

SPA



NEWS

..... *Strength in Numbers*

July 2001

Issue 24

HIGHLIGHTS

*New Regulations
Challenged*

Vote on Regionalisation

Website Developments

2001 Yearbook

*Stakeholder Pension
Deadline Approaches*

Small Practitioners Snared by New Regulations - SPA Challenges ICAEW on New Investment Rules

Enclosed is SPA's challenge to our Institute on their proposals to include advice to owner managed limited companies within regulated Investment Business, with which SPA fundamentally disagrees and which, if implemented, could generate a whole raft of additional purposeless compliance activity.

Also attached is an article submitted on this topic by our Chairman Peter Mitchell to his District Society for its Newsletter. Lastly an Answerback is enclosed for completion and return as soon as possible. Officially 'consultation' ends on 31 July which SPA seeks to extend. SPA is also taking legal advice on this matter and your views are crucial.

RSVP

SPECIAL MEETING ON REGIONALISATION

Many of you will already have read that the vote to halt regionalisation was lost 2:1, however certain of our Institute's tactics were called into question by no lesser personage than Robert Bruce, financial writer for The Times.

Implementation thus continues, and it will be left to we members and our local District Societies to judge how well the new system works.

SPA FIVE YEAR REVIEW

It is proposed to issue a follow-up report to our original Survey of 1996, and a questionnaire is being developed for circulation in the autumn with a view to publishing our findings in the spring of 2002.

WEBSITE DEVELOPMENTS

Our website is attracting around 400 visits a month - have you seen for yourself what is there?

Latest developments include:
Practice Profile - Free Service

Two examples now available - Peter J D Mitchell (Great Missenden) and Simon Ripper (Watford) - access these via Members Confidential Area / Search for other Members. Members wishing to add their profiles to our database may now submit up to 300 words in Word format on disc / or by e:mail, to be loaded as soon as possible. Our earlier Information Survey indicated that about 150 members wished to take advantage of this free service.

spa.org.uk

Newsflash

You will see this 'flashing' at you on the home page of the Members' Area- just click on the button to see the latest news concerning SPA, our members and any other topical information affecting small practitioners.

Bulletin Board

Another service available within the Members' Confidential Area. You may post messages to provide information to other members or to ask for assistance on specific topics – this should provide a more immediate response from your colleagues. SPA will retain editorial licence. Our first user is Paul Quayle (see 'Letters').

2001 YEARBOOK

We are pleased to enclose your copy of the 2001 Yearbook which has a bright new look – even colour. The Members' listing includes e:mail and website addresses just to prove we have moved into the 21st Century – and this information is now mirrored on our own website. Costs are almost all offset by the advertising skilfully obtained - some even designed - by Daphne, we hope you enjoy her latest masterpiece!

NEW GROUP SERVICE PROVIDER

SPA is pleased to announce their association with AGB Professional Information. As you will know they provide quality technical publications for our profession and offer special discounts to SPA members. For further details check the AGB advertisement on page 7 in the enclosed 2001 Yearbook.

SPA's 3rd GOLF DAY

Yet another good turn out of members and guests for our friendly gathering.

There was a breezy start to the day but all players remained their usual cheery selves.

Winners (and sponsors) were

'The Odd Couple'

-Roy Pink & Co

Terry Gower & Michael Harwood

'The Chairman's Cup'

-SBJ Stephenson

Stan Chicksand

'The Challenge Cup'

-FT Interactive Data

Steve Palfreman

We are very grateful to these and other sponsors – Croner.CCH; Financial Management; Formations Direct & Mercia Group Ltd, for providing prizes ensuring that everyone went home with something!



Dear Daphne & Peter

Golf Day

May I thank you both for such an enjoyable day out on Friday (8 June). Superb organisation, lovely weather and scenery and very agreeable company indeed. Even my golf was better this year! I note that those who have sampled this superior event previously keep coming back for more – and no wonder.

With many thanks for allowing me to unwind completely at least once a year.

Long may it continue.

MP



Editor

What better advert for next year - Friday 7 June 2002. We enjoy meeting our members in a relaxed environment – although we can't guarantee to do anything about your golf!

STAKEHOLDER PENSIONS - DEADLINE APPROACHES

Enclosed is important information from **Financial Management** concerning the 31 October cut-off date for registering for Stakeholder Pensions, a dedicated FREEPHONE line is provided for SPA members to speak to their team of experts to ensure you and your clients get the best advice to comply with the new regulations.

**0800
585601**

Take a look at www.staffbenefits.net - Financial Management's website - it was voted 'website of the week' in *Financial Adviser* recently and gives full details of our SPA scheme. (Norwich Union are on record as saying SPA's is their most successful group 'affinity scheme' to date).

FT INTERACTIVE DATA (formerly Financial Times Information) - TWO WAY HELP

This Group Scheme Provider was so impressed with the previous research responses from SPA members that they wish to speak to 3 or 4 of those living in S E England prepared to give up to 30 minutes of their valuable time to discuss developments to its range of products aimed specifically at the small practitioner.

This is NOT a sales campaign - it is strictly research. So if you are interested in obtaining information on securities taxation services and would be prepared to help please contact David Gilbert on 020 7825 8434 or e:mail him at david.gilbert@ftid.com. Any assistance you can give will be greatly appreciated.

Enclosed is FT Interactive Data's leaflet on their lecture programme - price available to SPA members is the discounted 'subscriber rate' of £385 +VAT - please remember to quote your SPA membership number after your name.

SPA MEMBER FLYER

'Foldafile' is a simple filing system designed by accountants for accountants and promoted by an SPA member. Enclosed is a leaflet setting out the benefits of this product.

FORMATIONS DIRECT - NAME CHANGE

Since the early days of SPA we have been pleased to be associated with Formations Direct who offer efficient and economic company search and registration services to many of our members. This company is now expanding its range of services and to reflect this have changed their name to 'FD Registrars Group Ltd'. The company advise that this will be effective from early August.



LETTERS TO THE EDITOR

Following our report in May of members advising difficulties with Sage software, we have received several more letters from members express their dissatisfaction with Sage products and support (or lack of) services.

SPA understands that Sage is sold on a franchise basis and advises members to contact their local merchant in the first instance.

Are there any SPA members who are Sage franchisees prepared to assist fellow SPA members with their problems? Please let us know either by phoning the office or via e:mail.

Dear Daphne

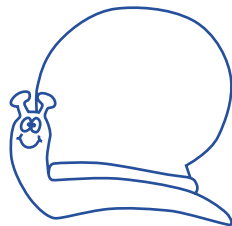
Thank you for your immediate response to my problem (Inland Revenue).

... Railtrack plc could learn a lot about 'rapid response time' from studying your organisation! Keep up the good work! GP

Editor

Always nice to get compliments – however Daphne is not volunteering to take on the organisation of Railtrack just yet!

For those only with 'snail mail'



Does any member have details of a bespoke/ off the shelf software package for a small trucking business? Ideally it would cover production of consignment notes in addition to the usual invoicing, sales, purchases and nominal ledgers.

Any assistance would be greatly appreciated.

PQ

Editor

This was the first message posted on the new Bulletin Board facility on our website. You can reply on-line or if you prefer contact Paul Quayle on 01624 844188.



Although summer only lasted for the two weeks of Wimbledon, most of us are thinking of escaping from some R&R. Wherever you are going we wish you a pleasant time and hope that you come back firing on all cylinders. The office will be open as usual throughout the summer – but not always fully staffed. Please bear with us if we take a bit longer than usual to respond to your requests. We will be back 'in full' in early September.

SMALL GENERAL PRACTICES SNARED BY NEW INVESTMENT RULES

Although best placed to give advice to clients (and hopefully honest!), any small practitioners like me were initially deterred from Investment Business by excessive paperwork and perceived heavy handed monitoring by the JMU. Few have taken it up since – despite Institute encouragement.

Our clients were passed to Banks, Insurance Companies and other FSAs almost all of whom were commission driven, and whose performance often fell below professional expectations – overselling, churning and high charges.

Our Institute is now coming to terms with the 'Financial Services and Markets Act 2000' which invites professions to become Designated professional Bodies, enabling them to register their members to carry out investment activities, and we were told that associated regulation should be a 'light touch' – but is it?

The Institute's Professional Standards Office recently circulated proposals to all practitioners, which introduce wide regulation affecting all small practices with corporate clients, where 'you may need to be registered'.

This Rule Book must be implemented by 30 November - but what are we talking about? It appears to be business advice to Small Private Limited Companies whose shares are not traded, including:

- Whether to take a dividend in cash or shares
- Transferring shares to the next generation
- Transferring shares between husband and wife
- The sale of the company

The boundaries between business advice, tax planning, inheritance planning and investment business is seemingly blurring - but is this what Government intended? Is this what the new Act provides - or is it that, by interpretation, no distinction has been made between those companies whose shares are quoted - and those that are privately held by owner/managers?

This is SPA's concern, and questions are being asked while there is still time to clarify or amend proposed regulations (deadline 31 July).

So what about the new regulation?

- There will be annual regulatory fees
- Investment Engagement letters will be required for corporate clients
- Extensive records are to be kept
- An annual compliance review is to be undertaken.

Are you as concerned as me – or are you content with what is proposed? Please tick and return the attached Answerback.

Of course you may send me any other comments you may care to make – and your responses will be circulated.

Mr P Rutteman
Professional Standards Office
ICAEW
Silbury Court
412-416 Silbury Boulevard
Central Milton Keynes
MK9 2AF

10 July 2001

Dear Paul

**FINANCIAL SERVICES AND MARKETS ACT 2000
'CHANGES THAT MAY AFFECT YOUR PRACTICE'**

Further to our conversation and individual reports to Council on Saturday 30 June on the status of the proposed Rule Book, I have relayed your response to our counsel, Dr Raymond Ashton.

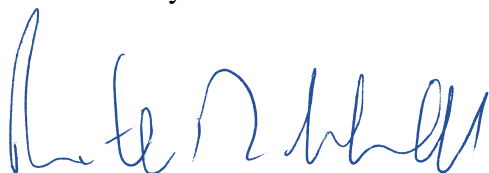
Dr Ashton advises that the absence of a satisfactory reply indicates that our Institute has no clear idea how this law will operate in practice, or whether it is indeed applicable to practitioners having small private corporate clients whose shares are not traded.

It appears to Dr Ashton that the Act is aimed at established and active 'retail' markets, which would exclude owner managed companies where by definition there is no such market for their shares. As such the inclusion of such activities within the regulation proposed would appear unintended by government and wrong minded by our Institute.

As a result of this advice, and given the quoted deadline for consultation of 31 July 2001, SPA challenges our Institute's proposals, and it appears that a Special Meeting of our Institute may need to be called in order to hold a reasoned debate, or our Institute's proposals be subject to judicial review whether, or to what extent, the proposed Rule Book is applicable in such circumstances.

I appreciate this may appear a radical step to take, but it seems to SPA that the starter's pistol is loaded and will otherwise be fired by 31 July without real consultation taking place with those concerned and affected.

Yours sincerely



Peter J D Mitchell
Chairman

cc: Mr M J Groom President
Mr J Malthouse
Mr R M Bryant
Mr R F Harwood
Mr E Kench
Mr W J Knight
Mr A M Lindsey
Mr J Wasu
Mr G F Winn

ANSWERBACK TOPICS

To: SPA
FREEPOST
Great Missenden
Bucks HP6 0BR

Date: July 2001

Firm: _____

Fax: 01494 864454

Membership No .

Help us help you by completing and returning this fact find sheet urgently

Small General Practitioners Snared by New Investment Rules

I am in favour of the Institute's proposed investment rules relating to small private corporate clients

✓

OR

I do not agree that business advice to small private corporate companies should be regulated by the Institute's proposed investment rules

Please make any other relevant comments below – your responses will be circulated.
