



April - May - June 2026

connect

The Institute of Accountants and Bookkeepers

Making Tax Digital:

BRAVE NEW WORLD

Enhancing client relationships in a fast-changing landscape

Preparing Clients for MTD for Income Tax: A Practical Opportunity for Accountants

Making Tax Digital: What the Challenge Is Really Telling Us

Statutory sick pay is changing from 6 April 2026: what you need to know

Does AML compliance have a reputation problem?

International Women's Day 2026 Give to Gain



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Welcome



As we move into a new tax year, this edition of IAB Connect focuses on change, opportunity, and the vital role bookkeepers play at the heart of the UK's small business economy.

April marks a significant moment in the professional calendar – not only because a new tax year begins, but because we are stepping closer to the introduction of Making Tax Digital for Income Tax (MTD for ITSA). While the formal requirements begin in April 2026 for businesses with income over £50,000, preparation starts now. Over the coming months, bookkeepers will be instrumental in helping clients understand what is changing, what it means in practice, and how to adapt to more regular digital reporting.

In this issue, we explore what MTD really means for the profession, the opportunities it presents, and how practices can prepare with confidence. We also look at key tax changes

for the new tax year and what they mean for you and your clients. With evolving thresholds, compliance expectations, and increased digitalisation, staying informed and proactive has never been more important.

Alongside this, we reflect on International Women's Day and celebrate the incredible contribution women make to the bookkeeping profession. Bookkeeping is a predominantly female-led sector, supporting thousands of businesses, livelihoods, and communities across the UK and beyond.

This edition is about looking forward: embracing digital change, navigating reform, and continuing to build a confident, respected, and future-ready profession. We are proud to stand with you as your professional body, championing your work and your future.

Sarah Palmer
Chief Executive Officer

VIRTUAL COFFEE MORNINGS

Connect with fellow members in a relaxed setting and keep up to date on the latest in technical, regulatory and industry developments. Find out about new software tools and gain practical business guidance. **Each session offers valuable insights and earns you one verified CPD point.**

Keep an eye on your inbox for reminder emails. We look forward to catching up over coffee.

Monthly meetings on:

15 April 2026
20 May 2026
17 June 2026



from 11am to 12pm





Making Tax Digital: What the Challenge Is Really Telling Us



Sarah Palmer
IAB CEO

Making Tax Digital (MTD) has never been just a technical reform. For those working closely with the bookkeeping profession, it represents something far more fundamental: a reshaping of how small businesses interact with their finances and how bookkeepers and accountants are expected to support them.

Across the IAB community, the same concerns are consistently raised. Capacity is stretched. Clients are anxious or disengaged. Systems are changing faster than confidence can keep up. For many bookkeepers, MTD feels less like modernisation and more like another pressure layered onto an already demanding role.

The shift towards quarterly reporting fundamentally alters workflows that were designed around annual cycles. It requires bookkeepers to be more proactive, more present, and more accountable throughout the year. This is a significant adjustment, particularly for practices operating on slim margins and long-established client habits.

What compounds the challenge is low client awareness. Many small business owners remain unclear about what MTD involves, who it applies to, and what they will be expected to do differently. In practice, that knowledge gap does not sit with HMRC or software providers – it sits with bookkeepers.

You are the professionals that clients turn to for reassurance, explanation, and practical guidance. You translate policy into action, calm concerns, and support behavioural change, often without additional time, resources, or remuneration.

Technology confidence is another factor. While digital tools are central to MTD, not all clients are digitally comfortable.

This places bookkeepers in a dual role: maintaining compliance while acting as trainers, troubleshooters, and change managers. That work is skilled, valuable, and too often invisible.

Pricing is also becoming a key pressure point. Many bookkeepers are doing more work for the same fee – helping clients adapt to systems, managing digital records, and supporting more frequent reporting cycles. While hesitation around fee increases is understandable, it is not sustainable as the scope of work continues to expand.

Yet the stress surrounding MTD is also revealing something important.

It highlights a long-standing issue within the profession: bookkeepers have historically been under-recognised as strategic contributors to business success. MTD does not create this imbalance; it makes it visible.

Once we recognise that MTD is not a temporary disruption but a permanent feature of the tax landscape, the conversation shifts. Rather than asking how to absorb the impact, the focus becomes how to design services around it.

Quarterly reporting supports more regular engagement with clients. Digital records improve accuracy and visibility. These are not just compliance

requirements – they are the foundations of stronger financial insight and better decision-making.

This creates a clear opportunity for repositioning. Bookkeepers should be recognised not simply as record-keepers, but as ongoing financial partners to the businesses they support. MTD aligns with the IAB's commitment to professionalism, accuracy, and ethical practice.

There is also a significant opportunity for differentiation. With awareness still developing among small businesses, clarity becomes a competitive advantage. Those who confidently explain MTD and guide clients through the transition will stand out as trusted advisers.

MTD is changing the rules. But it is also strengthening the case for professional bookkeeping as a valued, sustainable, and income-generating service.

The task ahead is not simply to comply, it is to lead. And the IAB community is exceptionally well placed to do exactly that.



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Preparing Clients for MTD for Income Tax: A Practical Guide for Accountants

Making Tax Digital (MTD) for Income Tax is no longer a distant reform that firms can afford to keep on the horizon. With the first phase of mandatory adoption beginning in April 2026, accountants now have a defined and valuable window to prepare both their clients and their own internal processes for what will be one of the most significant changes to Self Assessment in decades.

While the technical requirements of MTD are well understood within the profession, the practical challenge lies elsewhere: client readiness. For many self-employed individuals and landlords, digital recordkeeping represents a fundamental shift in behaviour rather than a simple compliance update. Firms that recognise this early and act on it, will be far better positioned when quarterly reporting becomes compulsory.

MTD in context: what is actually changing?

At its core, MTD for Income Tax is HMRC's attempt to modernise how tax information is collected and reported. Instead of relying on annual submissions compiled months after the fact, affected taxpayers will be required to:

- Maintain digital business records
- Submit periodic income and expense summaries during the tax year
- Complete a final end-of-year declaration online

The stated objectives are improved accuracy, fewer errors and greater transparency over tax liabilities throughout the year. For advisers, however, the more immediate implication is a move away from retrospective cleanup work towards more frequent, in-year oversight of client data.

The rollout timeline and scale of impact

MTD for Income Tax will be introduced in stages between 2026 and 2028 and will ultimately affect an estimated 2.9 million self-employed individuals and landlords around 42% of those currently filing Self Assessment returns.

The phased thresholds are:

- **April 2026:** turnover above £50,000
- **April 2027:** turnover above £30,000
- **April 2028:** turnover above £20,000

Although many clients may fall outside the initial threshold, HMRC has been clear in its direction of travel. Paper records and spreadsheets are being actively discouraged in favour of MTD compatible digital software, and voluntary adoption is being promoted well ahead of the mandatory dates.

For accountants, this period before 2026 represents a critical preparation phase one that allows firms to influence client behaviour before compliance pressure intensifies.



Client readiness: the real challenge

Despite years of communication around MTD, a significant proportion of sole traders remain unprepared for digital reporting. Many still rely on paper records, basic spreadsheets or adhoc recordkeeping methods, and awareness of forthcoming requirements remains uneven.

This matters because MTD is not simply a change in filing frequency. It requires clients to engage with their finances on an ongoing basis, capture transactions accurately and maintain digital records throughout the year. Attempting to introduce these habits at the point of mandatory compliance risks resistance, errors and increased pressure on advisory teams.

By contrast, clients who adopt digital recordkeeping early tend to produce cleaner data, lose fewer receipts and develop a clearer understanding of their tax position. From a practice perspective, this typically results in fewer yearend adjustments, reduced remediation work and more predictable workflows.

Why early adoption benefits practices

Preparing clients now is not solely about future compliance. It can materially improve how firms operate today.



Firms that proactively guide clients through the transition are more likely to be seen as trusted advisers rather than reactive compliance providers

Clients using digital records are more likely to:

- Provide complete and timely information
- Understand their income, expenses and cash flow
- Avoid large, unexpected tax liabilities

Require less corrective work at year end
For firms, this translates into improved efficiency, better use of staff time and reduced risk. As quarterly submissions become the norm, these advantages will only become more pronounced.

There is also a commercial consideration. Firms that proactively guide clients through the transition are more likely to be seen as trusted advisers rather than reactive compliance providers strengthening long term client relationships in the process.

What do compliant digital records look like in practice?

From a client perspective, digital recordkeeping does not need to be complex. However, it does need to be supported by software that meets HMRC's MTD requirements.

Effective MTD ready solutions typically:

- Automatically capture income transactions
- Categorise business expenses accurately
- Store receipts securely in digital form
- Provide real-time visibility of tax positions

Increasingly, software solutions are designed to reduce manual input and remove the need for spreadsheets altogether. Tools such as Coconut, for example, focus on automating data capture and categorisation, helping ensure that the information flowing to accountants is cleaner and more consistent throughout the year.

For advisers, the key consideration is not the technology itself, but how well it supports reliable, repeatable processes across a client base.

Which clients should be prioritised?

While all affected clients will eventually need to comply with MTD for Income Tax, some groups stand to benefit particularly from early digital adoption.

These include clients who:

- Operate under the Construction Industry Scheme and need to track deductions
- Use personal bank accounts for business transactions
- Have multiple income streams or clients
- Regularly claim expenses such as mileage, tools, travel or phone bills
- Require clear income records for mortgages, loans or rental applications

Introducing digital recordkeeping to these clients ahead of time can significantly reduce complexity and improve confidence both for the client and the adviser.

A strategic opportunity, not just a regulatory change

MTD for Income Tax should not be viewed purely as a compliance hurdle. For accountants, it represents an opportunity to modernise client relationships, improve data quality and rebalance workloads away from high-pressure yearend peaks.

Firms that use the current runway effectively by encouraging digital habits, standardising software and educating clients are likely to enter 2026 with greater capacity, lower risk and stronger engagement. Those that delay may find the transition far more disruptive.

Ultimately, the success of MTD for Income Tax will depend less on the legislation itself and more on how well advisers help clients adapt. The next two years provide a rare chance to shape that outcome on your own terms.



MTD for Income Tax should not be viewed purely as a compliance hurdle. For accountants, it represents an opportunity to modernise client relationships, improve data quality and rebalance workloads away from high-pressure yearend peaks.

Coconut Accountants Portal

Accountants can access the Coconut Accountants Portal free of charge, providing a simple way to support clients using Coconut.

For **IAB members**, access is enhanced with an **additional 10% discount** on top of Coconut's direct offers, alongside seamless client onboarding and support from a dedicated Account Manager.

www.getcoconut.com/iab to access the Coconut Accountants Portal and receive your IAB member discount. Or scan the QR code!



Leanne Ogden
Head of Partnerships & Affiliates, GoSimpleTax & Coconut

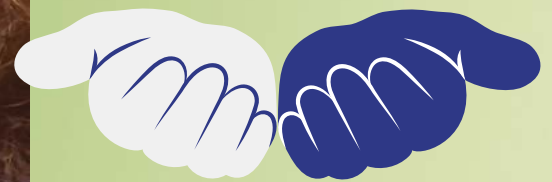
International Women's Day 2026 Give to Gain



This year's theme, "Give to Gain," reflects the collaborative spirit at the heart of the bookkeeping profession and the leadership culture of the IAB.



#GiveTo
GAIN



INTERNATIONAL
WOMEN'S DAY

Left to right: Sarah Palmer - CEO, Louise Stewart - Director, Siobhan Draper - Chair of the Board, Brady Last - Chief Operating Officer

Bookkeeping is a predominantly female-led profession, yet the impact of women across the sector is often understated. Every day, women bookkeepers support businesses, strengthen financial resilience, and underpin economic stability through skilled, trusted work.

At IAB, this ethos is embodied by the women on our Board.

Sarah Palmer, CEO, exemplifies this through her journey from qualifying as a bookkeeper to founder of Women Who Count, building a successful practice while mentoring others entering the profession. Her leadership continues to champion standards, professionalism, and recognition for bookkeepers.

Brady Last, Chief Operating Officer, brings extensive expertise in professional development and business transformation. Brady was formerly a partner at EY and brings deep experience of designing and delivering training and coaching programmes that support individuals and teams to reach their potential.



Together, these leaders reflect what "Give to Gain" truly means: investing time, knowledge, and leadership to elevate others and strengthen the profession.

As Chair, I bring my experience in international finance working for some of the world's leading investment banks to the role. My focus remains on governance, accountability, and inclusive leadership, ensuring the IAB continues to serve the public interest while empowering the next generation of professionals.

Louise Stewart, Director, contributes strategic insight from a distinguished communications career spanning finance, technology, education, and over two decades as a BBC correspondent. She recently took up the role of Director of Communications and Partnerships at the London School of Economics' International Growth Centre.

Together, these leaders reflect what "Give to Gain" truly means: investing time, knowledge, and leadership to elevate others and strengthen the profession.

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Accountex London returns to Excel on the 13-14 May 2026

ACCOUNTEX
LONDON 2026
EXCEL LONDON | 13-14 MAY



Free registration is now open for the fifteenth edition of Accountex London and the debut of the co-located FD Show.

Taking place at Excel London on 13-14 May 2026, the events will bring together 300+ software and service suppliers, 180+ CPD-accredited seminars, and a host of networking opportunities designed for the bookkeeping, accounting and finance community.

Following the success of the 2025 event, which attracted over 16,000 professionals, Accountex London returns with an expanded offering aimed at addressing the evolving needs of the profession.

“The accounting and finance profession is navigating one of the most transformative periods in history. From AI integration to evolving client expectations, professionals need a space to learn and connect.

We’re doubling down on what matters most – practical insights, genuine connections, and solutions that make a real difference to your practice or business. The launch of the FD Show alongside Accountex London means we’re now serving the entire finance profession,” said Accountex Portfolio Director, Caroline Hobden.

‘Every stand has something useful, exciting, or just plain clever’

With 300+ fintech companies exhibiting, visitors can explore solutions from industry leaders including FreeAgent,

Intuit QuickBooks, IRIS, Sage, TaxCalc, Wolters Kluwer, and Xero, alongside first-time exhibitors such as Visa and Barclays.

Visitors will also be able to meet the IAB team at stand 275 and have their questions answered in person, as well as exploring the memberships and qualifications they have on offer.

Attendees will have the opportunity to compare services, watch live demos, and speak directly with suppliers about how their solutions can benefit their practice or business.

“Accountex London never disappoints - and 2025 was easily the best one yet. I attend every year to stay ahead of the curve and discover new tools that can help both my business and my clients thrive. The atmosphere was absolutely buzzing, and the sheer variety of vendors meant I left with fresh ideas (and software!) I didn’t even know I needed. If you’re in the accounting world and haven’t been yet, make 2026 your year. I’ll be there, soaking up inspiration and motivation all over again,” exclaimed visitor Kristy Glenister, 4cast Bookkeeping Limited.

‘I came away feeling energised and inspired after soaking up so much knowledge.’

The CPD-accredited education programme features 250+ seminars across 13 theatres, covering critical topics including practice growth, AI innovation, and AML regulations.

Each session is designed to equip professionals with actionable insights they can implement immediately in their practice or organisation.

“Accountex is well worth attending, I catch up with my fellow bookkeepers from around the country and speak in person to all the different companies we work with. The talks are especially helpful with the approaching MTD deadline.” commented visitor Nicky Bennett, Director, On Track Business Support Ltd.

‘An essential for all bookkeepers - this was my third year and I love it’

Beyond the exhibition floor and seminar programme, Accountex London offers extensive networking opportunities for professionals to connect with peers and industry contacts.

Returning features include the Bookkeepers Basecamp, MTD Hub with HMRC, Cyber Resilience Hub, Solo Traveller Lounge, Social Network Hub, Sustainability Zone, Podcast Pitstop, Quiet Room, and Content Creation Clinic. Multiple after-show parties will also take place across both days.

The event continues its partnership with Carma through the ‘Trees for Attendees’ initiative. Since 2023, over 30,000 trees have been planted-one for every attendee-helping to offset the event’s carbon footprint while supporting international communities.

Introducing the FD Show

Co-locating with Accountex London for the first time, the FD Show is a dedicated trade show for finance professionals working in industry.

Built for Finance Directors, CFOs, and senior finance leaders, the show will feature 40+ exhibitors offering enterprise solutions, alongside expert-led seminars covering strategic finance topics, case studies from leading brands, and practical solutions to the challenges c-suite professionals face.

Confirmed exhibitors include Wolters Kluwer, Workday, Scale XP, Crowe UK LLP, Octopus, Docuware, and Corepay.



Accountex London and the FD Show are taking place at Excel on the 13-14 May 2026. You can register for your free ticket here.



Julia Winter –
Deputy Professional
Standards Officer, IAB

HOW TO TACKLE AML COMPLIANCE'S REPUTATION ISSUE

Mention it at a networking event and watch the energy leave the room faster than a client presented with an unexpected tax bill. For many practitioners it still feels like paperwork, regulation and one more thing on an already impossible list.

The irony is that the practices making the strongest profits, attracting the best clients and sleeping most easily at night are almost always the ones with the best AML processes.

Good AML is not about regulation. It is about running a grown up business.

When onboarding is structured, risk is understood and client information is properly documented, something interesting happens. You stop reacting to problems and start choosing your clients. Fees improve. Boundaries improve. Confidence improves. Compliance quietly becomes commercial strategy.

Criminals do not look for technically brilliant accountants. They look for busy ones. They look for firms where processes live in someone's head rather than in a system. Disorganisation is the real risk factor, not firm size.

That is why AML Complete exists as a free benefit for IAB members.



It was never designed to be another compliance tool sitting unopened on your desktop. It was built to remove uncertainty. Members can maintain live risk assessments, record due diligence, monitor client risk and demonstrate compliance without reinventing the wheel every time regulations evolve.

What worries practitioners most is not regulation itself. It is uncertainty. Fines are indeterminate. Enforcement thresholds can feel opaque. Stories circulate of penalties large enough to threaten small practices entirely.



The real benefit is psychological as much as operational. When your AML records are structured and current, inspections stop feeling frightening. They become conversations rather than investigations.

And this matters now more than ever. The regulatory direction across the UK is clear. Expectations around AML supervision are increasing, data standards are tightening and oversight is moving toward greater consistency. The possibility of supervision becoming more centralised under the Financial Conduct Authority is no longer an abstract policy discussion. It is part of the professional landscape we must prepare for.

What worries practitioners most is not regulation itself. It is uncertainty. Fines are indeterminate. Enforcement thresholds can feel opaque. Stories circulate of penalties large enough to threaten small practices entirely.

Fear thrives where preparation is weak.

The role of the IAB is to remove that fear by replacing uncertainty with structure.

As a professional body supervisor, the Institute's objective is not to catch members out but to help them remain compliant long before problems arise. AML

“

Clients increasingly want reassurance that their adviser operates within strong governance standards. Banks expect it. Software partners expect it. Larger clients increasingly ask about supervision status before engagement.

Complete allows both the member and the Institute to see risk early, respond early and protect the practice before issues escalate.

There is also a wider professional truth worth saying out loud. AML compliance is becoming a differentiator.

Clients increasingly want reassurance that their adviser operates within strong governance standards. Banks expect it. Software partners expect it. Larger clients increasingly ask about supervision status before engagement.

Compliance has moved from back office obligation to front office credibility.

Practices that understand this are quietly positioning themselves ahead of the market.

They onboard more confidently. They decline risky clients earlier. They charge appropriately because they understand the value of professional assurance. In short, they behave like regulated professionals rather than service providers hoping nothing goes wrong.

One of the most common things we hear during AML reviews is relief. Members often say they expected scrutiny but instead found support. That reaction matters. Professional supervision should feel like partnership, not punishment.

The IAB's approach has always been education led. We guide first, improve second and only escalate when absolutely necessary. That philosophy becomes even more important during periods of regulatory change. Change in supervision structures can sound intimidating. Headlines tend

to focus on enforcement rather than preparation. Yet the firms who will thrive are not the largest or the most technological. They will be the ones who can demonstrate control, transparency and professionalism consistently.

AML Complete gives members that foundation without additional cost because compliance should never be a privilege reserved for larger firms.

There is a misconception that AML exists to protect regulators or government systems. In reality, strong AML protects practitioners themselves. It protects reputation, reduces stress and prevents the single event that can undo years of hard work building a practice.

The most successful firms do not see AML as something separate from profitability. They understand that trust is their primary asset, and trust is built through demonstrable professionalism.

If there is one insight I would leave members with, it is this.

Compliance done late feels expensive. Compliance built into daily practice feels effortless.

The profession is evolving quickly. Expectations will continue to rise. But members do not face that change alone. The Institute stands alongside you as a trusted partner, providing tools, guidance and supervision designed to help you succeed safely.

AML compliance is not about avoiding fines. It is about building a resilient, confident and profitable practice that regulators trust and clients value.

And quietly, that is where real competitive advantage now sits.

And perhaps that is the real shift the profession is beginning to understand. AML compliance is not the cost of being regulated; it is the price of being trusted. The firms that embrace it will not simply avoid future fines or satisfy future regulators. They will build stronger practices, attract better clients and operate with the confidence that comes from knowing their business is properly protected. In a world where regulation is tightening and uncertainty is growing, compliance is no longer the thing that slows you down. It is the thing that allows you to move forward without looking over your shoulder.



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The IAB's approach has always been education led. We guide first, improve second and only escalate when absolutely necessary. That philosophy becomes even more important during periods of regulatory change.



AML Modules 1 and 8 now with downloadable notes

Stay fully compliant with the latest AML requirements.

Module 1 now includes new questions and downloadable PDF notes to support deeper understanding and easier staff training.

Completion of Module 1 is mandatory annually for all IAB AML-supervised members – and will show as overdue on your AML Complete dashboard if not completed.

Please check your dashboard before submitting your supervision renewal, as overdue training will delay approval.

All relevant staff must complete Module 1, and MLROs must complete Modules 1 & 8.

When you add a new staff member to the AML Complete platform, they'll automatically receive access to the iabEducation Platform to begin their training.



Check your AML Complete dashboard for training alerts



Do your AML training on time

Starling expands business banking capabilities ahead of HMRC ‘Making Tax Digital’ launch.

Ahead of the new tax year, Starling will offer customers free, integrated, HMRC-recognised ‘Making Tax Digital for Income Tax’ software.

Here at Starling, we’ve been working hard on new tools for our business customers. These include AI-powered features to help businesses manage their money, products that make it easier for small businesses to get paid, and our HMRC-recognised ‘Making Tax Digital for Income Tax’ software.

The MTD for Income Tax software, available mid-March, will be a part of our new ‘Starling Accounting’ product suite. This development is a direct result of our acquisition of tax-accounting software platform, Ember, last August. By integrating the Ember solution into our business bank accounts, we’re able to offer everything business owners will need for ‘Making Tax Digital’, with no reliance on third-party software. Customers will be able to see tax deadlines in their Starling account, create, store and correct digital records of self-employment, property income and expenses, and file updates directly to HMRC.

Dan Hogan, Co-founder of Ember and now Director of Business Tools at Starling, said: “As an entrepreneur myself, I know how time-consuming keeping track of income and expenses can be. That’s why we built Ember - to take the pain out of accounting. Teaming up with Starling has meant we’ve been able to do this at real scale for SME customers, who will be able to manage everything directly within the bank’s app.”

We’ve also been working on a range of new tools to help customers with getting paid and managing their money, including mobile invoicing, which gives them the ability to generate invoices from the mobile app in seconds, which will launch soon. New business spending categories have also been introduced so customers can see where their money goes at a more granular level.

“

They could ask ‘how much did I spend with Google Cloud in the last financial year?’ or ‘how much did I spend at Screwfix in FY2024?’ before receiving instant analysis.

Linked to this, our popular Spending Intelligence feature allows business owners to use natural language to understand their spending habits. Customers can now track their spend across the tax year in addition to the calendar year. They could ask ‘how much did I spend with Google Cloud in the last financial year?’ or ‘how much did I spend at Screwfix in FY2024?’ before receiving instant analysis.

Adeel Hyder, Managing Director of SME Banking at Starling, said: “At Starling, we’re always trying to anticipate what our customers will need next to help make managing their money easier. All our new tools will make it smoother for business owners to run their SMEs, especially as everything is accessible directly from their bank accounts. This will help our customers save time and effort when it comes to looking after their finances.”



For more information about Starling’s ‘Making Tax Digital’ software please scan the QR code:

Looking to set up your clients on Starling Accounting to get ready for MTD for Income Tax? Please note, they will need a sole trader account with us.



Making Sense of the Budget: What It Means for Bookkeepers and Their Clients

Pam Cradock, Dip PFS, Independent Financial Planner at McHardy Private Wealth



For those of us still trying to get their heads around the 550 pages of information from the Government's November 2025 budget. Hearing snippets in the media or social media, it can seem overwhelming. So many changes over several years.

Financial Planners have their clients objectives in mind when wading through the details of tax and legislative changes.

Keeping a timeline of the changes in the budget is a good first step to helping get your head around the key changes, well most of them.

30th October 2024 - Capital Gains Tax (CGT) rates increased from 10% to 18% (basic rate) and 20% to 24% (higher rate) for disposals on/after Oct 30, 2024. Remember that the Capital Gains Tax (CGT) annual exempt amount has been significantly reduced, dropping to **£3,000 for individuals** and **£1,500 for most trusts** for the 2024/25 tax year and thereafter.

If you hold a General Investment Account or Share Portfolio, if appropriate sell assets within the £3,000 CGT allowance each tax year – use it or lose it.

31st October 2024 - Stamp Duty Land Tax (in England & NI – Scotland and Wales have own systems) surcharge on second homes/buy-to-lets rises from 3% to 5%. Land and Buildings Transfer Tax in Scotland applies an Additional Dwelling supplement which increased from 6% to 8% from 5 December 2024.

6th April 2025 - Employer National Insurance (NI) rates increase by 1.2% from 13.8% to 15%, with the secondary threshold for contributions falling to £5,000 from £9,100. The National Living Wage (NLW) rises by 6.7% to £12.21 per hour for workers aged 21 and over.



26th November 2025

- Thresholds for income tax and National Insurance (NICs) remain frozen for employees and self-employed until **April 2031**.
- Key thresholds, including the £325,000 nil-rate band and £175,000 residence nil-rate band, are frozen until **April 2031**.

6th April 2026

- Basic and new state pension payments will rise by 4.8%
- A planned removal of certain green scheme costs from household bills is expected to save a typical household around £150 per year from April 2026.
- UK dividend tax rates will increase by 2 percentage points for basic and higher-rate taxpayers. The new rates for the 2026/27 tax year are 10.75% (basic), 35.75% (higher), and 39.35% (additional), with a £500 tax-free dividend allowance remaining for higher rate and a £1,000 for basic rate taxpayers. Dividends in ISAs/pensions are tax-free.

If you are a Company Director, moving profits into pension is a tax efficient way to go.

6th April 2027

- Inherited pensions will be subject to IHT from April 2027.

- Property rental profits and savings income taxes increase by two percentage points. This means new, higher rates for landlords and savers (22% basic, 42% higher, 47% additional).
- **Cash ISA** Limited cut from £20,000 to £12,000 for the under 65s. The Stocks & Shares ISA limit remains at £20,000 for everyone.

Keep saving into ISAs.

6th April 2028 - A new high-value council tax surcharge of £2,500 to £7,500 will apply to homes worth over £2 million (based on 2026 Valuation Office Agency assessment) from April 2028 in England. There are similar proposals for properties in Scotland which may apply to properties valued at £1m+ although these have yet to be finalised as at the time of writing.

6th April 2029 - NICs relief on salary sacrifice into pension schemes will be capped at the first £2,000 per person from 6th April 2029.

If your employer offers Salary Sacrifice or you can encourage them to start, take advantage of this option for the next three tax years! Saving you and your employer on National Insurance contributions.



Statutory sick pay is changing from 6 April 2026: what you need to know

Samantha O'Sullivan, ChFCIPPdip, CIPP

Samantha O'Sullivan ChFCIPPdip, CIPP Policy and Advisory Lead, reviews the confirmed changes to statutory sick pay (SSP) being brought about by the Employment Rights Act 2025.

As part of the Labour Government's commitment to 'Make Work Pay', significant reforms to SSP are coming into force from 6 April 2026. These changes stem from the Department for Work and Pensions (DWP) and the Department of Health and Social Care Joint Work and Health Directorate's work to modernise SSP and ensure it better supports both employers and employees. Following extensive consultation, supported by CIPP Think Tanks and detailed industry feedback, the changes have been confirmed, and here's everything you need to know.

What changes are being introduced?

The changes we'll see to SSP from the 6 April are:

- The lower earnings limit (LEL) will be removed, allowing all employees to access SSP regardless of earnings
- SSP will be calculated as 80% of an employee's average weekly earnings (AWE) or the current flat rate

(confirmed as £123.25 from 6 April 2026), whichever is lower

- Waiting days will be eliminated, enabling eligible employees to receive SSP from the first full day of sickness absence.
- Eligibility and transitional protections have now been confirmed which detail how the changes will affect anybody already off sick on 6 April:

Employees earning below the LEL who are off sick on or after 6 April will be eligible for SSP from 6 April at a rate of 80% of their AWE

- Those serving waiting days on 6 April will receive SSP from 6 April onwards
- Employees earning between £125.00 and £154.05 per week and already receiving SSP before 6 April will be transitionally protected to prevent a reduction in their SSP rate. This means they will receive the flat rate of £123.25 until they return to work, exhaust their entitlement or their contract ends.
- Confirmation around the calculation of average weekly earnings and SSP has also been confirmed, as:

SSP for those earning below the flat rate will be based on 80% of their AWE, calculated over a relevant 8-week period

- Payments will be rounded up to the nearest whole penny
- For linked periods of incapacity (within

56 days), the initial period's AWE will be used for subsequent calculations.

What employers should do now

Before the reforms take effect, employers and payroll agents should begin preparing by:

- Reviewing all sickness policies and employee handbooks to ensure they reflect the new SSP entitlements
- Checking contractual sick pay arrangements, particularly where they sit alongside SSP. The CIPP maintains that SSP should always be paid first, with any contractual pay acting as a top-up
- Assessing potential budget impacts, especially for workforces with a high proportion of low earners
- Considering reinforcing attendance management processes, given the removal of waiting days
- Engaging with human resources and payroll software providers, and line managers to ensure everyone understands the changes.

I urge all employers and agents to ensure sick pay policies and payroll software are up to date, to align with the new rules.

If you or your clients pay company sick pay, ensure that policies are updated, especially if entitlement to company sick pay corresponds to an employee's eligibility to SSP.

Video Highlights:

Scan QR Codes for a Quick Recap



IAB have created engaging video content centred on our seven strategic themes that we believe are intrinsically linked to the evolution of the finance industry. If you have missed any, this is your chance to catch up and revisit or keep safe for future reference.

January:



AML.

In this video, we introduced a video update to highlight key industry topics. The first update focused on AML, outlining what the IAB has done to strengthen compliance and support members in evolving regulations.

February:



Expanding Service Offerings.

This month's video update focused on the experience of expanding service offerings, exploring how technology and upskilling can help make this a reality.

March:



Data.

This month's video update explored the importance of data in today's business landscape.

It highlighted how finance professionals can use data insights to drive decisions, understand customer behaviours, and optimise strategies for growth.

April:



Education.

This month's video update focused on education at the IAB, highlighting formal qualifications, CPD opportunities, and the importance of staying ahead of industry trends like AML. It also covered the IAB's collaboration with the International Advisory Board to ensure innovative and workplace-ready qualifications.

May:



Technology.

This month's update focused on technology, emphasising its vital role in driving business success and efficiency. It covered the importance of integrating the right tech solutions while managing costs, particularly for new businesses.

June:



Innovation & Sustainability.

This month's update highlighted the exploration of market needs in the Middle

East and the value of the awards process in understanding business approaches. It also mentions the importance of integrating sustainability and ESG principles into modern business practices.

July:



Global Business.

This month's update focused on the challenges and opportunities for finance professionals in a global marketplace. It covered key topics such as regulatory environments, outsourcing, AML, and the importance of education in navigating international business.

August:



Financial Regulations.

This month's update focused on the growing importance of compliance, particularly in anti-money laundering (AML). It covered the launch of AML Complete, a tool for risk assessment and monitoring, and highlighted how strong regulatory frameworks can drive practice growth and efficiency.

September:



Education.

This month's update focused on the exciting developments in education, with IAB Director David Taylor and Deputy Chief Examiner

Michelle Griffiths discussing updates to qualifications. Topics covered included refreshed Level 1-3 qualifications, an update on the IFRS Level 4, and news about the new Level 2 apprenticeship qualification.

October:



Data Protection.

This month's update focused on data protection, with IAB Director David Taylor speaking with Derek Mann, the IAB's Data Protection Officer. They discussed the importance of having a proper data plan in place and shared simple tips for getting your 'data house' in order.

November:



Globalisation.

This video update Sarah recorded a presentation on what makes a global bookkeeper and why it matters to members. She discussed the globalisation of business, its implications for finance professionals, and how IAB is supporting members in navigating the challenges this brings.

