

T3 We are now naturally accustomed to our office space being highly IT-enabled, with every IT device linked in some way to the web. However you only have to go back to 1995, and you felt special if you had your own PC on your desk, and I'd be immensely surprised if it was connected to the internet. How things have changed.

At this time, just before moving into recruitment, I was working in tax in a London big six firm and, by 1996, tax preparation software had become quite well established, albeit a modified Excel spreadsheet in colour. The idea of launching a full career into tax software seemed a little wacky, and had only been taken up by a tiny fraction of 'computer guys'. Again, how things have changed.

Almost 15 years on, the current UK tax technology market is made up of a wide array of players: specialist departments within the big four tax practices, specialist independent tax software businesses, sub-divisions of finance software companies, and consultancies that advise clients on employing tax technology.

Graham Tilbury, business development manager, Tax & Accounting, Thomson Reuters, says: 'Tax technology has moved from the periphery to the mainstream over the past 15 years. In the early 1990s it was a mixture of software and hardware support, and the software was difficult to develop without some very deep software skills. Moving into the 2000 to 2010 period, tax technology has reached a maturity where the software development can be undertaken by a much broader range of professional tax advisers and accountants using flexible tools that have been created to enable the professional marketplace.'

Tax software now exists for every tax: personal tax, corporate tax, VAT and indirect

ENDLESS

Is tax technology the future for tax, or just a phase, asks Simon Godley.

tax, capital gains tax, transfer pricing, and thanks to our highly complex UK tax system, there is still room for more.

OPEN BOOK

What opportunities are there, and what do these specialists do? There is a range of options. Developers essentially translate tax legislation into spreadsheets, and change the software when there is a new Finance Act, for example. This requires a very analytical person, who can understand and interpret tax legislation, but who also has a passion for playing around with Excel.

Another area is the consultant who advises large multinationals on the use of indirect tax software, such as Vertex or Sabrix. This effectively extracts all relevant data from a company's accounting system, does some clever calculations and then drops the appropriate numbers into individual country's VAT returns. This is generically known as VAT automation.

Then there are implementations specialists who might enhance a SAP accounting system to generate the correct tax numbers, or configure a SAP system to work in conjunction with tax preparation or tax reporting software, such as ONESOURCE (formerly ABACUS) or Taxstream. This type of work is typically done at the client location, so flexibility to travel is often required. Graham notes that 'most tax technologists are now employed in software companies and information

businesses in the UK, and not so much within the large professional firms'.

SKILLSET NEEDED

Make no mistake, these are very specialist roles, but may appeal to a broader corporate tax or VAT accountant looking to sub-specialise. So what type of knowledge and skills are required for a tax person to make the transition?



Simon Godley

POSSIBILITIES



First, the tax technology market will tend to be more suitable for a qualified tax or accounting professional operating within the tax compliance or tax accounting arena, either based in practice or in-house. Someone who is close to current methodologies used for tax compliance and tax accounting, and as a minimum will be an end-user of current tax software products. Second, the individual will have a *genuine* interest in IT

and computing. For example, he will enjoy playing around with Excel, may have done the computing A level which teaches basic programming, and will generally have a high level interest in technology. Interpersonal and client handling skills will also play an important part, particularly at the implementation and client service end.

Giving an insider's viewpoint of the current market, Graham says: 'Today, the typical tax technologist is increasingly likely to be a tech-savvy individual with a professional qualification. In the past there was perhaps a greater divergence between computer scientist and accountant. Certainly over the coming few years the tax technology individual who will be most in demand will be a practitioner with a good knowledge of international financial reporting standards accounting and an unstoppable desire to write complex Excel spreadsheets.'

POSITIVE OUTLOOK

So what does the future look like for the UK tax technology market? According to Graham: 'if the 1990s were about computational technology and 2000 to 2010 about data collection and workflow, the next decade will be focused on integration and information. As we head to the second half of this decade, companies and firms will demand systems that truly integrate and communicate, that operate across geographies, that respond with agility to changing regulation and that are cost effective for their businesses. Globally aware

software providers will meet the cost effectiveness and functionality of the solutions through size and scale, while allowing localisation based upon skilled in-country practitioners bringing their professional knowledge and IT passion to create the right solutions at the right time in an ever-changing marketplace.'

It still looks like a strong growth area. The US market is more mature in terms of the level of tax technology used by the corporate market, and as technology has a habit of doing, more products and services are now flowing into the UK and European market. In addition, recent UK legislative changes have given strict guidelines as to how companies should produce and submit their tax returns (iXBRL), and that companies of a certain size need to attest to the level of accuracy of their tax compliance process (senior accounting officer). This has focused the minds of heads of tax and financial directors, forcing them to consider the options in the market for enhancing their tax compliance process, through the use of tax software products and tax process.

Tax technology is going through a very interesting and exciting phase, which could change the future of how tax is managed within the next few years. This in turn will generate more opportunities for those that are tax-IT minded to make a successful career within the field of tax technology. ■

Simon Godley is director of Talentpool, www.talentpoolselection.com.