Conflict of Interest Policy

1. Introduction

1.1 This policy sets out how the CIOT identifies, records and manages conflicts of interest involving all those who participate in its governance and advisory processes, including Council members, the Lay Representative on Council, members of committees and subcommittees and non-voting guests. Binding requirements apply to Council members and to committee and subcommittee members in the Institute's governing documents. Although the Lay Representative is not a member of Council, the Institute requires the Lay Representative to follow the same procedures as a matter of policy. All other participants, including staff and non-voting guests, are not subject to the binding provisions of the governing documents; the CIOT applies proportionate, principles-based expectations for the management of conflicts of interest as set out in this policy.

1.2 This policy summarises, and must be interpreted in accordance with, the Royal Charter,[1] Byelaws,[2] Members' Regulations[3] and Council Regulations,[4] which together form the governing documents. These take precedence in all circumstances and nothing in this policy overrides or alters their effect.

1.3 The policy also aligns with the Charity Commission's guidance *Conflicts of interest: a guide for charity trustees (CC29)*. Its purpose is to support consistent and principled decision-making by ensuring that, in any situation where a conflict may arise, decisions taken at meetings (which includes any prior involvement in the drafting of papers or informal discussions outside meetings) are made solely in the best interests of the charity and its purposes, in line with trustees' overarching duty of undivided loyalty, thereby safeguarding the integrity of its governance, promoting transparency and maintaining public trust.

1.4 The Charity Governance Code ('the Code') places clear expectations on trustees to 'identify and manage conflicts of interest', emphasising that trustees must 'put the charity and its aims first in decision making' as part of the Foundation Principle. The Code also highlights the importance of reflective and transparent decision-making, noting that trustees should routinely review how they handle 'decision-making, risk or conflicts of interest and loyalty' to ensure governance processes remain fit for purpose. Under the Integrity principle, the Code further reinforces the need to act ethically, safeguard reputation and ensure transparency.

2. Who is responsible for this policy?

[1] The Chartered Institute of Taxation, *Royal Charter (2015)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/e0ef4cc6-cea1-45bf-89fc-68dd86d601e1/The%20Royal%20Charter%202015.pdf

[2] The Chartered Institute of Taxation, *Byelaws (2017)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/6d25895e-259c-408b-86a4-e33f7c783f15/Byelaws.pdf

[3] The Chartered Institute of Taxation, Members' Regulations (2015) https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/ad4b1344-1c6e-49c1-ade1-af31d60e6a54/Members%20Regulations%20July%202015.pdf

[4] The Chartered Institute of Taxation, *Council Regulations (2015)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/d0c84027-90d2-4656-833a-7050bb2ed351/Council%20Regulations%20-%20%20as%20amended%20July%202021.pdf

2.1 Council is ultimately responsible for ensuring that conflicts of interest are identified, declared and managed in accordance with the governing documents and the Charity Commission's expectations for trustees. Council retains accountability for the policy's effectiveness and for ensuring that the governance arrangements uphold the principles of integrity, transparency and undivided loyalty expected of a charitable body.

2.2 Council has delegated the operational oversight and day-to-day administration of this policy to the Institute Secretary. This includes maintaining the Register of Interests, ensuring that declarations made at meetings are recorded and actioned, supporting Council and committee Chairs in the practical application of the requirements in the governing documents on conflicts, issuing reminders and guidance to participants and coordinating periodic reviews of compliance in line with good-practice expectations for effective conflict management.

2.3 The Institute's management of conflicts of interest is based on self-reporting. Individuals covered by this policy are responsible for providing accurate and timely declarations of their interests and for notifying changes as soon as they arise or they become apparent. The Institute does not undertake independent verification of declarations and the Institute Secretary relies on the completeness and accuracy of information supplied by individuals.

2.4 Individuals who have concerns about how a conflict of interest has been declared, recorded or managed should raise these with the Institute Secretary or another member of the Senior Management Team. Concerns may also be raised under the Institute's whistleblowing policy, particularly where they involve serious or repeated issues or relate to the conduct of senior individuals.

3. Who does this policy apply to?

3.1 This policy applies to all individuals who participate in the Institute's governance and advisory processes, namely:

a. **Members of Council**, who are subject to binding requirements under the Institute's governing documents.[5]

b. **The Lay Representative on Council**, who is expected to comply with the same conflict-management requirements as Council members.

c. **Members of committees and subcommittees**, who are subject to binding requirements under the Institute's governing documents.[6] Staff fall within this category only where they have been formally appointed as members of such committees (for example, branch committees).

4. Understanding conflicts of interest

4.1 Conflicts of interest arise where personal interests, duties, or loyalties could, or could reasonably be perceived to, influence the way an individual carries out their responsibilities. The existence of a conflict is not, in itself, improper: such situations are a normal feature of professional, voluntary and organisational life. What matters is that they are identified promptly and managed openly, so that decisions are taken solely in the best interests of the

[5] Council Regulations 10.6 to 10.18
[6] Council Regulations 10.5

Institute and its charitable purposes. Conflicts of interest can arise in different ways and fall into three broad categories:

a. **Actual**: a conflict exists now and is directly relevant to the matter under consideration

b. **Potential**: a conflict may arise in the future because of known circumstances or interests, or

c. **Perceived**: a situation where a reasonable observer might consider that an individual's judgment could be influenced, even if no actual conflict exists.

4.2 Conflicts of interest may arise from both financial and non-financial interests. They commonly include situations where an individual's personal, professional, or organisational connections could, or could reasonably be perceived as, influencing their contribution to the Institute's business. Examples include:

a. **Employment, directorships, partnerships or consultancies**, whether paid or unpaid, where the organisation or activity could be affected by Institute decisions.

b. **Significant shareholdings or other financial investments** that may benefit or be disadvantaged by the outcome of the Institute's business.

c. **Professional, political or sector affiliations** that relate to the Institute's work or could influence a person's contribution.

d. **Membership of other boards, committees or governing bodies**, including within the tax, legal, regulatory, educational or charity sectors.

e. **Close personal connections**, including with connected persons (such as a spouse or partner, children, parents, siblings or a close personal relationship) where those relationships could give rise to divided loyalties or the appearance of influence.

f. **Gifts or hospitality** offered or received, accepted or given where these could, or could reasonably be perceived to, influence decision-making or impartiality.

4.3 Conflicts may also arise from related-party transactions, including any contract, payment or arrangement involving a connected person or an organisation with which an individual has a close association.

4.4 Individuals are encouraged to err on the side of caution by declaring any interest that might reasonably give rise to a perception of influence, even if they are unsure whether a conflict exists.

5. Declaring interests

5.1 To maintain openness and trust, individuals must declare any interests that could influence, or reasonably be perceived to influence, their involvement in Institute business. Prompt declaration enables conflicts to be identified and managed transparently and in accordance with the Institute's governing documents[7] and Charity Commission guidance.

[7] Council Regulations 10.6 to 10.18

5.2 Declarations must be made:

a. Annually, through the Institute's declaration process (Council members and the Lay Representative).

b. Whenever a new or relevant interest arises or becomes apparent.

c. At meetings, when a conflicted item is to be discussed.

NOTE: Senior Staff are also required to make and publish their declarations of interest, but these are maintained and required under separate arrangements rather than under this policy.

5.3 The Institute maintains a public Register of Interests for Council members[8] and the Lay Representative[9] comprising declarations of interests and relevant gifts and hospitality under this policy.[10] This reflects the Institute's commitment to transparency and is consistent with the Charity Commission's expectation that trustees should make their interests publicly available to support accountability.

5.4 In addition to maintaining the public Register of Interests, the Institute also publishes the declared interests of Council members, the Lay Representative and committee/subcommittee members as part of the agenda for each meeting. This allows all participants to understand the context in which decisions are made and supports the Charity Commission's expectations of openness and accountability. It is the responsibility of each individual to ensure that the interests listed against their name are accurate, complete and up to date. Where a change occurs after the papers have circulated, the individual must promptly update the Chair and highlight the change at the meeting so it can be recorded in the minutes and on future agendas.

6. Conflicts at meetings

6.1 The Council Regulations[11] set out the mandatory procedures for managing conflicts of interest at meetings of Council and committees and subcommittees.[12] When a conflicted matter is to be considered, the following requirements apply:

a. **Declaration**: The individual must give written notice of the conflict before the matter is considered.[13]

[8] The Chartered Institute of Taxation, *Register of Interests (Trustees)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/1e89fe48-05c6-40d7-bee8-2839d349856e/Register%20of%20Interests%20%28Trustees%29.pdf

[9] The Chartered Institute of Taxation, *Register of Interests (Lay Representative)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/eb899cdd-7a69-4b00-89e7-93ab40785e4c/Register%20of%20Interests%20%28Lay%20Representative%29.pdf

[10] The Chartered Institute of Taxation, *Gifts and Hospitality Register* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/c2e32be7-691f-45c5-a5ea-319ca16bea16/Gift%20and%20Hospitality%20Register%20%28From%20January%202025%29.pdf

[11] Council Regulations 10.6 to 10.18

[12] Council Regulation 10.5

[13] Council Regulation 10.9

b. **Notification to the meeting:** The Chair must inform the meeting of the declaration so that it can be recorded.[14] If the Chair omits to do so, the conflicted member must draw this to the Chair's attention.

c. **Attendance and participation:** Unless the Chair rules otherwise, the conflicted individual may be present during consideration of the matter and may speak to provide information.[15]

d. **Request for withdrawal**: Any non-conflicted member may request that a simple-majority vote be taken on whether the conflicted individual should withdraw for all or part of the discussion.[16]

e. **Voting:** The conflicted individual must not vote on the matter.[17]

f. **If the Chair is conflicted**: The Chair must vacate the chair while the matter is considered and the acting Chair follows the procedure above.[18]

6.2 In exceptional circumstances, Council may, if satisfied that it is in the Institute's best interests, authorise the conflicted individual to continue to participate in Council discussions, notwithstanding the conflict, provided that the conflicted individual does not receive any payment or material benefit from the Institute in connection with the matter. Such authorisation requires a simple-majority vote of non-conflicted members, taken in the conflicted individual's absence.[19]

6.3 Appendix A summarises the required procedures for identifying and managing conflicts of interest at meetings.

7. Recording and transparency

7.1 All conflicts declared at meetings must be recorded in the minutes, including the nature of the conflict, how it was managed and any decisions made about the individual's participation or withdrawal. This reflects the requirements in the governing documents,[20] which ensures that the declaration, the Chair's notification to the meeting, any decision on withdrawal and the restriction on voting are properly documented. Where the declaration relates to an ongoing interest, the individual must ensure that information is updated promptly so that, where applicable, the Register of Interests and future agendas reflect the correct position.

8. Gifts and hospitality

8.1 Gifts and hospitality can create, or be perceived to create, a conflict of interest. Council members and volunteers must declare any gift or hospitality offered or received in connection with their role where it could raise questions of influence, impartiality or the appearance of

[14] Council Regulation 10.14
[15] Council Regulation 10.15
[16] Council Regulation 10.15
[17] Council Regulation 10.17
[18] Council Regulation 10.18
[19] Council Regulation 10.16
[20] Council Regulations 10.14 to 10.18

undue benefit. Further guidance on the acceptance, refusal, giving, receiving and recording of gifts and hospitality is set out in the Institute's separate *Gifts and Hospitality* policy.[21]

9. Consequences of non-compliance

9.1 Failure to declare or manage a conflict appropriately may affect the integrity of the Institute's governance processes. Where concerns arise, the response will be proportionate to the circumstances, taking into account the seriousness and impact of the issue, whether it was intentional and whether it can be remedied. Possible outcomes may include:

a. guidance, clarification or an informal warning from the Chair

b. changes to an individual's membership of a committee or subcommittee, or

c. referral to the procedures in the governing documents,[22] which may warrant consideration of removing a Council member from Council.

10. Review of the policy

10.1 This policy will be reviewed periodically to ensure that it remains effective, aligned with the Institute's governing documents, reflects evolving regulatory expectations and continues to be consistent with best practice in charity governance. Any updates must remain consistent with the Institute's governing documents, which take precedence and must be approved by Council.

11. Further guidance

11.1 For further guidance, individuals involved in the Institute's governance may refer to the Charity Commission's publication *Conflicts of interest: a guide for charity trustees (CC29)*, which provides additional principles and examples to support effective identification and management of conflicts.

[21] The Chartered Institute of Taxation, *Gifts and Hospitality Policy (2025)* https://assets-eu-01.kc-usercontent.com/220a4c02-94bf-019b-9bac-51cdc7bf0d99/5aedb29a-0cd2-459a-8715-f4f28772a9f6/Gifts%20and%20Hospitality%20Policy.pdf

[22] Byelaw 23 and Members' Regulation 24

APPENDIX A – STEPS FOR HANDLING CONFLICTS AT MEETINGS (OVERVIEW)

Decision	Who	Governing Provision
Whether a conflict is noted and recorded	The **Chair**	Council Regulation 10.14
Whether the conflicted individual may remain/speak	The **Chair** (initially)	Council Regulation 10.15
Overriding the Chair's decision	**Non-conflicted members** via a simple majority vote	Council Regulation 10.15
Voting on the substantive matter	**Non-conflicted members only**	Council Regulation 10.17
Authorising continued participation despite a conflict.	**Non-conflicted members only** by simple majority, without the conflicted member present	Council Regulation 10.16
If the Chair is conflicted	**Acting Chair** handles the whole process	Council Regulation 10.18