



'RESILIENCE AND RENEWAL' BUDGET 2024 REPRESENTATION

Issued 24 January 2024

ICAEW welcomes the opportunity to submit a [representation to HM Treasury](#) ahead of the Spring Budget taking place on 6 March 2024.

Our response outlines recommendations on:

1. **Tax:** to deliver a tax strategy for modern simplified and digital tax system
2. **Productivity:** to provide long-term certainty for businesses and remove obstacles to growth
3. **Skills and Innovation:** to equip businesses and workers with the skills of the future
4. **Sustainability:** to show bold global leadership on net zero and financing the green transition
5. **Resilience:** to instil confidence in central and local public finances
6. **Trust:** to ensure trust in institutions and tackle economic crime
7. **Trade:** to devise trade policies that promote services and create export opportunities for SMEs

For questions on this submission please contact us at representations@icaew.com quoting REP 12/24.

ICAEW is a world-leading professional body established under a Royal Charter to serve the public interest. In pursuit of its vision of a world of strong economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 166,000 chartered accountant members in over 146 countries. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

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KEY POINTS

ICAEW has outlined policy recommendations to promote economic renewal and economic resilience.

1. **Tax: Deliver a tax strategy for modern simplified and digital tax system**

- Review tax cliff edges and remove disincentives to improving growth and productivity.
- Design all tax policy changes with the aims of simplifying the tax system and reducing the admin burdens on both taxpayers and HMRC.
- Invest in digital tax services to address gaps and improve data access reducing demand for phone and post services.
- Review HMRC's capabilities to address the current and future demands and improve service standards.
- Review the VAT recovery rules for businesses where they do not own the goods but have an economic interest in them (e.g. when handling goods as third parties or leasing).
- Incentivise HMRC to improve its performance and provide equitable redress to taxpayers that have incurred extra costs due to delays.

2. **Productivity: Provide long-term certainty for businesses and remove obstacles to growth**

- Establish a National Supply Side Commission to address structural supply deficiencies.
- Investigate R&D barriers for SMEs.
- Create a Taskforce on Business Banking and commit to introduce Business Start-up Passports in the next Parliament.
- Reintroduce Growth Vouchers and increase the threshold for British Business Bank Start-Up Loans.
- Signpost and communicate advice and guidance to investors and trustees on recent pensions and listing policy changes.

3. **Skills and Innovation: Equip businesses and workers with the skills of the future**

- Publish a skills strategy including a plan to promote digital skills competencies and skills to support the green transition, particularly for SMEs.
- Set up a national standard for financial and tech literacy in schools.
- Extend the success of apprenticeships by providing more flexibility to businesses, reviewing funding bands and reducing bureaucracy.
- Evolve the Shortage Occupation List to enable more strategic targeting of specific skill groups and qualifications.
- Reaffirm and extend commitment to childcare measures announced at Budget 2023.

4. **Sustainability: Show bold global leadership on net zero and financing the green transition**

- Deliver a net zero investment strategy in a wider whole-economy Transition Plan for the UK, which adopts a firm plan to decarbonise the public sector and public finances. Support transition funding for businesses.
- Prioritise close consultation with industry to provide clarity on the details of the CBAM levy and ensure the administrative burden is minimised.

- Use UK Infrastructure Bank funding to create a new private-public partnership to share risk and reward of green infrastructure projects and improve access to blended finance structures.
- Review ESG definitions and deliver the promised UK Green Taxonomy to deter greenwashing.
- Complete the Edinburgh reforms.

5. Resilience: Instil confidence in central and local public finances

- Develop and communicate a long-term fiscal strategy for the public finances.
- Establish a dedicated Budget Committee.
- Adopt ICAEW's vision for local audit to tackle the backlog of delayed audit opinions.
- Put greater investment and skills training into local authority finance teams and increase enforcement powers for the local audit system leader.
- Commit to replace competitive bidding with stable long-term funding and provide a clear basis for recapitalising struggling local authorities.

6. Trust: Ensure trust in institutions and tackle economic crime

- Equip and delegate authority to trusted intermediaries such as the Small Business Commissioner to champion the collective interest of the UK's SMEs.
- Give Companies House the resources it needs to fulfil its new regulatory role, secure the register against criminals and demonstrably improve the quality of filings.
- Conclude the AML review and introduce the OPBAS+ model.

7. Trade: Devise trade policies that promote services and create export opportunities for SMEs

- Signal government's high-level trade vision for professional services and other services sectors including promotion of MRPQ.
- Expedite projects to improve the administration of importing and exporting including the Single Trade Window.
- Increase the visibility of UK Export Academy and E-Commerce Trade Commission resources, through improved signposting and by attending business promotion events.

DETAILED COMMENTS

Context

8. The Spring Budget 2024 is taking place at a difficult time for the UK economy and the public finances.
- Economic growth continues to flatline and productivity remains anaemic.
 - High levels of public debt combined with high interest rates reduces the amounts available to invest in public services, many of which are considered by the public to be underperforming.
 - Inflation has wiped out the boost to infrastructure investment implemented by the government during the current parliament and has squeezed public service budgets.
 - The OBR reports that the public finances are on an unsustainable path in the longer term.

9. The latest results from ICAEW's Business Confidence Monitor (BCM) – one of the largest and most comprehensive quarterly surveys of UK business activity – suggest that the economy struggled for momentum at the end of 2023 as weakening customer demand, onerous tax burden and high interest rates drove a notable deterioration across key indicators of business activity. Sentiment tracked in BCM put confidence at 4.2 on the index for Q4 2023, an improvement on the previous quarter (2.9), but below the pre-pandemic average of 7.2 from 2010-19.
10. Domestic and export sales growth are at their weakest since Q3 2021. Export growth has fallen away somewhat more markedly and is now below the historical average (3.0%). Customer demand is one of the two most significant growing challenges businesses face, with 35% citing it as an increasing concern.
11. Employment growth has more than halved since hitting a record high of 3.5% in Q3 2021, falling to 1.5% in Q4 2023, reflecting overall weakness in demand and economic uncertainty. Capital investment spending has fallen markedly and, at 1.6% in the year to Q4 2023, is the lowest since Q2 2021 and it is below historical standards (2.0%).

Resilience and Renewal

12. As this parliament draws to a close, we stand on the edge of a new chapter in global economic history. The transition to a sustainable net zero future, and the rapid rise of artificial intelligence (AI), has the potential to provide significant innovation and opportunity, but also risks if not managed properly. The UK is well placed to embrace these forces that will renew the economy. However, government needs to prioritise the tackling of longstanding structural weaknesses in our economy that threaten to derail our potential.
13. The UK needs to set out a vision for UK industry that identifies and champions technologies for the renewed and resilient economy of the future and the locations where they can draw on strong, scalable ecosystems to turbocharge growth. The aim of the vision should not be to intervene, but to enable.
14. ICAEW members operating across every region and every sector of the UK economy are clear – they want an economy underpinned by certainty, clarity, stability, as well as the right long-term incentives to influence investment, employment and growth. This includes clarity on the approach to regulation of AI and consistency between the UK regulatory approach and that of other jurisdictions. We welcomed the permanent expensing of capital allowances in the 2023 Autumn Statement – long-term strategic decision-making like this needs to continue. Importantly, there is a desire to see the government follow through on its existing policy commitments, finish projects that have been started, and invest sufficient resources in infrastructure, public services and the private sector to deliver this.
15. ICAEW's forthcoming manifesto will set out our vision for the UK economy and key recommendations for the next parliament. Concentrating on resilience and renewal should be the foremost economic priority. Drawing on the insights of our members working across the country, we believe decisive action is needed across seven core competences to build a future UK that is:
 - **Productive:** make the UK the best place to start and grow a business
 - **Highly skilled:** enable workers to gain the strategic skills of the future
 - **Sustainable:** lead on the transition technologies that will power growth
 - **Innovative:** invest in the technologies where the UK can lead the world
 - **Resilient:** ensure public administration is effective to unleash potential
 - **Trustworthy:** secure trust in companies to encourage investment in the UK

- **Leading on trade:** give the UK's vital services sector the prominence it deserves in trade.
16. Although policymakers hold the responsibility for tackling these issues, it is clear that UK business and chartered accountants have a leading role to play in feeding into those solutions and then in implementing them. By extension, they have a key role to play in addressing these critical economic problems that are holding back growth and prosperity in the UK.
 17. ICAEW is committed to working with government in a collaborative way to harness the expertise, experience, innovation and entrepreneurship of our members. Our Resilience and Renewal campaign [Building an Economy Fit for the Future](#) was recently launched and highlights a number of key challenges for government, but also solutions.

Tax: Deliver a tax strategy for modern simplified and digital tax system

18. The UK needs an overarching tax strategy, establishing the route to simplify taxes and digitalise tax collection, transform the tax system and make it fit for the future. Digitalisation works best when the underlying tax rules are simple. Trying to digitalise a complex and mature tax system such as the UK's is inevitably challenging. To become one of the most digitally advanced tax authorities in the world, HMRC needs to accept that existing tax policies must change and make bold decisions.
19. The UK's personal and business tax rates, thresholds and allowances create cliff edges which act as a structural block to growth, inhibiting job creation and economic activity which would otherwise generate tax receipts. At this stage in the Parliamentary cycle, the focus should be on making a start on simplification and begin addressing those areas of the tax system which act as a block on productivity and growth. Meaningful tax simplification requires a clear plan, focused resource, accountability and investment. The UK has one of the longest tax codes in the world and a complex tax system places extra admin burdens both on taxpayers and on HMRC. The removal of the pensions lifetime allowance was welcome, but its implementation has been marred by the need for nearly 100 pages of legislation, causing a considerable increase in complexity.
20. Tax policy formulation should include as an aim the requirement to reduce the admin burdens on taxpayers and, critically, on HMRC. Due to the freezing of tax allowances etc, more taxpayers are being forced to interact with the tax system and HMRC. At a time when HMRC's budgets are being cut further, HMRC has forecast a 10% increase in demand from taxpayers. Given what our members see every day about poor service standards, this looks an unsustainable position and urgent attention is needed to address it. Experience suggests that a combination of more financial investment (including increasing staffing budgets to recruit and train technically competent taxpayer-facing staff) and better management is likely to be needed to put HMRC back on a sustainable footing. The government can help this process by not continuing to place extra burdens on an already overstretched HMRC.
21. ICAEW members would welcome a change to the rules regarding recovery of import VAT for businesses where they do not own the goods but have an economic interest in them. UK businesses that import goods to process them on behalf of third parties incur VAT at 20% on the value of the goods, often wiping out the profit margin. The same things happens on leased goods, so UK businesses importing machinery, for example, incur an irrecoverable VAT cost of 20% of the value of the machinery, which essentially also makes leasing machinery from the EU unviable. Where businesses cannot afford to purchase that machinery outright, this is likely to have an impact on UK productivity.

22. In addition, any tax policy changes should be designed to adopt a 'digital first' position while retaining options for digitally-excluded taxpayers. Increased investment in HMRC is almost certain to be needed to develop better digital services which will drive take-up. Agents often have to resort to using the phone or writing to HMRC only because they are unable to resolve their clients' issues digitally. We think that there may be scope to refocus HMRC resources onto the development of digital services that will reduce phone and post demand in the short to medium term. This is particularly the case for digital services for agents. ICAEW has previously shared with HMRC a list of improvements to digital services that would reduce demand on phone and post services, including:
- having a single sign-on portal for agents;
 - greater access to client data for agents so they can fully understand a client's tax issues;
 - a secure email facility to send documents to HMRC that is safe and allows allow documents to be sent in both directions by HMRC and agents; and
 - improvement in the interaction of existing HMRC digital systems.
23. ICAEW receives evidence from members almost daily of unacceptable HMRC service performance. The evidence covers both long waits for helpline calls to be answered, helplines being closed at critical periods and letters and other correspondence left unanswered, with some correspondence delays of well over a year. HMRC's poor performance is a barrier to growth and productivity. HMRC's published statistics for the year 2022/23 and for the eight months to November 2023 show a mixed picture overall, but it is noticeable that the key targets are not being met. In particular, telephone standards have continued to decline.
24. HMRC needs to be incentivised to be more efficient and effective. The government should hold HMRC to account for poor service standards and missing deadlines. There should be appropriate redress for taxpayers who suffer because of poor HMRC service standards. This could include, for example, a more straightforward process to reclaim extra costs incurred due to HMRC delays and incorrect processing. The current performance measures should be reviewed to ensure that they drive the right behaviours. For example, what incentive is there for HMRC to deal with older correspondence once the 40-working day target has not been met?

- Review tax cliff edges **and remove disincentives to improving growth and productivity.**
- Design tax policy **changes with the aims of** simplifying the tax system **and** reducing the admin burdens **on both taxpayers and HMRC.**
- Invest in digital tax services **to address gaps and improve data access reducing demand for phone and post services**
- Review HMRC's capabilities **to address the current and future demands and** improve service standards
- Review the VAT recovery rules **for businesses where they do not own the goods but have an economic interest in them (eg, when handling goods as third parties or leasing)**
- **Incentivise HMRC to improve its performance** and provide equitable **redress to taxpayers** that have incurred extra costs due to delays.

Productivity: Provide long-term certainty for businesses and remove obstacles to growth

25. The UK urgently needs a new plan to address weak productivity and tepid economic growth. The government needs to set out a vision for UK industry that identifies and champions technologies for the renewed and resilient economy of the future. The aim of the vision should be not to intervene, but to enable. As part of this vision the government should set out strategies for planning reform, housing, infrastructure, energy, security and transport.
26. The government should establish an independent agency to assess the supply-side problems holding back UK potential output, make policy proposals and track government progress on these issues. Where capital is released, government should ensure the right incentives are in place to direct this towards the productive green and technology investments the UK targets to nurture.
27. R&D investment in the UK is critical to developing the technologies of the future. It increases economic growth, creates new goods and services and supports the creation of higher-wage jobs. Investment in net zero is one of the biggest growth opportunities for the UK and can play a key role in levelling up the UK regions. It also has the potential to tackle important challenges in environmental, health and wellbeing outcomes, and to improve living standards across the UK. The government should ensure that incentives are aligned between HMRC and DBT so that there are clear guidelines and visibility on what qualifies as R&D. This certainty and clarity will be particularly useful for SMEs.
28. While we understand that the government is committed to introducing the newly merged R&D tax relief scheme for accounting periods beginning on or after 1 April 2024, we are concerned that the new scheme does not provide the same level of support to early-stage SMEs that is currently available. In particular, we are concerned that the ability for pre-trading expenditure to be treated as a deemed trading loss which can be surrendered for a payable credit will only be available to SMEs that meet the R&D-intensive definition. Similar support is not available to other SMEs through the merged scheme. We urge the government to review the scheme to ensure that it provides the incentives required to encourage R&D activities by companies that most need it.
29. Concerns about banking arrangements continue to be raised by our business and charity members, with frequent reports of delays in opening accounts. Similar issues are reported with delays in acquiring VAT registration numbers from HMRC, although wait times appear to be improving. Late payments are a common concern among ICAEW members. Chasing debt and delaying payment to suppliers to protect cash has created an environment where, to quote one member, "everyone is paying everyone late". Some improvements in payment terms for SMEs are being noticed, but recent changes to public procurement rules do not go far enough and problems with late payments remain. Improved data and enforcement powers will be crucial to enable the Small Business Commissioner to identify problem areas and make targeted interventions where most needed.
30. Access to capital is another ongoing challenge. Very often, the blockage to accessing finance is not the quality of the business, but the quality of the application for finance. The government should explore a new version of the Growth Voucher Scheme that closed to new applications in March 2015. The scheme helped over 28,000 small businesses access strategic advice on areas including financing that could help them grow. The government should also enable larger Start-Up Loans via the British Business Bank. The threshold of £25,000 has not changed since the start of the scheme in 2012 and is due an inflationary increase, as a minimum.
31. The Mansion House compact aims to boost access to capital for unquoted companies, through a commitment by Defined Contribution (DC) pension providers to aim to allocate at least 5% of their default funds to unlisted equities by 2030. The government should coordinate communication to trustees and members of DC pension schemes. The government should also lead a campaign to inform investors and potential investors about

reforms to the UK's capital markets, including replacing established investor protections in the listing regime with disclosures.

- **Establish a National Supply Side Commission to address structural supply deficiencies.**
- **Investigate R&D barriers for SMEs created by cashflow/access to finance, lack of expertise, poorly optimised schemes and difficulties dealing with HMRC.**
- **Create a Taskforce on Business Banking and commit to introduce Business Start-up Passports in the next Parliament.**
- **Reintroduce Growth Vouchers and increase the threshold for British Business Bank Start-Up Loans to support access to finance.**
- **Signpost and communicate advice and guidance to investors and trustees on recent pensions and listing policy changes.**

Skills and Innovation: Equip businesses and workers with the skills of the future

32. Businesses need support to secure the talent they need to drive growth and the government should provide the vision to shape the skills agenda. ICAEW members highlight the importance of programmes to build a flexible workforce that can adapt to an ever-changing environment. Schools and businesses have a role to play in working together to shape the curriculum so that young people are more aware of possible career pathways and opportunities.
33. Upskilling is often a cost-effective solution to retention. Individuals should have access to tools to give them a clear understanding of the career opportunities that will be available to them if they learn new skills, targeting their adult learning so it is most productive for both them and current and future employers.
34. There is a particular need to upskill the workforce to use AI tools in an ethical, safe and considered way. The UK is leading the way on cutting-edge technology in universities by promoting innovation through the AI skills package. However, we need a broader comprehensive new AI digital skills and technology plan, supporting all sectors and particularly SMEs which are underserved at present. Business support should include grants to buy software licences and hardware, access foundational skills and technical advice. The government should also implement the Independent Review of Net Zero proposed 'Help to Grow Green' campaign, offering information, resources and vouchers for SMEs to upskill, plan and invest in the transition.
35. ICAEW members tell us issues relating to retention and recruitment are a persistent pressure, serving as a drag on growth and a contributor to salary and wage inflation. Several practice firms are exploring international recruitment as an option to combat the candidate shortage they are experiencing in the UK. The current rules on economic migrants focus on job roles – the Shortage Occupation List could be modernised to become more strategic and focused on skills and attracting the best people available who could be trained.
36. The apprenticeship funding bands need reviewing due to current inflationary pressures. For example, at present, the maximum funding available for the Level 7 Accountancy or Taxation Professional is £21,000 and should be uprated. As the costs of delivering the apprenticeships increase, training providers will look to employers to fund this in the absence of an increase from the levy scheme. This could, in the long term, reduce the number of employers who join the apprenticeship scheme, which could reduce the amount of talent

attracted into productive jobs. The government should revamp apprenticeships to allow firms to use a proportion of their funding from the levy on high quality non-apprenticeship training, such as accredited courses that help upskill employees to adapt to technological change, the transition to net zero and other big changes in the economy and the workplace.

37. To help people get back into work, the government should focus on access to excellent childcare services. ICAEW recommends that the government treats the access and availability of affordable childcare as an economic priority, reaffirming and extending the positive announcements in the 2023 Spring Budget.

- Publish an overall skills strategy **including a plan to** promote digital skills competencies **and** skills to support the green transition, **particularly for SMEs.**
- **Set up a** national standard for financial and tech literacy **in schools.**
- Extend the success of apprenticeships **by providing more flexibility to businesses, reviewing funding bands and reducing bureaucracy.**
- **Evolve the Shortage Occupation List to enable more** strategic targeting of specific skill groups and qualifications.
- Reaffirm and extend commitment to **childcare measures** announced at Budget 2023.

Sustainability: Show bold global leadership on net zero and financing the green transition

38. The UK has made notable advances on some fronts, but the pace and scale of action falls far short of what is required with the UK still only on course to meet only 17% of its UN SDG targets. Mixed policy signals are stifling investment in low-carbon solutions, threatening UK competitiveness and putting the UK's net zero target at risk. We urge the UK government to show bold leadership to ensure the UK economy remains competitive. The role of the public sector in delivering net zero is critical. Not only must it set an example by eliminating its own emissions, it also has a key role in enabling private sector investment and using its regulatory and planning powers to facilitate change.
39. The planned carbon border adjustment mechanism (CBAM) is a positive and essential step in decarbonising the UK economy. However, it will bring significant administrative challenges for affected businesses, which will have to measure and verify embedded emissions on relevant imports. The next few years will require substantial preparation by businesses and support from government.
40. London has an opportunity to be the world's first net zero and nature positive aligned financial centre. To support this, a new approach to private-public partnerships is essential to explore ways to share the risk and reward of green infrastructure projects to sustainable finance. Blended finance arrangements could include debt arrangements where government is an equity investor or provides debt finance that is subordinated to tranches offered to the private sector. Green gilts and green savings bonds could also be expanded, providing the private sector with a way to support net zero without taking on undue risk. When the public finances allow, Infrastructure Bank funding should also be scaled up.
41. The government should consider ways in which the private sector is not only the recipient of funds for investment but is also given the opportunity to take part in their financing, providing incentives for greater capital flows into the UK to support green finance and investment. Regulators should also be sufficiently resourced to support the authorisations process, as delays to assessment and approval act as an inhibitor to market entry and scale up.
42. The green finance strategy should be underpinned by a clear science-based definition of what is green, and what is not. Maintaining and adapting the UK's 'green taxonomy' should

be central to the strategy, with a suitable regulatory framework to support that by providing verification and trust processes. Sustainability assurance and reporting will be crucial to this.

43. Progress on the wide-ranging Edinburgh reforms to the UK's financial services regulatory framework must not be stalled or wound back. Such action would be detrimental to confidence in, and attractiveness of, financial services in the UK.

- **Deliver a net zero investment strategy in a wider whole-economy Transition Plan for the UK, which adopts a firm plan to decarbonise the public sector and public finances. Support transition funding for businesses.**
- **Prioritise close consultation with industry to provide clarity on the details of the CBAM levy and ensure the administrative burden is minimised.**
- **Use UK Infrastructure Bank funding to create a new private-public partnership to share risk and reward of green infrastructure projects and improve access to blended finance structures.**
- Review ESG definitions **and deliver the promised UK Green Taxonomy to deter greenwashing.**
- **Complete the Edinburgh reforms**

Resilience: Instil confidence in central and local public finances

44. Investing in strong central and local government finance is essential to achieve value for money in public spending, especially at a time when there is a need to keep borrowing under control. Poor quality public services are an obstacle to economic development and waste the public money spent on them. A public services strategy is needed to deliver high quality public services efficiently, with investment in technology prioritised to both improve service quality and reduce costs. It is also important that there are sufficient finance skills and experience in place among civil service departments and elected representatives so that they can provide sufficient strategic direction and scrutiny.
45. Introducing a Budget Committee as [proposed](#) by the House of Commons Procedural Committee, would provide a forum where government and parliament could have a meaningful dialogue around long-term fiscal strategy as well as short-term financial priorities such as tax design and public service effectiveness. This would complement the role of the Public Accounts Committee which is holding the government to account for what it has done and is doing.
46. There is a crisis in local audit with most local authorities in England being two or more years behind on publishing their audited financial statements. ICAEW has set out a [vision for local audit](#) that sets out our support for understandable financial reports, timely high-quality local audits, strong financial management and good governance, value for money and protecting the public interest.
47. We welcome proposals to reduce short-term funding pots and competitive bidding by local authorities with long term funding. Many local authorities are struggling financially and some may need recapitalising (to increase general reserves) if they are to be able to survive without needing to resort to s114 notices that can devastate local services and result in the deferral of critical infrastructure that is needed to support economic growth. Recent funding packages for local authorities do not go far enough to address the challenges facing local authorities with their biggest expense being on adult social care, meaning disproportionate cuts to other local public services.

- **Develop and communicate a long-term fiscal strategy for the public finances.**
- **Establish** a dedicated Budget Committee.
- **Adopt ICAEW's vision for local audit to** tackle the backlog of delayed audit opinions
- **Put greater investment and skills training into local authority finance teams and increase enforcement powers for the local audit system leader.**
- Commit to replace competitive bidding with **stable long-term funding** and provide a **clear basis for recapitalising** struggling local authorities.

Trust: Ensure trust in institutions and tackle economic crime

48. Action is needed to ensure the collective interest of smaller businesses can be appropriately represented in cases of unfair treatment by larger entities they lack the resources to challenge individually. That requires representative bodies like the Small Business Commissioner being equipped and given authority to act on behalf of SMEs to track and tackle particular issues when they arise.
49. ICAEW has welcomed the measures outlined in the Economic Crime and Corporate Transparency (ECCT) Act to reduce the attractiveness and viability of the UK being used by criminals and other nefarious actors to conduct economic crime. The significant changes to Companies House especially are long overdue and, if effectively implemented, should provide an effective mechanism to reduce the prevalence of bad actors committing economic crime in this country. It will be necessary to upskill staff and increasing resources for Companies House and ensure that the new measures are supported by clear and consistent guidance.
50. Recent proposals to create a single AML regulator could create disruption that would harm the UK financial system. ICAEW's preferred option is for the proposed 'OPBAS+' model, as this would preserve and build on the significant investment already made in OPBAS, maintain the UK's alignment with AML work in Europe, and reduce the risk of uncertainty posed by the upheaval which would be caused by the other options proposed.

- **Equip and delegate authority to trusted intermediaries such as the Small Business Commissioner to champion the collective interest of the UK's SMEs.**
- **Give Companies House the resources it needs to fulfil its new regulatory role, secure the register against criminals and demonstrably improve the quality of filings.**
- Conclude the AML review and **introduce the OPBAS+ model.**

Trade: Devise trade policies that promote services and create export opportunities for SMEs

51. There needs to be a higher profile for services exports in the UK's trade negotiations and agreements. The UK's professional qualifications are widely recognised as a gold standard for diligence, professionalism and proficiency around the world. The government should support regulators by agreeing Mutual Recognition of Professional Qualifications (MRPQ) agreements with countries across the world when negotiating free trade agreements (FTA), ultimately making it easier for professionals to work outside the UK.
52. The Single Trade Window will allow traders one point of access to the various systems they need to use for importing or exporting, rather than forcing them to log into multiple systems. However, this is currently scheduled to be rolled out in 2025 and should be brought forward.
53. Education and training can be hugely important in encouraging businesses to start trading. To boost trade, both government and business have a role to play. There are useful resources available from the UK Export Academy, but these are hard to find on the gov.uk website and should be made much easier to access.

- **Signal government's high-level trade vision for professional services and other services sectors including promotion of MRPQ.**
- Expedite projects to improve the administration of importing and exporting **including the Single Trade Window.**
- **Increase the visibility of UK Export Academy and E-Commerce Trade Commission resources**, through improved signposting and by attending business promotion events.