pay costs of £1,358.

- A Fellow of the Institute admitted that he had recklessly supplied false information to a client; had failed to make a proper professional record of all his dealings with his client, so that he was unable to explain or justify fees claimed in two invoices; had conducted his business relationships improperly, inefficiently, negligently or incompetently to such an extent as to be likely to bring discredit to himself and to the CIOT; had failed promptly to inform the CIOT that he had given a disqualification undertaking to the Department of Enterprise, Trade and Investment in respect of his conduct as a director of a football club; and had failed to provide information about his conduct requested by the Taxation Disciplinary Board without unreasonable delay. Having considered the member's character and the fact that the allegations which formed the subject matter of most of the charges stemmed from a dispute with a single client, the Tribunal decided that the member was unlikely to pose a risk to

the public in the future. There was no evidence to show that he had acted improperly at any other time during his career, nor did the charges allege any specific financial loss. The Tribunal therefore concluded that the member should be censured for each of the eight charges, fined a total of £2,500 and ordered to pay costs of £12,286.

- The eleventh case heard by the Disciplinary Tribunal resulted in an appeal, and is described below.

### **Appeal Tribunal**

One Appeal Tribunal was held in 2010 in order to hear an appeal brought by a former firm of Chartered Tax Advisers against an order for costs made by a Disciplinary Tribunal. The firm acknowledged that an error had been made by attributing property which had been transferred to the complainant to the incorrect tax year. The Tribunal found that the member of staff dealing with the complainant's tax return failed to check adequately the date of the transfer of the property and to recognise that the date of the property's registration at the Land Registry was not the same as the date of transfer. There was also a failure to recognise or correct the error for nearly two years.

At the end of the hearing the firm's managing director immediately and unreservedly offered his apologies to the complainant. The Disciplinary Tribunal decided that no sanction should be imposed, but that the firm should pay the costs of the Board in bringing the case, amounting to £8,082. The Tribunal also ordered that the name of the firm should not

be mentioned in any publication of this decision.

The firm appealed against the decision of the Disciplinary Tribunal on the grounds that the order to pay costs was unreasonable in all the circumstances and that the costs were disproportionate for a case in which no sanction had been imposed. The Appeal Tribunal confirmed that it agreed with the reasoning given by the Disciplinary Tribunal for determining that the firm had breached its duty of care towards the

complainant. However, it concluded that the Disciplinary Tribunal's decision on the issue of costs was unreasonable. The Appeal Tribunal considered that this was a borderline case and that the costs were increased as a result of the initial decision that the case was not serious enough to proceed and the successful appeal against that decision by the complainant. In the circumstances the Appeal Tribunal decided to vary the original costs order and ordered the firm to pay roughly half the costs, namely £4,000.

## **TIMESCALES FOR HANDLING COMPLAINTS**

The Board has adopted timescales for handling each stage of the complaints and disciplinary process. These are designed to ensure that the administrative processes are handled efficiently and expeditiously.

As soon as a complaint is received, the complainant is sent the Board's standard complaint form. Once this is returned, the Reviewer has to consider whether the complaint falls outside the jurisdiction of the Board; whether it falls outside the prescribed time limits; whether the complaint is trivial or vexatious; or whether the complaint might be amenable to conciliation between the parties. If the complaint concerns a breach of the administrative requirements of one of the participant bodies, the Reviewer may impose a Fixed Penalty order.

Provided the complaint does not fall into one of the above categories, it will then be investigated. In that event there will normally be two rounds of correspondence involving both the complainant and the member. The case is then prepared for a meeting of the Investigation Committee. The Board anticipates that on average it takes around 3—4 months between receipt of the complaint form and the Investigation Committee hearing. In some cases, not every stage of the process will be required, for example where the complaint is made by one of the participant bodies and the issue is clear-cut. Delays may, however, be caused by either the member or the complainant in submitting correspondence. There may also be cases involving large quantities of paper which may arrive at a time when other work has to take priority. Investigation Committee meetings are scheduled every two months, but it may sometimes be necessary to postpone a meeting if there is insufficient business to warrant convening a meeting. This occurred twice in 2011, resulting in gaps of four months between some meetings.

Once a case is referred to the Disciplinary Tribunal, the various stages of the process are less easy to timetable than the earlier processes. The overall timescale depends largely on the member and the presenting barrister, who are responsible for producing most of the documentation required for the Tribunal. There are also timed procedures laid down in the Regulations. On average, however, the TDB aims to ensure that a Disciplinary Tribunal will take place within 5 or 6 months of the Investigation Committee decision. If a Disciplinary Assessor decides that there are valid grounds for an appeal, the aim is for an Appeal Tribunal to meet within a month or so of that decision.

The Board has approved several Key Performance Indicators (KPI's), which provide a basis for monitoring performance. Four KPI's have been agreed, as set out below.

1. The percentage of cases in which the Reviewer determines within 2 months of receipt of the Complaint Form whether the case will proceed to the Investigation Committee.
2. The percentage of cases in which the Reviewer is unable to determine a referral to the Investigation Committee within 2 months, owing to delays by either the member or the complainant in responding to correspondence from the TDB by the due dates.
3. The percentage of cases which are ready for consideration by an Investigation Committee within 2.5 months of receiving all the requested correspondence from both the complainant and the member.
4. The percentage of cases which are ready to be heard by a Disciplinary Tribunal within 5 months of their



being referred by the Investigation Committee or by the Reviewer.

The statistics contained in the previous section of this Report demonstrate the extent to which the above targets were achieved in 2010.

1. In 26 of the new cases (79 percent: the same as in 2009) the Reviewer determined within 2 months of receipt of the Complaint Form whether the case would proceed to the Investigation Committee.
2. In 7 cases (21 percent: the same as in 2009) the Reviewer was unable to determine a referral to the Investigation Committee within 2 months. In three cases, legal action was pending, whilst another complaint was under investigation by the ICAEW. In one case, delay was due to the member's failure to provide an adequate response, in another case the delay was caused by the complainant, and in a third case the member had moved

without registering her new address with the ATT.

3. 13 cases (93 per cent; 83 percent in 2009) were ready for consideration by an Investigation Committee within 2.5 months of receiving all the requested correspondence from both the complainant and the member. In the remaining case, the member failed to make any response, and the IC considered the complaint four months after the member was first notified.
4. 9 of the 11 cases (82 per cent; 77 percent in 2009) heard by a Disciplinary Tribunal were ready within 5 months of their being referred by the Investigation Committee or by the Reviewer. So too was the single Appeal Tribunal case. One case took longer because it involved a firm which raised various legal and financial issues about the hearing, whilst the other case raised a number of legal issues which resulted in several postponements.

## PANEL MEMBERSHIP

### Investigation Panel

The Investigation Panel had eleven members for much of the year. Five members are selected on a rotating basis to sit as an Investigation Committee, with lay members in the majority. Four meetings of the Committee took place during 2010, whilst two members reviewed cases as Investigatory Assessors in the course of the year.

The members of the Committee, their category of membership, the dates of their original appointment, and the number of meetings they attended are as follows:

<u>Name</u>	<u>Category</u>	<u>Date of first appointment</u>	<u>Meetings attended 2010</u>
Simon Colton	Lay	1 September 2008	2
Kenneth Crofton Martin	CIOT	15 March 2001	1
Amanda Dean	CIOT	1 July 2009	1
Ged Fisher	Lay	1 September 2010	0
Elizabeth Hinds	Lay	1 April 2007	2
Binka Layton	CIOT	1 July 2009	0
Alison Middleton	CIOT	15 March 2001	1
Bill Nelson	Lay	1 April 2009	1
Marilyn Palmer	ATT	1 April 2007	2
Paul Pharaoh	Lay	1 April 2009	3
Robert Prigg	Lay	1 January 2011	0
Peter Reid	Lay	1 September 2010	1
Rachel Skells	CIOT	1 July 2009	1
Linda Stone	Lay	1 April 2007	1
Robin Thomas	CIOT	1 July 2009	2
Rod Varley	Lay	1 April 2007	1
Judy Worthington	Lay	1 September 2008	1

The terms of Kenneth Crofton Martin and Alison Middleton expired in March 2010, whilst Rod Varley resigned during February 2010. Two new lay members (Ged Fisher and Peter Reid) were appointed from 1 September 2010, and Robert Prigg was appointed from 1 January 2011.

### Disciplinary Panel

The Disciplinary Panel had twelve members for most of the year. Five Disciplinary Tribunals were held during the year, plus one meeting of the Appeal Tribunal. Tribunals are composed of a legally-qualified chairman, a member of the ATT or CIOT and a lay member. In addition, two members were appointed as Disciplinary Assessors to consider requests for appeals.

The members of the Committee, their category of membership, the dates of their original appointment, and the number of Tribunals they attended are as follows:

<u>Name</u>	<u>Category</u>	<u>Date of first appointment</u>	<u>Tribunals attended 2010</u>
Ken Ball	Lay	1 August 2003	2
Richard Barlow	Lawyer	1 September 2008	1
Nigel Bremner	Lawyer	1 January 2011	0
Sarah Brown	Lay	1 September 2010	0
John Burrow	Lawyer	1 September 2008	0
Valerie Charbit	Lawyer	1 April 2009	1
Brian Cleave	Lawyer	1 January 2006	1
Julie Dingwall	ATT	1 October 2007	1
David Frost	CIOT	1 July 2009	1
Marjorie Kostick	CIOT	1 July 2009	2
Roger Lucking	Lay	1 September 2010	0
Peter Newman	Lay	15 March 2001	1
Angus Nicol	Lawyer	1 January 2006	1
William Silsby	CIOT	11 March 2008	1
Emily Windsor	Lawyer	1 September 2008	1
Andrew Young	Lawyer	1 September 2008	2

John Burrow resigned from the Panel in April upon accepting a judicial appointment, and Emily Windsor resigned at the end of December. The terms of Ken Ball and Peter Newman, whose appointments were extended during 2010, expired on 31 December.

Two new lay members (Sarah Brown and Roger Lucking) were appointed with effect from 1 September, and one new legally-qualified member (Nigel Bremner) from 1 January 2011.

## **GUIDANCE TO PANELS**

Over the past year the Board has continued to prepare guidance for panel members on particular aspects of the new arrangements. Guidance is intended to help panel members to do their job more effectively and to produce a measure of consistency in decision-making. Decisions must always reflect the particular circumstances of the individual case; but the process for arriving at a decision needs to be broadly consistent in order to achieve fairness for the complainant and the member alike.

During 2008 and 2009 guidance was issued, and published on the website, relating to a number of aspects of the new arrangements, including the awarding of costs and the publication of Tribunal decisions. In 2010 further guidance was prepared, as described in the paragraphs below.

### **Guidance for the Investigation Committee**

Guidance was issued during 2010 with the aim of clarifying the role which the Investigation Committee takes in the disciplinary process. There has been a considerable amount of case law in recent years setting out what a preliminary committee (such as the TDB Investigation Committee) may and may not do. In particular, the courts have set out what is meant by a prima facie case, which is the test that the Investigation Committee is required to adopt in reaching its decisions.

The revised TDB Regulations, which were issued during 2010, define a prima facie case as "a factual allegation or series of allegations which, if proved, would result in the defendant's being guilty of a disciplinary offence". The guidance makes it clear that it is not the role of the Investigation Committee to decide whether the member is guilty of what is alleged. Its function is to filter out complaints which do not disclose a prima facie case. The

Investigation Committee may reject a case which does not meet the test. But even if it finds that there is a prima facie case, it may nevertheless decide that the complaint is too minor to warrant referral to a Disciplinary Tribunal or that the evidence is not of sufficient strength to establish the facts before a Tribunal.

The Committee is required to give its reasons for all its decisions, and those reasons are given to both the complainant and the member. In cases where the Committee rejects the complaint or decides not to refer it to a Disciplinary Tribunal, the complainant has a right of appeal to an Investigatory Assessor, who may reject the appeal or order the reconsideration of the complaint by a fresh Investigation Committee.

### **Indicative Sanctions Guidance**

The other major piece of guidance issued during 2010 was the Board's Indicative Sanctions Guidance (ISG) for members of the Disciplinary Panel. Most disciplinary bodies have issued such guidance. The TDB Regulations require Tribunals to take account of the ISG whenever they are considering imposing a sanction on the defendant. The Guidance is intended to produce a structured approach to decisions about the sanctions to be imposed once a finding has been made against a member.

The Guidance emphasises that sanctions should be consistent and proportionate. It is also important that a member, student or firm knows, prior to any decision being made, which sanctions are available to the Tribunal and which matters the Tribunal members may take into account when coming to a decision. The ISG makes it clear that it is not intended to undermine the principle that each case must be judged on its own facts. Members of the Tribunal must exercise their own judgement in making decisions, whilst having regard at

all times to the Taxation Disciplinary Scheme Regulations and any other relevant guidance issued by the Board.

The TDB aims to operate in the public interest. This entails protecting the public, upholding the reputation of the profession and maintaining proper standards of conduct. As the ISG emphasises, the purpose of imposing a sanction is to send out a signal as to how serious the Tribunal judges a course of conduct to be. The Tribunal needs to weigh the interests of the member against the need to protect the public. The Guidance describes the various sanctions which are contained in the

Taxation Disciplinary Scheme and provides examples of the kind of conduct which might justify the imposition of each. It also stresses the need to take account of aggravating and mitigating factors, and provides examples of those that may be valid in particular cases.

The ISG was issued in November, following extensive consultation with members of the Disciplinary Panel and the Professional Standards Committee of the participant bodies. It is intended as a living document, and will be updated and revised as the need arises.

## **FINANCIAL INFORMATION AND ACCOUNTS**

### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and estimates that are reasonable and prudent; and
- c. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

At the company's Annual General Meeting in 2010, the Board adopted a resolution to reappoint Hillier Hopkins LLP to carry out the audit for 2010. However, in view of the firm's decision to raise its audit fee to the company by a substantial amount, the Directors decided to appoint a new firm of auditors. An Extraordinary General Meeting of the Company was held on 16 February 2011, when a resolution was adopted to appoint A-Spire Business Partners Ltd in place of Hillier Hopkins LLP. The former auditors were informed of this resolution and raised no objections.

### **Statement of Disclosure of Information to Auditors**

The Directors who were in office on the date of the approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

This report is prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Small Entities effective January 2007 and this report was approved by the Board on 5 May 2011.

By order of the Board

N A Nagler - Company Secretary  
5 May 2011

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAXATION DISCIPLINARY BOARD LIMITED**

We have audited the financial statements of The Taxation Disciplinary Board Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with the Companies Act 2006, section 495. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are

free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit; or

- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Barbara Shapiro  
(Senior Statutory Auditor)

For and on behalf of A-Spire Business  
Partners Ltd,  
32 Byron Hill Road  
Harrow on the Hill  
Middlesex  
HA2 0HY

12 May 2011



**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED  
31 DECEMBER 2010**

	Note	2010 £	2009 £
<b>INCOME</b>			
Contributions to expenditure from participating bodies	2	154,323	133,450
Fines, Costs and Fixed Penalty awards recovered		14,546	8,287
Bank interest		-----	63
		<u>168,869</u>	<u>141,800</u>
<b>EXPENDITURE</b>			
Amounts payable to Directors	1.3	15,475	20,118
Amounts payable to Panel members		15,844	21,930
Salaries (including NI)		55,070	63,745
Postage, stationery, communications		1,420	1,522
Review of Scheme and Regulations		1,676	3,048
Legal costs		23,645	27,728
Training for panel members		6,045	9,038
Audit		1,895	1,688
Travel and meetings		3,533	7,041
Office and computer costs		888	784
Transcripts for tribunals		2,344	3,746
Recruitment		301	254
Insurance		1,675	1,650
Bank charges		37	29
Court applications		820	125
Miscellaneous		66	51
		<u>130,734</u>	<u>162,477</u>
-			
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>		38,135	(20,677)
Less transfer to/ from participating bodies	6	(38,135)	20,677
		<u>-----</u>	<u>-----</u>
		<u>=====</u>	<u>=====</u>

The result for the year arises from continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account.

The notes on pages 27 and 28 form part of these financial statements.

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £	2009 (As restated) £
<b>Current Assets</b>			
Debtors	4	-----	5,924
Cash at Bank	1	<u>58,995</u>	<u>35,498</u>
		58,995	41,422
<b>Creditors</b>			
Amounts falling due within one year	5	(58,995)	(41,422)
<b>Net Current Assets</b>			
		-----	-----
		=====	=====
<b>Reserves</b>			
Income and expenditure account		-----	-----
		=====	=====

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Directors and authorised for issue on 5 May 2011 and signed on its behalf by:

D Hudson  
Director

J Clark  
Director

The notes on pages 27 and 28 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 1. Accounting Policies

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with the Financial Standard for Smaller Entities (effective April 2008).

Some of the balance sheet items for 2009 have been restated in order to reflect the fact that sums due to be paid by 31 December 2009 were not actually paid until early in January 2010.

#### 1.2 Income

The Scheme is financed by the Chartered Institute of Taxation and the Association of Taxation Technicians. The Investigation Committee and Disciplinary Tribunal costs are shared between the two bodies in proportion to the numbers of cases dealt with from each body. All other costs are shared equally.

The Disciplinary Tribunal is empowered to make orders for the payment of costs and fines. In addition, the Board is empowered to make orders for the payment of Fixed Penalty charges for breaches of the participants' administrative requirements. Credit is taken on receipt.

#### 1.3 Expenditure

Expenditure includes fees and expenses of Board and Panel members for meetings and hearings held in the year.

### 2. Net contributions to expenditure from participating bodies.

Contributions by the participating bodies are calculated to cover the Scheme's total expenditure less fines and costs recovered in the year, so that there is neither a surplus nor a deficit.

	2010	2009
	£	
£		
The Chartered Institute of Taxation (CIOT)	94,571	82,000
The Association of Taxation Technicians (ATT)	<u>59,752</u>	<u>51,450</u>
	154,323	133,450
Allocation of deficit / (surplus)	(38,135)	20,677
	<u>£116,188</u>	<u>£154,127</u>

### 3. Movements on the accounts with the participating bodies.

	CIOT	ATT
	£	£
Balance as at 1 January 2010	(18,924)	5,924
Contributions	<u>(94,571)</u>	<u>(59,752)</u>
	(113,495)	(53,828)
Net Cost Allocations	<u>62,570</u>	<u>51,278</u>
Balance as at 31 December 2010	<u>£ (50,925)</u>	<u>£(2,550)</u>

### 4. Current Assets

Amounts owed by the Association in 2009 represent the shortfall on contributions paid by the Association compared with the expenses apportioned to it.

### 5. Creditors - amounts falling due within one year

	2010	2009 (As restated)
	£	£
The Association of Taxation Technicians--end-year balance	2,550	-----
The Chartered Institute of Taxation--end-year balance	43,425	11,424
The Chartered Institute of Taxation--loan for working capital	<u>7,500</u>	<u>7,500</u>
	53,475	18,924
Accrued expenditure	<u>5,520</u>	<u>22,498</u>
	<u>58,995</u>	<u>41,422</u>

Amounts owing to the Association and the Institute represent the excess of their contributions compared with the expenses apportioned to them.

### 6. Allocation of Surplus (Deficiency) for the year

This is included in the net cost allocations shown at Note 2 above

	2010	2009 (As restated)
	£	£
Surplus (Deficit) for the Year	38,135	(20,677)
Allocated to the participant bodies:		
The Chartered Institute of Taxation	(29,661)	15,101
The Association of Taxation Technicians	<u>(8,474)</u>	<u>5,576</u>
	<u>(38,135)</u>	<u>20,677</u>
Transferred to Reserves	-----	-----

### 7. Related Parties

The Chartered Institute of Taxation and the Association of Taxation Technicians are both related parties by virtue of their ability to influence the conduct of the company's affairs.

## ANNEX

### THE TAXATION DISCIPLINARY SCHEME 2008

In January 2008, a new Taxation Disciplinary Scheme came into operation, after securing the approval of the Councils of the ATT and the CIOT. This followed an in-depth review of the previous Scheme carried out by a firm of solicitors specialising in professional regulation.

The main elements of the disciplinary process are set out below.

#### **1 The review stage**

The procedures set out in the new 2008 Scheme and accompanying Regulations build upon the processes developed under the previous Scheme. The initial handling of complaints remains a function of a TDB staff member, known as the Reviewer, who processes correspondence from the complainant and ensures that the member has every opportunity to respond to the allegations made by the complainant. The Reviewer may reject complaints that appear to be trivial, vexatious, more than a year old or outside the jurisdiction of the Scheme. If the complaint appears to be minor and to raise no disciplinary issues, it may be sent for conciliation. The complainant may appeal to an independent Investigatory Assessor against any decision to reject a complaint; the Assessor will then decide whether the case should continue.

If the complaint involves a breach of the participants' administrative rules, such as failure to meet the CPD requirements, there is provision for the Reviewer to impose a Fixed Penalty. If the member objects, he may request a hearing by a Disciplinary Tribunal (although if the charges are proved, additional costs are also likely to be imposed).

This is similar to the Fixed Penalty arrangements that apply in the Magistrates Courts.

#### **2. The Investigation Committee**

As under the previous Scheme, most cases will start with an Investigation Committee consideration as to whether there is a prima facie case to answer. The Investigation Committee comprises up to five members, with a majority of lay members and at least one professional member. These members are drawn from a larger Investigation Panel appointed by the TDB: the members of the Panel are listed on Page 18.

The Investigation Committee considers all cases referred to it on the basis of a dossier of written submissions from the complainant and the member. If it decides that a prima facie case has not been made out or that the case is not serious or that there is unlikely to be evidence to substantiate it before a Disciplinary Tribunal, it may conclude that the case should go no further. The Committee must give reasons for its decision and these are sent to both the complainant and the member. The complainant has a right to appeal against such a decision to an Investigatory Assessor appointed by the TDB, who may reject the appeal or require a new Investigation Committee to reconsider the complaint.

All other prima facie cases will be referred to a Disciplinary Tribunal. The Investigation Committee no longer has the power to award minor sanctions without a hearing, but with the member's consent. Thus all significant complaints will be heard by a Disciplinary Tribunal.

### **3. The Disciplinary Tribunal**

The Disciplinary Tribunal comprises three members selected from a separate Disciplinary Panel appointed by the TDB. The majority of members of the Panel are not members of the ATT or the CIOT. (The members of the Panel are listed on Page 19.) Each Tribunal will include a legally-qualified chairman, a lay person and a member of either the ATT or the CIOT. Its function is to hear evidence submitted by the Presenter of the case (who is appointed by the TDB to prepare the charges and present the case) and from the member (or his/her representative) and to listen to any witnesses. The member is not obliged to attend, although it is advisable for him/her to do so. But the member is required to cooperate with, and respond to correspondence from, the TDB.

At a Disciplinary Tribunal the standard of proof is the civil standard, and if the allegations are found proven the Tribunal has a wide range of sanctions, which include an order to apologise, a warning as to future conduct, a censure, a fine, suspension or

expulsion from the body of which the defendant is a member. When the allegations are found proved, the Tribunal will normally award costs against a defendant and order that its finding be published in Tax Adviser and on the TDB's website. In cases of inadequate professional service there is a power to award compensation where the complainant can demonstrate a quantifiable material loss, up to a maximum of £5,000.

### **4. The Appeal Tribunal**

Following a finding by a Disciplinary Tribunal, both the member and the TDB may seek to appeal. Appeals are permitted only on specified grounds. An independent Disciplinary Assessor will be appointed by the TDB from the Disciplinary Panel to determine whether the grounds of appeal meet the criteria. If they do, the case will go to an Appeal Tribunal, which has a similar composition to a Disciplinary Tribunal. The Appeal Tribunal may uphold, reject or vary any order made by a Disciplinary Tribunal. Its decision is the final stage in the TDB's procedures.

**TAXATION  
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