

**IN THE DISCIPLINARY TRIBUNAL
OF THE TAXATION DISCIPLINARY BOARD**

TDB/2023/33

THE TAXATION DISCIPLINARY BOARD

- and -

**MR JOHN DEMETRIOS IOANNIDES
(CIOT Membership Number 131814)**

**Date of Hearing
Venue**

17 January 2025
Virtual using Microsoft Teams

Present:

**Tribunal Members :
Legally Qualified Chair
Professional Member
Lay Member**

**Tribunal Clerk
Taxation Disciplinary Board (TDB)
Mr Ioannides**

Represented by Counsel
Not present and not represented

DECISION AND REASONS

Background

1. Mr Ioannides was referred to the TDB by the Chartered Institute of Taxation (CIOT) on 9 May 2023 in relation to 3 complaints.
2. On 24 May 2024 the TDB's Investigation Committee referred the complaints to the Disciplinary Tribunal (the Tribunal). The TDB's Interim Orders Panel imposed an interim suspension order on 26 June 2024. The suspension order suspended Mr Ioannides' membership of CIOT until the complaints against him had been considered by this Tribunal. In addition to imposing an interim suspension order the Interim Orders Panel ordered Mr Ioannides to pay the TDB's costs of £2,925. The costs remain unpaid.

Financial Sanctions

3. The complaint relates to background checks conducted by CIOT which identified that Mr Ioannides was subject to Financial Sanctions.
4. Mr Ioannides is the Managing Director of Cyprus-based corporate services provider, Meritservus HC Limited.
5. On 12 April 2023 the Organized Crime and Corruption Reporting Project (OCCRP) released an article relating to Mr Ioannides. On 13 April 2023, HM Treasury released a press release relating to Mr Ioannides.
6. On the Financial Sanctions Implementation (OFSI) HM Treasury Consolidated List Search, Mr Ioannides is described as an:

“involved person under the Russia (Sanctions)(EU Exit) Regulations 2019 on the basis of the following grounds:

- (1) Ioannides is acting on behalf of or at the direction of a person who is or has been involved in obtaining a benefit from or supporting the Government of Russia, namely Roman Arkadyevich Abramovich;*
- (2) Ioannides is associated with a person who is or has been involved in obtaining a benefit from or supporting the Government of Russia, namely Roman Arkadyevich Abramovich.”*

Annual Return

7. Mr Ioannides has not submitted his Annual Return for both 2022 and 2023. Despite writing to Mr Ioannides on 18 April 2023, 28 April 2023 and 9 May 2023, he has provided no response to the CIOT’s communication.

Regulatory action by Association of Chartered Certified Accountants (ACCA)

8. Mr Ioannides was made subject to an 18-month interim suspension order by ACCA on 22 August 2023. He failed to notify CIOT.
9. On 24 May 2024, the TDB’s Investigation Committee determined that the complaints against Mr Ioannides should be referred to the Tribunal and also to the Interim Orders Panel.
10. On 26 June 2024, the Interim Orders Panel imposed an Interim Suspension Order on the Mr Ioannides’ membership of CIOT.

Mr Ioannides’ Response

11. To date, the only response from Mr Ioannides to the TDB was received on 9 October 2024.

Procedure

12. The Tribunal had regard to a bundle of 42 pages (Bundle A) and a supplementary bundle of 10 pages (Bundle B). This evidence included but was not limited to:

Correspondence between CIOT and TDB.
Correspondence between TDB and Mr Ioannides.
Correspondence between TDB and the ACCA.
13. The Tribunal conducted a virtual hearing using Microsoft Teams and heard a submission from the Case Presenter on behalf of TDB. Mr Ioannides did not join the hearing.
14. The Tribunal identified minor typographical errors in the Charges which have been corrected and were agreed with the Case Presenter.
15. TDB wrote a letter to Mr Ioannides on 2 May 2024 (pages 31 to 34 Bundle A). No response was received.
16. TDB sent an email dated 2 July 2024 to Mr Ioannides using the email address on his membership record with CIOT (page 38 Bundle A) to inform him that the Interim Orders Panel had decided to make an interim order of suspension from membership of the CIOT. Mr Ioannides did not respond.
17. TDB sent an email on 3 October 2024 to Mr Ioannides (pages 39 and 40 Bundle A) using a different email address provided by CIOT. Mr Ioannides replied on 9 October 2024 (page 39 of Bundle A) stating that he was “really shocked about the contents” of the email of 3 October 2024, that he was not able to answer at that time as did not have access to his records but would do so next week. There has been no further correspondence from Mr Ioannides.
18. Mr Ioannides was sent a copy of the Response Form attached to the email from TDB of 21 November 2024 with a request to complete and return it by 18 December 2024. He failed to do so.
19. On 8 January 2025 the TDB sent an email to Mr Ioannides attaching a further copy of the Response Form with a request to complete it and return it by 10 January 2025. Mr Ioannides was told that if he failed to return the form the Tribunal would be requested to proceed with the hearing in his absence (page 6 Bundle B). Mr Ioannides did not return the Response Form and has made no representations.
20. In deciding whether to proceed in the absence of Mr Ioannides, the Tribunal had to be satisfied that he had been served with the bundle no later than 35 days before the hearing pursuant to rule 14.1 of the Taxation Disciplinary Board Scheme Regulations as amended 2016 and January 2024 (the Regulations) so that he had been given reasonable notice of the hearing and a reasonable opportunity to prepare his case.

21. The Tribunal must act reasonably in making the decision to proceed in the absence of Mr Ioannides. In reaching its decision to do so the Tribunal considered the following matters:
 - a) It is highly unlikely that Mr Ioannides would attend in the future if the hearing was adjourned.
 - b) There may be prejudice caused to the TDB if the hearing was adjourned.
 - c) There would be an impact on the ability of the TDB to protect the public if the hearing were adjourned.
 - d) Mr Ioannides has failed to engage with the TDB save on one occasion.
22. The Tribunal was satisfied that Mr Ioannides was sent notice of the hearing and a link to the Microsoft Teams hearing today. He has been sent all relevant information and documentation as required in and attached to the email dated 21 November 2024 (pages 2 and 3 Bundle B).
23. The Tribunal was satisfied that the provisions of regulation 14 of the Regulations had been complied with. The email sent on 21 November 2024 (pages 2 and 3 of Bundle B) was sent to the active and valid email address used by Mr Ioannides when he replied to the TDB on 9 October 2024.
24. The Tribunal found that the provisions of regulations 31.2 and 31.3 of the Regulations were satisfied and that by sending documents to the email address used by Mr Ioannides it appeared reasonably likely to have come to his attention.
25. The Tribunal considered it was appropriate and proportionate to proceed in Mr Ioannides' absence having considered the provisions of regulation 17 of the Regulations.

The Charges

26. The charges set out below refer to the Professional Rules and Practice Guidelines 2018 as amended in 2021 (the PRPG) of the CIOT and the Association of Taxation Technicians (the ATT). The relevant Rules which are engaged are set out below.

Rule 2.2.2

A member must not engage in or be party (directly or indirectly) to any illegal activity.

Rule 2.6.2

A members must:

- Uphold the professional standards of the CIOT and ATT as set out in the Laws of the CIOT and ATT.
- Take due care in their professional conduct and professional dealings.

Rule 2.6.3

A member must not:

- Perform their professional work, or conduct their practice or business relationships, or perform the duties or their employment improperly, inefficiently, negligently or incompletely to such an extent or on such number of occasions as to be likely to bring discredit to themselves, the CIOT or ATT or to the tax profession;
- Breach the Laws of the CIOT;
- Conduct themselves in an unbecoming, unlawful or illegal manner, including in a personal, private capacity, which tends to bring discredit upon a member and/or may harm the standing of the profession and/or the CIOT or ATT. For avoidance of doubt, conduct in this context includes (but is not limited to) conduct as part of a member's personal or private life.

Rule 2.8.1

A member must complete and submit their Annual Return to the CIOT/ATT within the advised time limits.

Rule 2.12.1

A member must provide such information as is reasonably requested by the CIOT and ATT without unreasonable delay. A member must reply to correspondence from the CIOT and ATT which requires a response and again must do so without an unreasonable delay.

Rule 2.14.2

A member must notify the CIOT or ATT in writing addressed to the Head of Professional Standards CIOT or ATT within 2 months if they: Are notified of disciplinary and/or regulatory action upheld against them by another professional body to which a member belongs or by a regulator.

Charge 1

27. From 12 April 2023, Mr Ioannides, in his capacity as Managing Director of Cyprus based corporate services provider, Meritservus HC Limited, has been subject to Financial Sanctions. In particular, on the Office of Financial Sanctions Implementation (OFSI) HM Treasury Consolidated List Search, Mr Ioannides is described as an

"involved person under the Russian (Sanctions) (EU Exit) Regulations 2019 on the basis of the following grounds:

(1) Ioannides is acting on behalf of at the direction of a person who is or has been involved in obtaining a benefit from or supporting the Government of Russia, namely Roman Arkadyevich Abramovich;

(2) Ioannides is associated with a person who is or has been involved in obtaining benefit from or supporting the Government of Russia, namely Roman Arkadyevich Abramovich."

Consequent upon the above facts Mr Ioannides is in breach of the following Rules:

Rule 2.2.2, in that he has been party (directly or indirectly) to illegal activity.

Rule 2.6.2 in that he has failed to uphold the professional standards of the CIOT and ATT as set out in the Laws of the CIOT and ATT and/or has failed to take due care in their professional conduct and professional dealings.

Rule 2.6.3 in that he has conducted himself in an unbecoming, unlawful or illegal manner, including in a personal, private capacity, which tends to bring discredit upon a member and/or may harm the standing of the profession and the CIOT or ATT (as the case may be).

Charge 2

28. Mr Ioannides has not submitted his Annual Return for either 2022 or 2023.

Mr Ioannides did not respond to correspondence from the CIOT in respect of the submission of his annual returns on:

- i. 28 April 2023
- ii. 9 May 2023

Consequent upon the facts above Mr Ioannides is in breach of:

Rule 2.8.2 in that he has failed to complete and submit his Annual Return to the CIOT/ATT within the advised time limits.

Consequent upon the facts above Mr Ioannides is in breach of:

Rule 2.12.1, in that he has failed to provide such information as is reasonably requested by the CIOT and ATT without unreasonable delay. A member must reply to correspondence from the CIOT and ATT which requires a response and again must do so without an unreasonable delay.

Charge 3

29. Mr Ioannides having been made subject to an Interim Order of Suspension by the ACCA on 22 August 2023, has failed to notify the CIOT of the same.

Consequent upon the above facts Mr Ioannides is in breach of:

Rule 2.14.2 in that he has failed to notify the CIOT or ATT in writing addressed to the Head of Professional Standards CIOT or ATT as appropriate within 2 months if they: Are notified of disciplinary and/or regulatory action upheld against the by another professional body to which a member belongs or by a regulator.

Decision on the Charges

30. In reaching its decision on the facts the Tribunal has borne in mind that the burden of proving the facts rests on the TDB and it is for the TDB to prove the charges.
31. The Tribunal found all the Charges proved on the basis of the evidence before it. Mr Ioannides has made no representations for consideration. The Tribunal attached weight to the evidence before it which appears at pages 3 to 4 of Bundle A. The Tribunal found that the evidence provided by the TDB was more likely than not to be correct and the Tribunal was satisfied that the charges were proved to the civil standard, on the balance of probabilities.

Sanction

32. In determining what, if any, sanction to impose the Tribunal had regard to the Indicative Sanctions Guidance (the "ISG").
33. The Tribunal has borne in mind in approaching the task that it should start by considering the least severe sanction and only consider more serious sanctions if satisfied that the lesser sanction is not appropriate in this case.
34. The Tribunal noted that the purpose of imposing a sanction upon a member, *'is not simply to discipline the individual or firm for any wrongdoing of which he or it may be culpable, but to protect the public and maintain the reputation of the profession by sending a signal as to how serious the Tribunal judges the conduct to be'*.
35. Any sanction imposed must be appropriate and proportionate, taking into account the member's own interests and should be the least onerous measure that adequately meets the facts of the charges found proved.
36. The Tribunal considered there were no mitigating factors because Mr Ioannides has failed to engage with the process and has made no representations.
37. The Tribunal decided that the appropriate sanction was expulsion from membership.

38. In reaching its decision the Tribunal has borne in mind that Mr Ioannides has fallen short of the required standards taking into account the principles of integrity, professional competence and due care, and professional behaviour. The Tribunal has borne in mind that in deciding the appropriate sanction the Tribunal must weigh the interests of Mr Ioannides against the need for public protection and have regard to the public interest. This includes protecting the public, upholding proper standards of conduct in the profession and maintaining the reputation of the profession.
39. The Tribunal has borne in mind the relevant guidance in the ISG which states:
- a. *The role of the Tribunal is to balance the nature and gravity of the offence and its bearing, if any, on the member's fitness to practice as a tax adviser; and to weigh up the need to protect the public and confidence in the reputation of the profession against the need to impose a further penalty and its consequential impact on the ability of the member to practice their profession.*
 - b. *Consideration needs to be given to whether the conduct crossed the line of damaging the standing of the member as a provider of tax services or harmed the profession. A member owes a duty not to act in a way that would bring the CIOT/ATT into disrepute or in a way that would harm the reputation of the CIOT/ATT.*
 - c. *Given the range of situations, it is not possible to give simple guidance on the likely sanction(s). The Tribunal should have regard to the full range of sanctions that are available, from No Further Action to Expulsion.*
40. The Tribunal has assessed the different sanctions in ascending order of seriousness. The Tribunal was of the view that taking no further action, allowing the matter to rest on the file, ordering an apology, a warning, a censure, a fine or suspension of membership was disproportionate to the seriousness of the charges.
41. The Tribunal has borne in mind that expulsion is the most severe sanction available and is appropriate where this is the only means of protecting the public and the misconduct is so serious as to undermine confidence in the profession if a lesser sanction were to be imposed.
42. The Tribunal considered the relevant factors to be considered were that there had been a serious departure from the relevant professional standards, there had been dishonesty and a persistent lack of understanding and appreciation of the seriousness of actions and consequences.

43. In the Tribunal's judgement, public confidence in the profession, its reputation and its standards would be upheld by the sanction of expulsion from membership, as a reasonable and informed member of the public would feel concerned with any lesser sanction for the same reasons that the Tribunal has outlined above. Thus, the Tribunal concluded that the wider public interest will be preserved by the expulsion of Mr Ioannides from membership. The Tribunal considered whether there was an appropriate period that should elapse before a reapplication for membership would be likely to be successful. The Tribunal concluded, on the basis of the evidence, that no such period could be identified as appropriate in all the circumstances.

Costs.

44. The TDB applied for costs in the sum of £2,470.
45. The Tribunal found that the costs schedule was sent to Mr Ioannides with an email on 13 January 2025 (pages 8 and 9 Bundle 2).
46. The Tribunal had regard to the Guidance on Awarding Costs in dealing with a Defendant against whom a charge has been proved. The presumption that an unsuccessful Defendant should pay costs is based on the principle that the majority of professional members should not subsidise the minority who, through their own failing, have brought upon themselves disciplinary proceedings.
47. The power to award costs is discretionary. The general principle requires exceptional circumstances for a Tribunal not to award costs against an unsuccessful Defendant. The Tribunal found no reason to depart from that presumption and found no exceptional circumstances.
48. The Tribunal considered the schedule and considered that the costs outlined were proportionately and reasonably incurred. Mr Ioannides has submitted no evidence about his financial situation and ability to pay.
49. The Tribunal was of the view that the costs of £2,470 were relevant to this case and would not have been incurred save for his own failings and actions.
50. The Tribunal decided that Mr Ioannides should pay £2,470 in costs to the TDB.

Publicity

51. The Tribunal noted the guidance in Annex A of the ISG on the publication of disciplinary findings and regulation 28 of the Regulations.

52. The Tribunal noted the general principle that any disciplinary finding made against a member would be published and the member named in the publication of the finding. The purpose of publishing such a decision was not to add further punishment for the member. It was to provide reassurance that the public interest was being protected and that where a complaint was made against a member of one of the professional bodies covered by the Taxation Disciplinary Scheme, there were defined, transparent procedures for examining the complaint in a professional manner and for imposing a sanction upon a member against whom a disciplinary charge had been proved.
53. The Tribunal further noted that while regulation 28 of the Regulations makes a presumption in favour of publishing the findings made by a Tribunal, there is a discretion to order that there should not be publication of the name of the member, or the details or orders made against the member. No representations have been received from Mr Ioannides regarding publicity.
54. The Tribunal ordered that, in accordance with regulation 28.1, this Decision and Reasons should be published as soon as practicable. The Decision and Reasons should remain on the TDB website for a minimum period of five years in accordance with Annex A of the ISG.

Effective Date

55. Pursuant to regulation 20.10 of the Regulations, this Decision and Reasons will be treated as effective from the date on which it is deemed served on Mr Ioannides.

Chair, Disciplinary Tribunal
17 January 2025