

# Notes.



**Meeting:** ACCA UK Practice Sector Panel

**Location:** Virtual (Teams)

**Date:** 11 June 2026, 11.00-12.30 GMT

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## PRESENT

Eriona Bajrakurtaj (Chair), Gavin Spencer (Vice Chair), Lee Brocklehurst, Lucy Burton, Steve Collings, Adrian Harris, Peter Jarman, David Nicholls, Brendan O'Donnell, Graham Parker, Carl Reader, Hannah Simpson, Lilian Skinner, James Slatter, Michelle Westbury, Alan Woods and Sach Yadav.

## APOLOGIES

Mandy Bagot, Bethan Evans, Situl Raithatha, Nigel Adams (Council representative), Martin Brennan (Council representative) and James Lizars (Council representative).

## 1. REGULAR BUSINESS

### ACCA Strategic Engagement

Susan Love (Strategic Engagement Lead, ACCA UK) discussed the role of the team in working on policy issues and acting as the liaison between ACCA and the Government, regulators and the media. ACCA recently published its annual Global Talent Trends Report – the largest survey of the accountancy workforce in the world. The UK version of the report is available [here](#).

Following the Welsh and Scottish elections the team has been reaching out to the relevant new ministers in Scotland and Wales. As party conference season approaches, the team is thinking about ACCA submission for the autumn budget.

The team regularly responds to Government consultations, most recently on:

- Interactions in the China market
- Integrating business systems
- The FRC consultation on auditing less complex
- A general review on regulation from the UK Government
- A review from a Select Committee about the UK's trade with China

Survey participation is crucial to the work of the team and Panel members are encouraged to share their views. Consultation responses can be seen on [ACCA's website](#).

## **ACCA Early Careers**

George Tsounias (Early Careers Manager, ACCA UK) joined the meeting to talk about the work that ACCA does in the early careers arena to inspire the next generation of talent to not only choose a career in the profession but also have accounting and ACCA in the back of the mind when it comes to making those decisions. In particular ACCA has a partnership with Unifrog which is the leading careers portal for schools across the UK. This sits alongside in-person engagements supported by ACCA members, and our annual Twilight webinar series that sits outside of the school day and targets not just young people but their sphere of influence – parents, carers, guardians, educators, etc. Our inclusive pathways highlight that there is no wrong route into the profession.

## **2. TAX, REGULATION & COMPLIANCE**

Overall the panel felt that the weight of regulation that the Government imposes on practitioners and SMEs has become crushing. Every year additional reporting is demanded which requires more accountancy work but for which clients do not want to pay. The Government expects accountants to do more and more and act as a messaging board to deliver bad news to clients about their incomes all whilst inflation is rising but personal allowances and the basic rate level remain the same. Some practices are exhausted with everything - HMRC, regulation, AML and everything else they have to ask clients for - and the point is coming where they have to ask whether it is worth it to stay in the profession.

The Government should consider the challenges we will face as a nation if the government and small business is seen as being in conflict. There is already narrative out there about business owners looking to move to Dubai (albeit lessened recently with the conflict) and there has been talk about the tax flight so the Government should try to get small businesses on board. With the huge shifts that will come with the advent of AI automation, the Government and businesses need to work together rather than widen the chasm with increasing regulation and compliance.

There is an education piece that the Government could put in place to educate new directors on how to run their company compliantly rather than spending its resources attacking every director good or bad. Currently anybody can set up a company and pay £100 and run a company without any knowledge.

### **HMRC consultation on [Reporting Company Payments to Participators](#)**

This consultation proposes a major extension of reporting obligations about transactions with participators including transactions that currently would be excluded because they're low value or because there would be no tax liability. It is unclear how it would affect directors' loan accounts and dividends and would be burdensome. The objective is to reduce the small business tax gap but the people who are currently not reporting accurately are likely to continue to not report accurately, whilst making the life of the majority who are compliant even more difficult. Much of this information would already be captured in other reporting regimes. It is not clear that the objective would be met or would outweigh the burden of the reporting for small businesses.

## **MTD**

The absence of penalties in the first year is making it difficult for practitioners to push clients to register where needed. Panel members have heard stories of some practitioners telling those clients that have registered to just submit nil returns which will be corrected at the end of the year and the practitioners will only charge a nominal fee for submission. They feel able to do this in the first year because of the absence of penalties. ACCA has since highlighted this concern to HMRC which has agreed to reissue their guidance that nil returns are not an option.

Details of the penalty regime should be highlighted to the membership – there are no penalties in the first year for tier one but then everybody will be subject to penalties in the second year including those in tier two who will have just come into scope. The second tier with the £30,000 threshold is where many clients are expected to come into scope so it is hoped that HMRC will change its current position and allow a similar soft landing to that tier as well. The penalties will be a points system similar to the one for VAT penalties.

Clients are starting to consider the legal structure of their businesses to reduce or avoid regulatory requirements relating to MTD. For example, incorporating straight away rather than forming as a sole trader initially, or closing a small business to avoid having to be under the MTD regime for three years proving that they are under the threshold before being able to de-register. Reporting is the right thing to do but it can cost a micro business too much to comply so we may see businesses working the system or worse. There is a route for clients to apply to HMRC to be excluded from MTD rather than having to stay in it for three years if they can show that they are no longer self-employed or have that income in question, but it is not clear yet whether that route is working well – [Apply for an exemption from Making Tax Digital for Income Tax - GOV.UK](#).

## **Investing in intangible assets**

The panel was asked what would incentivise accountancy, tax and advisory firms to invest in intangible assets – for example, investing in software/AI, databases, branding, design or R&D. The panel suggested:

- A simplification and clarification of the process for claiming investment in IP and R&D would help – the claims process is currently a barrier with too many grey areas and requiring a lot of work on the part of practitioners so the incentives would need to be significant to make it worthwhile
- Many businesses are exploring AI so some understanding of how much of that would fall under intangible assets would help
- Tax relief around intangibles should be similar to capital allowances and should apply to all of the costs because they are ultimately business costs and are high risk in most cases as they are not guaranteed to work.

## **Client concerns about financial and geopolitical instability**

The panel shared concerns expressed by clients:

- Clients in the construction industry have faced rising material costs and long lead times to secure supplies ever since the pandemic but the cost-of-living crisis is bringing it all into sharp focus. Whilst businesses have shown how resilient they can

be in the past 10 years; they can only struggle on for so long before this permacrisis becomes untenable.

- Getting goods into the US under the Trump administration has been very uncertain because tariffs can change on any given day and then either the goods are not allowed in because the tariff is unknown or alternatively the goods are allowed in, but the tariff has increased. It is very difficult to run a business getting goods into the US when you do not know what the cost is going to be.
- Cost increases resulting from the US-Iran conflict are likely to continue for another six months even if the conflict were to end tomorrow. In the restructuring profession, more clients are running redundancy processes to try to match costs to reductions in turnover. The issue will be that when productivity does eventually pick up, these businesses will not have the capacity to address it.
- The rise of the Reform party and its hardline anti-immigration platform is causing concern amongst clients that have come to the UK, built businesses and contributed to the economy but are now wondering if their future lies in the UK. There are additional concerns about residency status even for those that have been naturalised as a result of comments coming from the Reform party and their success in recent elections. Practices with expat clients are seeing increasing enquiries about exiting the UK. Such enquiries have gradually increased since Brexit but have escalated in the past year and are extending to those who are born and bred in the UK but do not look British in the eyes of the Reform party and its supporters. With the ability to work globally in this digital age, the incentive to leave is growing.

### **Companies House accounts reforms**

The UK government has announced that from April 2028 small companies and micro entities will be required to file profit and loss accounts with Companies House, but with the option of not making them publicly available on the register. This is part of the reforms set out in the Economic Crime and Corporate Transparency (ECCT) Act 2023. Whilst HMRC already has copies of the accounts, communication between HMRC and Companies House is challenging. One of the reasons Companies House is asking for P&L accounts for small companies and micro entities to be filed is so that the registrar can be certain that any audit exemption has been claimed correctly. At the moment where the P&L account is not filed, the registrar is unable to see the turnover and certain disclosures in the financial statements if they're preparing abridged accounts. In addition to the P&L accounts, an additional statement is required from the directors to confirm which audit exemption eligibility they are relying on and confirmation that are able to apply that exemption. This statement requirement has gone largely unnoticed.

### **3. SUPPORT FOR PRACTITIONERS**

The Panel noted the free [AML Insights webinar series](#) that will be presented by ACCA's AML team from September 2026 onwards.

### **4. NEXT MEETING**

Panel meeting dates for the rest of 2026 will take place as follows:

Thursday 3 September

Thursday 3 December.