

Extract from Preface

So, you've made it! It's the best job, the ideal position, the role you've always wanted - and now it's yours. This is a major achievement, so be proud of yourself. For your whole working life, you have been striving towards this goal. It is precisely what all the years of hard work have been for: the demanding training, the long hours, the gruelling exams and tough tests, all to climb up this ladder. There's a smile on your face; satisfaction, even elation. It's the smile of success in reaching your aim. You think back, remembering when you first started out and decided upon this career. Whether it was a chance encounter or a clear and natural step along your life's path, you have pursued it with tenacious vigour, and now you've made it.

Feet beneath the desk, your eyes survey the open office, and it feels fantastic. Colleagues are seated around you (behind screens) expectantly. Then it dawns upon you. Fear and trepidation set in; your breathing starts to accelerate, your face flushing hot; the walls seem to collapse in and surround you. You glance around nervously before looking down, deliberately avoiding eye contact. There are no papers on your desk and the computer screen in front of you is blank. You sense that everyone is looking at you. With a lump in your throat you realise that it's your show now, and you need to work out what to do.

Well, don't panic: what follows is your comprehensive guide to effective leadership in a corporate tax function. Whether you are head of something or head of nothing does not matter, because in any senior role you need to lead. This book is framed in the context of a tax leader in industry, with 'ten tax commandments' to take you forward. It is applicable, however, to everyone within a tax team in business, advisers to a tax team and tax authorities engaging with a tax team, because the underlying principles accord across all levels of business life. As such, this book covers common themes concerned with planning an exciting strategy, managing it effectively and reporting it accurately. Consider this your trusted bible in answer to your prayers.

It may be charged that this opening has so far been somewhat melodramatic, and likewise the claims that this guide will address all your concerns. Yet there is conspicuously limited guidance out there to support you in a tax role. For this reason, we will undertake a journey together, aiming to understand these Tax Commandments For Business. My hope is that this journey will help you to become a better tax leader, much like Moses, who in the biblical stories was granted the Ten Commandments in order to lead his people to the land of milk and honey.

This book focusses on the Head of Tax role in industry, where over the course of my career I have cut my teeth. Crucially, though, it is useful for many other tax people looking to understand what tax seeks to achieve and why. Advisers, then: please take note. This book will enable you better to direct your advice as well as to understand the various pressures that your client has to manage. Those working in tax authorities, too, should benefit from a deeper appreciation of how their counterparts in industry and commerce work - in particular, that they are not out to devise a multitude of sins. Tax professionals in industry also operate within strictly defined commercial parameters and are focussed on facilitating the right tax collection and furthering government policy. The interests of both tax collectors and taxpayers are aligned in working together for an efficient and effective tax system, keeping to the straight and narrow.

I believe that the discipline of tax is uniquely positioned to give those who are just starting out in their working life broad exposure to business as well as the potential for an exciting and rewarding career. Without doubt, it is a dish fit for gods! Your own journey is just beginning, and in its course you will invariably meet many aspects of corporate activity through an involvement with tax. My motivating wish is that this guide will help you more acutely to understand these, and so tempt a greater number of students into the worthy profession of tax.

Tax is thrilling! It embraces all walks of business from strategy to operations to transactions. It combines accounting and legal analysis, and constitutes a key responsibility in the fair contribution to governments' social agendas. Tax can move mountains. It challenges your sense of right and wrong, demonstrating business at its best and sometimes, unfortunately, at its worse. Tax teaches you about values, purpose, trade, contribution and support.

In this sense, the broad application of the principles delineated here makes this book thoroughly relevant to all leaders across all walks of life. Tax disciplines are multifaceted, involving as they do dimensions of business, finance and legal expertise. I therefore encourage leaders at all levels and disciplines to engage meaningfully with this guide, and to benefit from the principles and precepts it describes.

To the general public with usually limited fiscal training, I ask directly: if you read this book, try to appreciate the laudable aims of the tax professional. We can imagine an analogy in which a scientist is discussing nuclear fusion, regarded either as a source of exceptional energy underpinning our great collective endeavours from hospitals to space travel, or as the catalyst for apocalyptic doom. As a dinner party topic, such extreme polarity in perspective makes tax something of a taboo! I hope, though, that you will appreciate at least some of the richness and righteousness which attend tax management done well.

Multinational companies are not the devil incarnate. They constitute a significant part of the commercial world that allows business to take place in a protected environment. This fundamental structure should be seen not as an opportunity for mischief but for trade efficiency, although there have been a few exceptions. I have therefore included 'Pauses' throughout this book to consider the ethics of given events, where the pertinent tax intentions might otherwise be misunderstood. If business fails to prosper, tax revenues fall: in turn, public services decline, unemployment rises, pensions disappear, and, ultimately, society ceases to function. Without a properly operating trading framework for business, the world would soon go to hell in a hand basket!

We all in the tax arena abide by strict ethical principles. These are not political statements but exist simply to ensure that we act properly, truthfully, openly and responsibly, seeking always to enhance the good working approach to taxation. International bodies such as the Organisation for Economic Co-operation and Development work with governments, policymakers and citizens all around the world to build better lives and futures. This includes a tremendous amount of work on improving global tax laws and practices for certainty, commerciality, simplicity and compliance, including their work on countering Base Erosion and Profit Shifting. Most people working in tax are members of professional institutes and bodies whose remit is to uphold high ethical standards and inculcate a culture of fair play. Our tax journey is just and responsible. This is the fabric of our tax industry, and we all worship these principles in our daily lives. We are strongly offended by those who suggest our toils are anything to the contrary. Some may feel the devil has the best tax tunes, but they are an unwelcome minority, shunned by the crowd like hooligans at a football match.

There is a famous UK case dating back to the early 20th century, which concluded that any taxpayer was entitled to manage his or her affairs in such a way that the tax due was less than it could otherwise be. There has been much water under that bridge since, but to most of us the converse would seem palpably unfair: namely, that a taxpayer should pay the most tax possible. Tax consequences should follow from a fair and reasoned interpretation of the facts. Those facts should not be contrived; and, proceeding from those facts, taxpayers should incur what is the legally right amount of tax. Therefore, you should be able to plan your tax affairs sensibly, responsibly, knowledgeably and beneficially. Seek and you shall fairly find.

Taxation, after all, is the primary revenue source for governments, which allows them to implement their political and social agendas. It is also more subtle, however. It is a powerful tool in the shaping of our society. A low tax rate on a buoyant economic environment generates far more revenue by attracting business than does a high tax rate which stifles it. A targeted low tax incentive can entice business activities and investment which might not otherwise have been spent in that country, thereby generating fresh tax revenues. This is simply normal market selection. Importantly, choice extends to companies also, and they will rightly examine their available options - including tax - when making their business decisions. Countries that rush in to raise taxes where others fear to tread risk failing their people.

The biblical analogies already pervading this preface are not intended to offend or eulogise: this is not a religious book. I will simply enlist the help of Moses as a well-known leader in history to colour some of the tax concepts in this guide. These stories have been adapted in a fictional, figurative and essentially secular way, as a tool to develop the leadership themes. You do not need to know these fables yourself, as they will be endued with my own tax-based spin in this version. The context though seeks to be sensitive to those of all faiths or no faith.

These Tax Commandments For Business flow together in a way that starts with the pressures on you when you begin your tax role. You have to quickly determine what you are going to do and then obtain a broad level of executive support. You next need to align your resources, learn the business, assess the risks and execute effectively. You can then start to improve the way you operate and prepare for the challenges ahead. You need to know how to report statuses accurately and negotiate an optimal resolution. With all of this completed, you should be able to deliver all your goals and stand proud. In a nutshell, these are my Tax Commandments For Business, so welcome into my house of tax.