BASDA

The Voice of UK Business Software

BASDA Journal 2021/2022

Collaboration in action

Contents

Innovation, risk and regulation
in a new world –
A view from the CEO
and Executive Chairperson

Dear Members,

Welcome to the 2021/22 edition of the BASDA Journal. This annual publication provides a compilation of the significant milestones that BASDA has achieved during the last 12 months. In addition, we offer an overview of the focus and challenges going forward that BASDA will be focused on as a collaborative group with, and on behalf of you, our valued members.

During the last 12 months we welcomed some new faces to our General Council and I am delighted to formally welcome Matthew Walters (Senior Software Developer, OGL Group) and Steve Wilkinson (CTO, Husky Finance) and look forward to their great contributions going forwards.

I'd especially like to thank Peter Prater, our Finance and Administration Director, for his contribution and support and continuing to do an excellent job whilst supposedly in retirement.

KEVIN HART

May I also extend my thanks to our existing members and I continue to encourage their participation and engagement across the Specialist Interest Groups (SIGs), Working Parties, events and initiatives that happen during the year. We wouldn't achieve all we do without your participation and so I'm also extremely grateful to each of you for your continuing support in what has been both a challenging and productive year for both you, our members and for BASDA.

During a year when the pandemic continued to impact businesses, BASDA has been agile to meet member needs. Our focus has been about collaboration within our member community and engaging beyond; supporting our members during the year whilst driving forward various initiatives and projects where we collaborate with external parties such as Government and regulatory bodies. These include:

- Early engagement and collaboration with the Department of Business Energy and Industrial Strategy (BEIS) on a new Help to Grow Digital initiative which is due to launch by end of 2021 and offers 50% discount on business software. This initiative is significant to our sector and our work with the BEIS has influenced what good should look like. We have played a pivotal role in ensuring there is a full understanding of the service, the sector and the invaluable role accountants and other third parties (resellers, VARS/SIs, etc.) play. We have also been appointed to their Digital Advisory Group where I represent BASDA alongside the likes of FSB and CBI and specifically advise on the programme's direction of travel and accompanying rollout needs and opportunities.

- A Senior Leadership Development Forum was launched during 2021 to address a support void across our members. It became clear to us that our members, and in particular leaders, were heavily immersed in supporting their teams as they worked remotely. There were considerable challenges in managing that successfully and the key question was as they were putting energy into ensuring everyone was serviced and supported, who was supporting the leaders? Four initial sessions were launched (for a cohort of 10 senior leaders within our membership) and run with our professional consultancy colleagues at hgkc who brought additional expertise in to support themes such as:

  • Business resilience

  • How to develop innovative culture

  • Leadership in a crisis

  • Leading remote teams and high performing workers

There has been a fantastic response to this initiative with an additional round of sessions focused on external subjects that will bring value, complemented by a second cohort due to start early in the New Year. If any member is interested in joining Cohort 2 please register interest by emailing **carol.tennant@basda.org**

- 'Top things to consider when returning to the workplace, whilst COVID-19 is still a threat' – a guide launched in 2020 was updated during the course of the year, in particular to support the transition of teams working from home and returning to the workplace. This guide is written in plain English and a special thank you to the good network we harnessed and the various specialists who supported the content generation for the revised version of the guide.

- Strong engagement with Government continues. BASDA is working closely with HMRC on MTD (at director level), ranging from policy, feedback and support including support of members with structured feedback on a recent Corporation Tax consultation. We also engaged strongly on PAYE, VAT, ITSA through our SIG chairs and I represent BADSA on HMRC's executive sponsored Representative Bodies Steering Group. BASDA is the only representative software body covering a multitude of tax duties and sit alongside all the accounting and auditing bodies to monitor key performance indicators and drive accompanying initiatives to meet mutual goals.

- Significant engagement also on penalty reform for MTD particularly because of concerns over fraud. The headers data on MTD submissions have to conform to counter fraud measures and BASDA got involved early to provide significant advice and steer to make the regime fit for purpose. We continue to be actively involved in the development of developer journey and are providing ongoing feedback.

- A number of new SIGs were launched during 2021, including:

  - Payments and Open Finance SIG, where we have ongoing engagement with HMRC and key open banking areas. There is real transformation and dynamism going on in the payments industry and open banking is a key enabler for this and I would encourage active engagement from members with this SIG.

  - Accessibility, as part of inclusion, is of utmost importance to BASDA and we launched an Ability SIG with relevant external expertise and resources to support our journey. BASDA is committed to a broader inclusivity agenda across the wider software industry and the video **https://bit.ly/3qZZ2YU** will highlight our aims and objectives for this SIG.

- A working party structure is in place for themes which require a short term focus.

  - The BREXIT Working Party is now aptly named Post BREXIT Working Party and continues to support members on challenges faced since 1st January, including those in Northern Ireland, through a series of webinars with external specialists providing expertise and helping members on a number of their issues.

  - We plan to launch a new Net Zero Working Party early in the new year, which is strongly related to the climate emergency. As there are already significant reporting requirements in place for some of the larger companies starting to cascade down through supply chains in the public sector (i.e. NHS), our members will in due course need to start producing relevant data and this Working Party will support anticipated member challenges.

- An annual summit **'Innovation, Risk and Regulation in a New World'** split over four virtual events with a variety of excellent speakers and topics including HMRC, Pay.UK, AbilityNet and hgkc, which stimulated dialogue and provided insights on key challenges of the day.

- A placeholder for the return of a physical, annual summit Q4 2022 (6th October) – here's hoping that we will all be in a position to enjoy such an event and meet safely in person.

- Accounting Excellence Awards were held in October and this year I was invited to be part of the judging panel for **Hero Award: Software Vendor** category.

- We continue to have a close relationship with AccountingWeb and were invited by the organisers to chair and present at their LiveExpo event in December (in Coventry) on **'How Payments Systems and Software will transform your (and your clients') business in 2022'**.

The excellent work undertaken by our SIGs continues and I would emphasise the importance of being engaged with relevant SIGs to further your influence and maximise your return on membership through close involvement on key issues that may affect your commercial and technical business plans. These are also a great talent development opportunity for you and your team, as has been seen on many occasions, so please reach out if you would like to discuss further as we are committed to best serving our members' widest needs.

2021 was another busy and challenging year. However, I believe that we continue to strongly influence and shape the agenda through representation and collaboration to ensure that the voice of the UK business software industry is heard. I very much look forward to working closely with our members as we continue to build for the future in the year ahead.

KEVIN HART, CEO AND EXECUTIVE CHAIRPERSON

"I have been a very inactive member of BASDA for so many years, 2021 has put the organisation right where it needs to be in my mind, an invaluable resource for its members and a unique channel to share problems and experiences with like-minded people and software businesses."

TONY REYNOLDS, MANAGING DIRECTOR, CALIQ SOFTWARE LTD

New member
showcase

A warm welcome to the new BASDA members in 2021.

Collegia

www.collegia.co.uk

cloudBuy

www.cloudbuy.com

MyPAYE

www.MyPAYE.co.uk

OGL

www.ogl.co.uk

pay.uk

www.wearepay.uk

The full list of BASDA members can be found at **www.basda.org/members**
Information on how to become a member of BASDA is at **www.basda.org/why-basda/become-a-member/**

BASDA Specialist Interest Groups (SIGs)

BASDA SIGs are driven by members as centres of action to address key and current issues affecting the business software industry and its customers. BASDA members collaborate within these groups to discuss areas of common interest, best practice and latest industry challenges.

The level of activity within each SIG varies and is dependent on current issues and the need to respond to upcoming legislative changes or develop standards – all with the aim of reducing the burden on software development and support and extending or improving business opportunities for members.

BASDA encourages all members to join and play an active role in a SIG or SIGs that are currently championing issues that matter to their business. Benefits include:

- SIGs provide a channel for BASDA members to engage and communicate with Government departments and other influential bodies.

- BASDA is committed to developing the association through its SIGs to bring maximum value to its existing members and further extend its reach and effectiveness, appealing to small, medium and large organisations alike.

- Participation in these groups provides members with many benefits including: influence on important issues impacting your business now and in the future, first mover advantage, peer-to-peer networking and benchmarking.

- As a collaborative group, BASDA SIGs allow members to influence direction and benefit from the rallying power of BASDA in specific areas of business software.

The following pages highlight some of the recent activity within the SIGs.

To register for any of these groups, please email **marketing@basda.org**
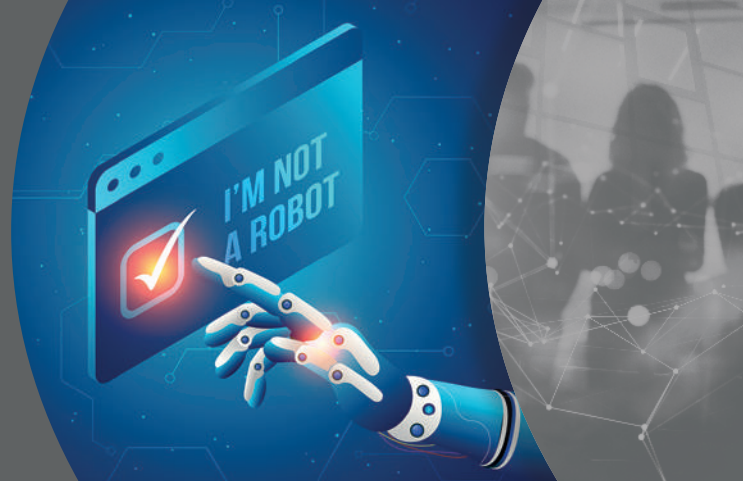
Ability
SIG

PAULINE GREEN, HEAD OF PRODUCT COMPLIANCE AND PROGRAMS, INTUIT QUICKBOOKS, SIG CHAIR AND MEMBER OF BASDA GENERAL COUNCIL

PAULINE GREEN

2021 launch of the Ability SIG

At the 2020 Annual Summit and in last year's journal, BASDA highlighted issues around digital accessibility.

From here the Ability SIG was launched in 2021 with an objective to garner market insights, including current and emerging strategies, solutions and for the coming trends, regulation and socio-industrial demographics across the widely termed accessibility agenda.

The aim of this SIG is to drive an effective awareness, understanding and then adoption through collaborative working with specialists in this field.

Making Tax Digital

On the GOV.UK website there is a long list of software for MTD for VAT with approx 550 different providers listed. To help the end consumer there are various filters available which alongside Free (21 suppliers), Welsh (2 suppliers) there are the four Accessibility requirements:

- Cognitive = 20
- Visual = 19
- Hearing = 19
- Motor = 21
- All four = 17

This means that around 3.5% of MTD for VAT software is accessible.

MTD for Income Tax Self-Assessment (ITSA) has had the pilot extended by 12 months and part of the hope is that there will be more accessible software available. As MTD for ITSA is aimed at the individual rather than businesses there is an increase in the likelihood that the end customer will have an accessibility need met.

One of the great facts produced by Robin Christopherson MBE, Head of Digital Inclusion at AbilityNet, is that by improving a website, app or software to help with an accessibility issue can actually improve engagement by 35% across the board. Also if you get a chance check out the BASDA YouTube video on our Ability SIG launch (available at **https://bit.ly/3qZZ2YU**) – particularly the CAPTCHA nightmare that Robin shared. It's a real eye opener!

Robin is excellent at demonstrating the challenges faced by a blind person but, as he has shown, "solving" an accessibility challenge can also have unexpected upsides for everyone. So

- Solving for a person with only one arm on a mobile device can also help those with an arm injury or a new parent having to carry a baby.

- Adding captions for hard of hearing actually helps those with no hearing issues but who may be looking at your product when English is not their first language or looking at support videos on a train.

- Helping those who are deaf will also assist those with an ear infection.

Particularly when thinking about videos your business may provide for support etc. think about these **7 Video stats for 2020**:

1. On average, people spend 2.6 times more time on pages with video than without (Source: Wistia).

2. 73% of all business videos are less than two minutes long (Source: Vidyard).

3. YouTube is the second largest search engine on the internet (Sourced Search Engine Journal).

4. More than 75% of videos viewed worldwide uses mobile (Source: eMarketer).

5. 90% of videos watched vertically have a higher completion rate versus videos watched horizontally (Source: Impact/Mediabrix).

6. 85% of people say that they've been convinced to buy a product or service by watching a brand's video (Source: Wyzowl).

7. 80% of consumers are more likely to watch through an entire video when captions are available (Source: Verizon Media/Publics Media).

Accountants in Practice (AiP)
SIG

KEVIN HART, BASDA CEO AND EXECUTIVE CHAIRPERSON

Firstly, let's share the engagements on the Making Tax Digital (MTD) SIG, as all will become clear, shortly, as to why that is.

Building upon the great progress achieved by the MTD SIG in shaping the VAT proposition and all that went on in ensuring that the pilot service was as fit for purpose as could possibly be, the ongoing delivery and developments addressed key business needs and developers' concerns. We then moved on to supporting the counter-fraud headers and the accompanying, planned penalty regime that was started later the previous year. We worked closely with HMRC's policy teams on this, and I am pleased to report the process and outcomes are now reasonably fit-for-purpose and this has also improved the reporting of headers and supporting customers to developers.

KEVIN HART

However, it became clear that with the trajectory of ITSA and, subsequently, Corporation Tax (CT) for MTD, that we should fold this SIG into the AiP SIG as the primary MTD focus going forwards would mainly be for accountants (and bookkeepers).

Following HMRC's consultation regarding CT via MTD, our Vice Chair, Jon Martingale, led a great process within BASDA for relevant members to debate and agree how we should collectively respond to this. That also augmented their submissions and a full submission was sent in time for HMRC's consideration.

Meanwhile, there were also several significant changes of personnel, roles, and structure within HMRC in regard to MTD (policy, delivery and market engagement) and so considerable time was invested (primarily me) to engage with these new personnel and so strike up an effective working relationship going forwards. We believe that this has put us in good stead for the future. Work and concerns were also being expressed about the pressure upon the software industry for the MTD roadmap and identified what HMRC needed to consider going forwards to ensure that the roadmap was deliverable.

Further to these events, Jon achieved a great career opportunity outside the BASDA membership, and we are both grateful for his contributions and wish him all the best in his new ventures.

This put additional strain on this SIG, thwarting some ambitions until we could fully resource this once again and appoint both a Chair and Vice Chair who are immersed in the subject matters important to the accountants (and bookkeepers) communities.

We have made great progress in recruiting both positions and aim to be in a position very early in the New Year to make some key announcements here.

Meanwhile, we also continue to work closely with the accountants' representative bodies on matters of common interest and sit alongside them at a very senior stakeholder level within HMRC to help shape their design, delivery and engagements going forwards – in both MTD and the wider tax and compliance market.

B2B Marketing
SIG

HELEN MOLONEY, MANAGING DIRECTOR, ALL THINGS WEB®, SIG CHAIR AND MEMBER OF BASDA GENERAL COUNCIL

HELEN MOLONEY

The B2B Marketing SIG was established with the key objective of establishing a forum for marketers from our member companies to come together to share best practice and learn about new and innovative methodology enabling each member company to develop their in-house marketing skills and talent. Our focus has also been on those issues identified in other BASDA SIGs that have implications for marketing.

Providing a measurable return on investment is a key challenge faced by every B2B marketer. Activity must add value and there are significant challenges facing marketers across regulatory, budgetary and competitive landscapes to achieve and deliver effective strategies.

Through the B2B Marketing SIG key achievements during the last 12 months have included:

- Supporting a series of webinars throughout the year including topics such as Brexit, Accessibility (including being part of a panel at the Annual Summit) and Open Banking.

- Working with All Things Web® to ensure the BASDA website is fully inclusive.

- Updated 'Top things to consider when returning to the workplace, whilst COVID-19 is still a threat' guide which offers independent 'jargon-free' guidance on the key areas of consideration for businesses (of all sizes) when returning to the workplace, whilst COVID-19 remains a threat.

Future initiatives and topics for the B2B Marketing SIG include:

- Accessibility and Inclusive Design – ensuring your business remains compliant (to be launched January 2022)

- The advantages of Account Based Marketing (ABM)

- Go to market globally – international business development

- Using experiential marketing to help prospects engage with your brand

- Using LinkedIn as a Lead Generation tool

- Using customer evidence to write effective testimonials and award nominations

- Key techniques for measuring and reporting marketing ROI

- Marketing automation – driving the right leads for your business

- Furthering relationships with other trade bodies i.e. ICAEW, Avalara and Institute of Directors on future joint campaigns

With a keen focus on any regulatory requirements the Marketing SIG will be sharing best practice and innovative methodology enabling member companies to develop their in-house marketing skills in this competitive environment.

If there are any challenging topics that you would like the B2B Marketing SIG to address, please share your ideas by email to **marketing@basda.org**

Construction
SIG

LIAM TUMULTY, APPLICATION CONSULTANT, CONSTRUCTION INDUSTRY SOLUTIONS LTD (COINS), SIG CHAIR AND MEMBER OF BASDA GENERAL COUNCIL

The Construction SIG focuses on statutory compliance areas including CIS tax, CITB levy and VAT for construction businesses, liaising with HMRC and others as necessary for the benefit of members.

During the year the Construction Reverse Charge for VAT went live on the 1st March 2021– which is a significant change for the construction industry as the responsibility and risk for VAT is moved up the supply chain. Software and accounting systems should now be up to date to deal with the new rules and staff who are responsible for VAT accounting be familiar with the reverse charge and how it needs to be applied. In some circumstances, clients should consider a move to monthly VAT returns, in order to minimise the cash flow burden if they are no longer net payers of VAT. The six-month soft-landing period has now come to an end so it is imperative that software and clients fully comply with the requirements. HMRC have not reported any significant issue with HR adoption of reverse charge.

Another change now live is IR35– off payroll working (20 years in the making). Firms should have in place policies and procedures for dealing with the various features of IR35. In addition to CIS labour construction business will need to consider payments made for consultants and other professional services, for example contract surveyors, architects, engineers and determine whether or not IR35 applies. The HRMC Check Employment Status for Tax (CEST) tool can assist determining if the IR35 rules apply.

The year has also seen changes to VAT returns with fraud prevention headers now mandatory. The withdrawal of the "Government's gateway", requirements for full digital records for most clients MTD is business as usual for VAT. These changes all pave the way for further MTD developments.

Looking ahead the HMRC programme for Making Tax Digital will include APIs for CIS deduction. This API allows the developer to:

- Retrieve details of the data the contractor has submitted to HMRC

- Retrieve a list of CIS deductions

- Create CIS deductions

- Remove CIS deductions

- Override previous CIS deductions (after the tax year has ended)

Developers should start planning how to integrate these API services for construction customers software and be ready for the launch of MTD.

As the construction sector recovers from COVID and adapts to BREXIT it is facing challenges in logistics and a labour skill shortage. These factors will provide opportunities for investment in IT infrastructure, IT skills and onsite solutions. Construction is embracing IT and technology solutions for example – the development of onsite remote solution for procurement and cost management – (in particular the reduction of paper-based solutions). These changes will present opportunities for software developers to be at the vanguard for changes.

LIAM TUMULTY

Payroll, Pensions and HR
SIG
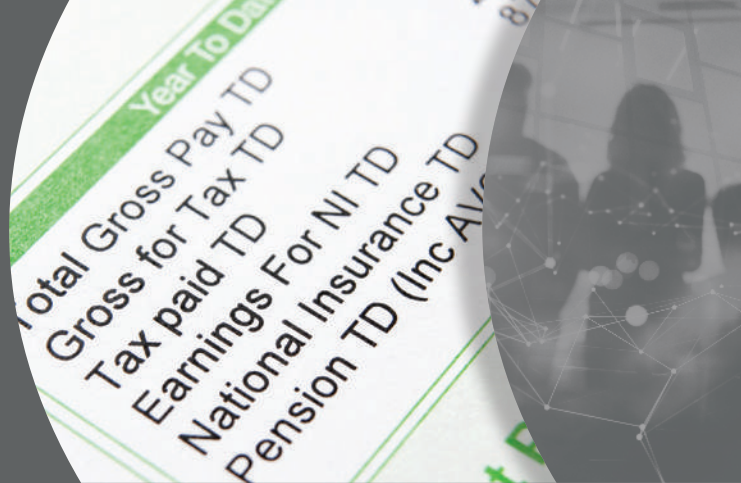
PAULINE GREEN

PAULINE GREEN, HEAD OF PRODUCT COMPLIANCE AND PROGRAMS, INTUIT QUICKBOOKS, SIG CHAIR AND MEMBER OF BASDA GENERAL COUNCIL

2021 What a year – again!
The Payroll, HR and Pension SIG has been very busy working on behalf of you all – particularly seeking clarification in the guidance published, which has been very basic.

2021 has continued on from 2020 with changes to the Job Retention Scheme happening regularly, although now all COVID support programs via payroll have stopped from 30th September 2020.

Significant NIC changes
Thankfully the Budget has returned to its normal Autumn timescale however there are already lots of changes coming in, particularly around NICs.

The following changes are expected in payroll for 2022/23:

- Veterans NICs – although this has been applicable since 2021-22 and the FPS can be retro fitted for 21-22 from April 2022.

- Freeport NICs

- Health and Social Care levy – which will be initially an additional increase to the existing NICs for 2022-23 before becoming a separate levy in 2023-34.

- HMRC have asked to include on all payslips for 2022-23 an explanation for the increase in NICs. The proposed wording is to be shared before the end of 2021.

In addition to the NICs changes, HMRC have increased their power to tackle abuse in the construction industry. Namely, HMRC can now amend/reject the amount an employer sends via EPS for CIS suffered. To support this the Corporation Tax UTR will be required on the EPS if the CIS suffered is greater than £0.00

In addition, HMRC have clarified the following related to CIS:

- When cost of material can be deducted

- A deemed contractor

- Expanded scope on CIS registration penalties

There are on-going changes as the result of Brexit. There was a change in the right to work from 1st July. Unfortunately, despite repeated attempts to engage with the Home Office it was not until 18th June that some guidance was issued and then an update 31st August that clarity was given on these changes. The good news is that following a recent meeting BASDA now have the correct contacts at the Home Office.

BASDA was also part of a conversation with the Pensions Minister regarding helping employees – particularly low earners – save more for a rainy day. As COVID has shown far too many business and their employees live day to day and do not have the ability or access to funds when needed for "emergency" use. BASDA will continue to be part of these conversations going forward.

Post BREXIT
Working Party

**BILL PUGSLEY, CHAIR OF LAKESHORE DATA MANAGEMENT,
CHAIR OF POST BREXIT WORKING PARTY AND MEMBER OF BASDA GENERAL COUNCIL**

Although Brexit happened when promised by the current Government there was a great deal left to consider in terms of reporting to HMRC now that the relationship had radically changed between the United Kingdom (UK) and the European Union (UK).

There was a desire by the Brexit working party members to continue meeting and sharing experiences of the issues associated with trading in the post-Brexit climate. Hence the post-Brexit working party was established.

Meetings continued through the year and information was disseminated to the group and, where appropriate, to the wider BASDA membership. Specific webinars were arranged open to all members and invited guests included Allie Renison, ex Director of Policy, Institute of Directors, Steve Bartlett, Chairperson, Association of Freight Software Suppliers, and Lyndsey Robinson, Senior Tax Analyst and Customs SME at Avalara.

Apart from getting clarity from HMRC on matters associated with Customs Clearance (customs duties) and treatment of Value Added Taxation (VAT), the need (or not) to register for VAT collection in individual EU states was explored at length and advice gathered and disseminated.

The matter of the Northern Ireland Protocol (NIP) has been a major concern to BASDA members and our clients. As at time of writing, the people of Northern Ireland (NI) seemed to be seriously disadvantaged by the fact that under NIP, NI is 'no longer' part of the UK. The rules for trading within Great Britain (GB – England, Scotland and Wales) are as they have always been. However, NI must continue to trade as if it is part of the EU. If goods are passed to NI from GB, they must pass the rules that apply for exports to the EU.

As a result of NIP, the import of commodity items into NI from GB has caused significant logistical problems for all parties, whether seller, shipper or customer. Some GB sellers found the information needing to be delivered so onerous that they have simply decided not to sell to NI businesses. For example, cold meats that were bought from GB by a business in NI were subject to EU controls (just-in-case they would be onward shipped to the Republic of Ireland). Unless they had EU conformance certification they cannot (under NIP) be sent to NI.

The opportunity to share experiences within the post-Brexit forum has assisted all contributors in better in servicing our mutual clients.
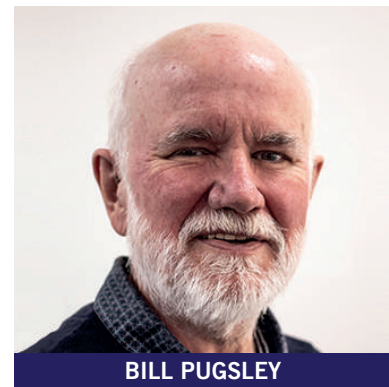
BILL PUGSLEY

Business
software guides

BASDA recognised that many businesses (including members) were looking for support to help plan for a return to the workplace during 2020 whilst COVID-19 was still prevalent and detail of the various restrictions and timings were evolving. We produced a guide to help all businesses anticipate and prepare how they safely manage 'return to work' scenarios for employees and to plan for phased return/s to the workplace. This guide is part of a set of guides, which are all free to download, and which have proven to be invaluable reference documents in helping businesses from making the right software purchasing decisions, to support them with entering awards, how to be GDPR compliant and most recently managing return to the workplace through COVID-19.

We continue to track the volume of downloads of the guides from the BASDA website and the range of interested parties include large corporates, SMEs, councils and small businesses. Each member logo is prominently displayed offering significant brand reach and visibility for both BASDA and our members.

We have leveraged our members' collective insights, as they themselves serve hundreds of thousands of businesses – sharing matters here from both an employers and employee perspectives – addressing current key concerns and considerations in order to bring this set of guides to market and provide free, invaluable reference aids to market for businesses of all shapes and sizes.

The range of guides includes:

- **Top things to consider when returning to the workplace, whilst COVID-19 is still a threat**
  (6 pages) – offers independent 'jargon-free' guidance on the key areas of consideration for businesses when returning to the workplace, whilst COVID-19 remains a threat. It offers practical direction on areas to consider including phased return, adhering to social distancing, health and wellbeing of employees, re-orientation programmes, rebuilding workplace morale and scenario planning. .

- **Selecting Business Software Guide** (24 pages) – straightforward advice and best practices ensuring the most efficient purchasing processes and methods are used across a diverse range of systems from Apps through Cloud-based and On-premise solutions. Its content is relevant for purchasers from businesses of all sizes from start-ups, through SMEs to major corporates and large public sector organisations ensuring that the investment is made on the basis that the business needs are being fully understood and the right due diligence is being carried out.

- **Selecting Business Software for Small Business Success** (4 pages) – a start-up or more established small business will have considerable demands on their scarce resources as they grow. This guide provides independent "no jargon" guidance on how to select the business application(s) which will meet and support the growth plans and ability to meet statutory requirements of the business without draining internal resources.

- **A guide to Accessibility and Inclusive Design** (9 pages)
- **10 things to consider when purchasing Accounting Software** (2 pages)
- **10 things to consider when purchasing Payroll Software** (2 pages)
- **Top 10 Things to consider when purchasing Making Tax Digital Software** (2 pages)
- **Top 10 Things to consider when purchasing Construction Software** (2 pages)
- **Top 10 Things to consider when entering Awards** (2 pages)
- **Top 10 Things to consider to ensure GDPR Compliance** (2 pages)

The guides can be freely downloaded from **www.basda.org/bsg**

As a member of BASDA your company has also the unique opportunity to co-brand any of the guides in conjunction with BASDA and use it as part of your own sales and marketing collateral. Your bespoke copy will remove all other BASDA member logos except the BASDA logo and your logo. You will also have an introductory paragraph and your contact details providing you with a useful marketing tool for your prospects. Should you have an interest in purchasing your own individual company branded copy of the guide, which will be delivered as a PDF (print ready) file please contact **marketing@basda.org** with any enquiries or orders for this option.

BASDA member logos are prominently displayed in each of the guides:

Meet the
General Council

Members' best interests

KEVIN HART

Head of Business Development UK&I,
SuperChoice Services Pty Ltd

Kevin has served on the General Council for 15 years, as Chair for the past 12 years and in 2021 was appointed to CEO and Executive Chairperson. Kevin has worked in a number of senior capacities for several blue-chip companies across several sectors and is currently spearheading an Australian-based Cloud-centric Pensions Technology company's market entry into the UK&I. With a passionate belief that BASDA has a crucial role to play in the business software industry, punching well above its weight, Kevin is committed to delivering incremental value to members including a more diverse and representative General Council.

PETER PRATER

Business Consultant

Peter has been a General Council member for 15 years and Finance Director for the last 12 years. He spent nearly 25 years as Managing Director of a very successful software company before taking on added responsibilities within BASDA. Being passionate about BASDA, his company has made an enormous contribution for its size over the years, and had an excellent payback.

BILL PUGSLEY

Executive Chairman, Lakeshore Data Management

Bill has been working in the IT sector since mid-1970. The last 45 years have been spent in the software and services sector and include over 25 years of working with EDI and latterly e.commerce.

A former Council Member of BASDA and a former non-executive Director of GS1 UK for eight years, Bill has run businesses in several countries.

Bill's primary interest is helping businesses avoid making the same mistakes he has made in his career to-date!

CAROL MASSAY

Head of Construction, EasyBuild, an Access Group company

Carol has over 30 years' experience working within construction, and the last 18 years within construction technology. Previous roles included Finance Manager for a top ten house builder and 13 years at an Irish based Civil Engineering and Building contractor. With this experience she moved into construction technology helping deliver the message to the construction business of the benefits of embracing technology within their businesses to promote a more efficient way of working.

Her previous role within a well-known construction software house included Senior Implementation Consultant, Head of Professional Services and Strategic Relationship Manager whereby she helped implement solutions and cultivate relationships with a number of top 100 construction businesses.

LIAM TUMULTY FCCA

Application Consultant,
Construction Industry Solutions Ltd (COINS)

Liam has worked in finance for over 20 years and has been with COINS since 2017. He has extensive experience in many aspects of finance including VAT, Payroll, Reporting, Shared Services and Software implementations. Liam was appointed to the BASDA General Council in October 2019 and is looking forward to working across new projects in this role.

HELEN MOLONEY

Managing Director, All Things Web®

Helen has over 20 years' experience of working within the Financial Services Industry in a variety of business development, marketing and management roles. As MD of Digital Marketing Agency, All Things Web® she has supported BASDA as its marketing partner for three years and in her role as a member of the General Council and Chair of the Marketing SIG brings valuable insights and experience to BASDA members on Marketing, Lead Generation and the Digital landscape.

PAULINE GREEN

Head of Product Compliance and Programs, Intuit QuickBooks

Pauline has been involved with BASDA for the last five years and held the position of Vice Chair of Payroll, HR and Pensions SIG until her appointment as Chair in May 2018. Through this role she was involved with the Pension BIB and helped develop the PAPDIS Standard.

While her current role is Payroll, HR and Pension focused she has previously worked in various industries as an accountant so interested in HMRC plans for APIs including their MTD plans. BASDA has a unique role representing the voice of industry particularly with HMRC.

MATTHEW WALTERS

Senior Software Developer, OGL Group

After 13 years working for a manufacturing company, Matthew decided to take his commercial skills and ERP knowledge to an IT company, joining OGL as a Software Trainer. Matthew's 20 years at OGL have covered all aspects of the software division, with the last 10 years as a developer. His current focus is ensuring that OGLs software continues to meet customer needs with particular interest in issues such as Brexit, making tax digital, and other legislative requirements and is keen to bring this experience to the BASDA General Council.

STEVE WILKINSON

CTO, Husky Finance

An engineer at heart, Steve has worked in the software industry for over 40 years in a wide range of roles, from start-up founder to chief software architect. Most recently with pensions technology specialist Husky as co-founder and CTO, Steve is leading the business's expansion from workplace pension services into an end-to-end offering for SMEs, including managed payroll services. Steve is a strong advocate of automation in business and as such is committed to helping BASDA members deliver greater value to their clients through integration, collaboration and automation.

BASDA Annual
Summit Report 2021

"These events offer a better understanding of how the planning of HMRC and Brexit impact will not just potentially affect my business but how it will affect my clients. It gives me a heads-up on how to better service my clients' needs."

MEMBER WHO
ATTENDED THE SUMMIT

The impact of COVID-19 resulted in BASDA relooking at their strategy to design and deliver the Annual Summit which was planned to be in London earlier in the year. In recognition of Government guidance relating to necessary travel, social distancing and putting to the forefront the safety and wellbeing of members a decision was taken to move to an online event which took place across four dates during October.

Securing the right speakers, utilising the right technology and creating moments where participants can create connections and engage in the event were all factored into the planning and execution to enable of the best possible virtual conference for members.

A wide range of topics were discussed with a range of superb industry guest speakers joining us. A very full agenda covered HMRC's focus on innovation and transformation, an update on MTD, Brexit, Open Banking, Payments and Accessibility. We are delighted that many of our guest speakers have contributed to this year's journal and per the Chair's opening remarks a number of new working groups and SIGs have evolved based on member needs.

Guest articles

David Johnson – Innovation Lead, HMRC
Provides an update on HMRC transformation and innovation

As the UK's tax, payments and customs authority, HMRC fulfils a vital purpose. Serving 50 million customers, supporting 60,000 colleagues and handling over two billion transactions per year, we're one of the UK's largest IT estates and most digital organisations, enabling our customers to do more online than ever before.

When the pandemic hit last year, we more than doubled our remote working capacity to enable more than 50,000 colleagues to work from home in just five days. We delivered the Coronavirus Job Retention Scheme (CJRS) in four weeks and rapidly delivered three further financial support schemes, all successfully, on time, with high satisfaction rates, at the same time as delivering major UK transition programmes.

This work highlighted four areas of focus for our further digital transformation. First, getting the most out of the data we hold. While delivered at pace, our coronavirus deliveries were underpinned by robust and accurate data brought together from disparate systems in an analytical pipeline allowing accurate management of eligibility, customer contact and compliance.

Second, the use of Artificial Intelligence (AI) and Machine Learning (ML) to improve services. Using AI and ML for the CJRS meant we could receive data from employers in a variety of formats and easily match it to tax records.

Third, cloud adoption as an enabler. We're leading cloud adoption in Government to modernise our estate and scale our platforms. The final area of focus for our digital transformation is harnessing FinTech innovation. We know that emerging FinTech can help us to improve the tax system. HMRC is the first Government department in the world to offer customers an open banking payment service. Our Pay by Bank Account service has been an immediate success, being used by customers to make half a million payments worth £1BN in its first six months.

HMRC's Innovation Team undertakes continuous discovery and exploration to track emerging technology, market changes and FinTech innovation. We work to understand future opportunities, solve problems and propose innovative solutions to improve customer experience and processes longer term.

Our current focus is banking and payments, understanding opportunities to simplify tax arising from emerging technology, FinTech and developments in the banking and payments market. Solution and technology-agnostic, we're investigating opportunities to improve payment processes, increase data accuracy, address legacy challenges, increase information sharing, access real-time information and reduce customer burden. By understanding industry developments and innovating, we want to work towards a future where paying tax and being paid by HMRC is simple, flexible and intuitive for increasing numbers of citizens and businesses, and made easier by drawing on existing data.

As we continue to test the art of the possible and demonstrate how industry developments and emerging technology can improve the tax system, our aim is to define standards and identify building blocks that could facilitate market-led solutions in the future. Accountancy software will play a key role in this. We look forward to engaging further with BASDA and its members around our innovation work.

DAVID JOHNSON

Giles McCallum – Director for Making Tax Digital, HMRC
Provides an update on digitalising UK business

The end of 2021 has been an extremely busy one for Making Tax Digital (MTD). In September, we firmed up our plans for the mandation of the MTD for Income Tax (ITSA) service, including giving the legal certainty about the shape of the service through laying regulations.

MTD ITSA will be extended to unincorporated businesses and landlords with over £10k total business and property income filing their Income Tax Self-Assessment returns from April 2024. We have shared the ITSA Delivery Roadmap for 2021/2022 with the Software Developer Community. We are working on the Delivery Roadmap for 2022 and beyond and this will be shared with developers by the end of this calendar year.

A change to the mandation date does not mean a pause in delivery. The MTD ITSA pilot is already running, and development continues apace. We have a clear direction of the travel and are working hard to drive forward the development of the pilot:

- **2021-22:** We are supporting customers into the private beta by working closely with software developers to 'handhold' their customer as they sign-up and submit through MTD. This allows HMRC to monitor the impacts on the HMRC systems as a result of customer activity in the live environment and with new functionality as it is released. This also provides direct support to the software developer and their customer in these early stages of the pilot.

- **2022-23:** We will increase the volume of customers signing-up to MTD during 22/23 and will continue to extend the type of customer journeys we can support end to end (including system performance and the customer support model) as we deliver new functionality. This will be supported by an increasing range of software developers and their products, and we are working with developers now to understand their own onboarding plans for customer types joining the pilot alongside the HMRC communication strategy.

- **2023-24:** A full Public Beta will be run in 23/24 to allow HMRC to test the service with significant numbers and to test the full end to end service for the customer ahead of Mandation in April 2024. We will continue to work with the Software Developer community to recruit customers and invite customers to join the pilot in line with our segmentation activity and ITSA comms plan.

We know how important a thriving software market is to the success of the ITSA service, and that expectations are high among the tax community in anticipation of using the additional year before mandation to deliver more software products for the pilot. Developing software products for the ITSA service will be more complex than for VAT but we are encouraged by the early progress being made. There are currently a number of products available, with additional products expected from early 2022.

The Government remains committed to ensuring that there are free MTD ITSA software products for mandated customers to choose from. We have been encouraged by the feedback we've had from developers so far.

We have also run a consultation on Corporation Tax, confirming that companies will not need to use MTD for CT before 2026 at the earliest. The Government has recently published its response to the consultation on gov.uk.

The MTD VAT service continues to mature. Over 1.5 million businesses have now signed up, collectively having submitted around 11 million returns. Those businesses with turnover below the £85,000 VAT threshold will be mandated to use the MTD service for their first return on or after 1st April 2022. Over a third of them have already signed up voluntarily.

Absolutely central to our success will be the partnerships we are able to develop with software providers. MTD simply wouldn't work without you or your commitment to provide quality products to the market. Our experience with VAT shows us that we can rely on our software partners to deliver. We know that the next step is a harder one but we feel the strong working relationships we have developed will ultimately help us deliver a quality service for taxpayers.

Louise Tarpy – Head of External Software Integration, HMRC
Provides a software developer update

LOUISE TARPY

The unprecedented impact of COVID-19 might have temporarily slowed Making Tax Digital plans, but HMRC has no intention of letting it slow our long-term ambition of becoming one of the most digitally advanced tax administrations in the world.

It may not always be visible publicly, but our Application Programming Interface (API) Strategy is one example of a transformation delivering change on a huge scale. Since its launch in 2015, our API ecosystem has grown from strength to strength with successes including:

- Creation of one of the most extensive API libraries in Government

- Support to over 100 external facing APIs, underpinning 68 tax regimes

- Enabling over 2,000 third-party products to integrate with our APIs

- In just five years, calls to our API Platform increasing from 11m to 2.4bn annually

- Managing a 900% increase in product growth for Making Tax Digital for VAT products, compared to the VAT Extensible Markup Language (XML) service

In addition, we continue to support receipt of over 90m submissions via XML services annually.

API delivery is still relatively new to both HMRC and wider Government, so we continue to review, refine and improve our processes to establish best practise and learn lessons. One improvement that will affect developers in the coming months is a new Terms of Use (ToU) journey. Our ToU set-out what developers can expect from HMRC and what we expect from developers, when they create and operate software services that consume APIs hosted on the HMRC developer hub. Developers must sign the ToU when they request production credentials for API Services. The existing process is a simple tick box, making it easy for developers to sign, but it runs the risk of some developers not fully understanding content or consequences of non-compliance.

To address this concern, we are introducing a new ToU journey which:

- Breaks the ToU into a series of questions that the user must answer individually

- Creates an exception, if questions aren't answered as expected

- Introduces annual revalidation
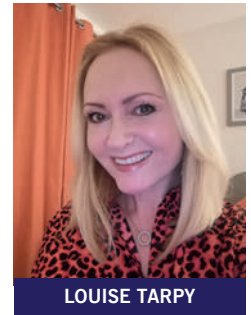
The new journey will enable us to scale support to our growing community of API consumers, while ensuring we meet GDPR requirements. User research will take place over the next few months, with implementation expected early 2022. Making Tax Digital will be the first tax regime impacted by the new process.

The extension of the Making Tax Digital for Income Tax Self-Assessment (MTD ITSA) implementation date does not affect HMRC's MTD delivery plans. We intend to use the extra time to work in partnership with the software industry, to deliver high quality products that meet the needs of the diverse ITSA population. We are grateful to the developers that have supported the pilot so far and we're keen to hear from others interested in joining us. Joining early provides greater opportunities for co-creation and influencing outcomes. If you are interested, please contact **SDSTeam@hmrc.gov.uk**

For full details about what functionality your ITSA product will need to provide, visit HMRC's developer hub at **www.developer.service.hmrc.gov.uk/api-documentation**. As with VAT, you will also need to provide a product demonstration before we can list you on our Software Choices page.

HMRC is working on a new, dynamic Software Choices page for MTD ITSA. The format will be similar to the VAT page and we expect it to go live early in 2022. In addition, we recently conducted a review of the MTD for VAT page and found a number of entries were out of date. If your information changes (for example a change in URLs) please make sure you tell **SDSTeam@hmrc.gov.uk** so we can keep the page up to date and relevant.

HMRC is also working on the creation of a transactional risking service. The service will analyse data in real time and provide risk-based interventions to help customers input accurate information. Accurate reporting reduces costs for both customer and HMRC and helps to close the tax gap by ensuring customers pay the right amount of tax at the right time. MTD will be the first tax regime to take advantage of the new service.

In addition to the transactional risking service, we are continuing behavioural prompts and nudges trials. We will build on the work already done by co-creating more content with third party providers. Efficacy will be evaluated, and results made available to the wider industry as soon as possible. We will make the final documentation available to developers in the Developer Hub so they can adopt where appropriate.

Louise closed the session with a brief overview of progress on accessible software since BASDA 2020 ahead of the dedicated Accessibility event 14th October. See 'Why Accessibility is important to the Future of Tech – An HMRC perspective', for more detail.

Peter Quintana – Business Consultant and Mentor, hgkc

PETER QUINTANA

In early 2021, Peter Quintana, co-founder of hgkc was approached by BASDA to help establish a Senior Leadership Forum for director level BASDA members.

We put together a programme of four roundtables, run under Chatham house rules, to discuss Business Resilience in Leadership, Leading Remote Workers, New Ways of Working and Innovation Culture. These were delivered with the support of James Short and Kim Jones of hgkc, with support from hgkc partners Headstrong Training and DISCsimple.

The first session, Business Resilience in Leadership, held on 22nd March, focused on challenges business leaders were facing during lockdown.

These included:

- Creating a unified culture

- Recruiting young people

- Remote and hybrid working

- Internal communications

- Leading and supervising a young team

- Succession planning

In times of crisis, there is a need to focus on the future and create a positive culture that builds trust and confidence in leadership. The group recognized there are many challenges ahead when it comes to recruiting to a remote-working business, where leaders must respect the line between home and work life.

On 19th April, the Leading Remote Workers roundtable tackled the importance of mental wellbeing and how to communicate with everyone effectively. It is important to understand that everyone is different and has different behavioural preferences. We were reminded that leaders also must be self-aware and understand their own behaviours and needs.

The New Ways of Working roundtable followed on 17th May. This concentrated on leading out of a crisis, looking at communication in a hybrid world, evolving the workplace and adjusting to new working environments. The session focused on the challenges of working from home, ensuring that people are still heard and listened to as well as having the opportunity for online training.

The fourth roundtable, on 14th June, discussed Innovation Culture. We agreed that for something to be an innovation it must deliver value and discussed how to measure that value. Key themes emerging included communication with customers, and leaders driving new behaviours in their organisation using BEANs (Behaviour Enablers, Artifacts, Nudges) to help embed them.

Following its success, hgkc were asked to run four more roundtables. The first two on Performance and Innovation, were run on 20th September and 18th October. Two more, planned for later this year, will switch the conversation to Culture and Talent.

In addition to the Senior Leadership Forum, hgkc hosted one of the BASDA Annual Summit sessions on 7th October, leading an interactive workshop on Scenario Planning. Peter Quintana delivered a short presentation introducing a definition of Scenarios – 'futures manufactured to challenge assumptions about the present, to socialise new ideas, and build robust strategies' – and explaining why imagination is key to testing future strategies against what we don't know we don't know.

Delegates, split into three breakout groups, developed their own scenarios to help embed new learning, taking away a valuable resource to apply in their own businesses.

The workshop concluded that uncertainty is marked by the absence of analogy to past experience. Constructing multiple analogies by turning to imagination instead of experience aids judgement and strategy, proving that imagination is an invaluable strategic resource and that scenario planning can alter mental models of time to enable organisations to work simultaneously in the present and the future.

If you are struggling with strategic risk analysis, contact hgkc **https://www.hgkc.co.uk/contact-hgkc** today to find out how we can help develop your strategic leadership capability.

ROBIN CHRISTOPHERSON

Robin Christopherson MBE – Head of Digital Inclusion, AbilityNet
The importance of digital accessibility and how to embed it in your organisation

My presentation in the 2021 BASDA conference focused on two main areas; the business case for accessibility and how to do it right within companies large and small. So let's take a quick look at both areas here.

The business case for accessibility
At its core there are three components to the compelling case for considering accessibility in everything you do:

- It's a legal requirement – Equality Act and the Public Sector Bodies Accessibility Regulations

- The ROI is huge – an estimated £274bn disposable income of people with disabilities in the UK and 76% will 'click away' if they encounter inaccessibility

- It's just the right thing to do – think how important digital is to you…

I won't go into any more depth here as it's all brought together in one handy **business case page** on our AbilityNet website.

Oh and by the way, did you know that accessible products are easier to use by all? This is because everyone using a mobile phone experiences 'situational impairments' every day. Here's a nice infographic from Microsoft to explain the concept.
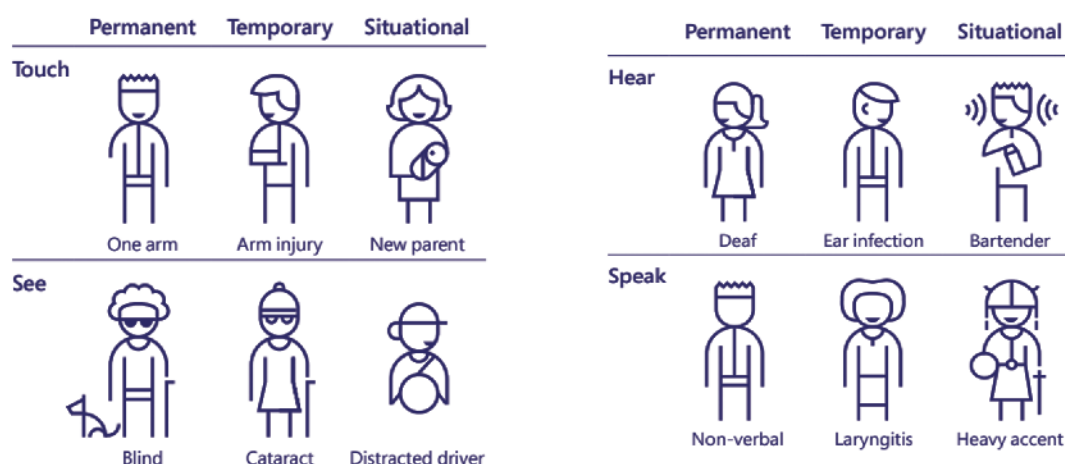
Embedding accessibility across your organisation
We then looked at the best way to review your organisation's current levels of 'accessibility maturity' and how to 'level up'. This is using AbilityNet's DAMM; Digital Accessibility Maturity Model.

Our DAMM is a practical way of assessing how well you embed accessibility within your digital products – both internally and those you may produce. It exists to answer two BIG questions we are asked by our clients:

- Where are we currently when it comes to digital accessibility and compliance across everything we do?

- What do we need to do next to achieve a position of compliance and even best practice?

Maturity Models are a well-established management consultancy tool which help you address these questions through a structured consultation process. The result? Movement towards a less ad-hoc, less 'fire-fighting' approach to accessibility and towards one where shifting left means that everyone has the tools, training and support to do things right from the outset; making sure things are 'Born accessible'.

We have a self-serve version of the DAMM process to download, as well as more information on how we can help guide the process and provide our recommended actions. Both can be found on the **DAMM page** on our website.

"If disability is not on your agenda then nor is diversity and inclusion."
QUOTE FROM THE VALUABLE 500

More info about AbilityNet
We offer a range of services from accessibility audits to diverse user testing, from employee assessments to free home visits. You can find out more at **www.abilitynet.org.uk**

LOUISE TARPY

Louise Tarpy – Head of External Software Integration, HMRC
Why accessibility is important for the future of tech: An HMRC perspective

Louise Tarpy, Head of HMRC's External Software Integration team, tells us why working with the software industry to encourage more accessible commercial tax products is so important to HMRC.

If COVID-19 taught us anything, it's that businesses that evolve with the changing needs of their customers are the ones that survive and thrive. The pandemic drove many individuals online for the first time, out of necessity, rather than choice. While this undoubtedly contributed to the unprecedented acceleration of digital transformation witnessed during the pandemic, it also highlighted that accessibility isn't only about disability. Accessibility is about providing services that adapt and flex with user needs.

Accessibility is about inclusivity, not disability

HMRC's Terms of Use require web based third party software to meet Web Content Accessibility Guidelines (WCAG) to a minimum of AA standard. As a software developer, you may wonder why WCAG compliance matters to HMRC. We've never asked that products be compliant before, so why now?

Making web-based products accessible is a requirement of the Equalities Act 2010. However, because historically HMRC built its own accessible, customer-facing products we didn't need visibility of what the marketplace was doing. Our 2015 API Strategy changed that. The Strategy recognised that HMRC's traditional 'one size fits' all approach was no longer fit for a developing, digital world. By using APIs to embed tax journeys into tax software we could provide taxpayers with simpler, frictionless journeys; removing error and reducing costs. However, by transitioning to wholly third-party software, HMRC removes itself from the marketplace, meaning we need to be sure there are third party products available commercially that can meet accessibility needs.

HMRC's flagship Making Tax Digital (MTD) programme is an Application Programming Interface (API) First service. In MTD for VAT, the number of Web Content Accessibility Guidelines (WCAG) compliant products is small but steadily increasing. Progress has been slow because retrospectively updating products to be WCAG compliant is more time-consuming and expensive than developing a compliant product from scratch. That's why we're talking to developers now about plans for MTD for Income Tax Self-Assessment (MTD ITSA). We're asking that you consider accessibility from inception through to delivery. It's especially important for ITSA because it has a more diverse customer base than any other tax regime.

Some 4.2m ITSA taxpayers are eligible for the first stage of MTD ITSA roll out. Understanding the diverse needs of those users is crucial to building a product that appeals to the majority. Assuming they represent the population at large, their accessibility needs would translate to:

- 840,000 individuals with a disability (20% of UK population)

- 420,000 with neuro diverse conditions (10% UK population)

- 189,000 colour-blind (4.5% UK population)

- 1.26 million with below-average English and maths skills (30% UK population)

- 756,000 over 65 (18% UK population)

- 336,000 English not their first language (8% UK population).

Some individuals will fall into more than one category and these figures don't include people with temporary impairments or situational access needs. What they demonstrate is, there's no such thing as a 'normal' user, therefore not designing inclusively can risk excluding huge segments of the population that could be prospective customers.

The business case for inclusive design

One of the most common questions we're asked by developers is 'What is the business case for inclusive design?' In a world of competing priorities, this requirement is often found on the 'nice to' rather than 'need to' list. There are three key drivers to creating a powerful business case:

Commercial: Inclusive design means your product appeals to the broadest demographic possible, maximising your potential customer base, while reducing volumes of resource-intensive, costly exceptions. A product that adapts with the changing needs of customers breeds loyalty and attracts new and untapped markets. By keeping users in-product, you can maximise potential for upselling, and your accessible features become a unique selling point, providing an opportunity to leverage the 'halo effect' of being a responsible, ethical organisation in marketing campaigns.

Legal: HMRC's approach is to work in partnership with the software industry to deliver a voluntary permanent shift towards inclusive design. However, there is a strong legal argument for building accessible products. WCAG compliance is a legal requirement under the Equalities Act 2010, which states businesses should **'take such steps as is reasonable to ensure an equal experience'**. HMRC's ask of developers is that, where it is reasonable to do so, they take steps to comply with accessibility standards. This protects the business from legal action by ensuring compliance with the Equalities Act, the associated Code of Practise for Services, Public Functions and Associations and HMRC's Terms of Use.

Moral/ethical: Be a visible advocate for diversity, equality and inclusion. Help embed a permanent shift in culture across the software industry. Help to unlock the potential of people with accessible needs. Provide all your customers with a consistent, equal experience, ensuring they feel included. Support the principle of **'value everybody, exclude nobody'**.

Combining these drivers with evidence-based user needs creates a compelling, indisputable business case that will surely promote inclusive design to the top of that all-important, 'need to' list.

To discuss your plans for making your products accessible, please contact **SDSTeam@hmrc.gov.uk**

NICOLE COATES

Nicole Coates – Technical Specialist, Payments System Regulator

I was particularly pleased to be asked to speak on a panel as part of the Annual Summit for BASDA members this year. I very much enjoyed listening to my payment colleagues and their thoughts on where the sector goes next and the impact of Open Banking, and it was an honour to be included in a panel of such quality. But I should warn readers that I also had an ulterior motive for appearing, and I'll come to that later.

The Payment Systems Regulator is unusual among regulators in one particular regard. We have a statutory duty to promote innovation in payment systems. There aren't many regulators who are specifically charged to support new and exciting things, but we're among them.

To my mind you can think about 'innovation', and how you can approach it as a regulator in a couple of ways. Of course we want bold new disruptive ideas in payments that bring new services to consumers and businesses. But we also want to work with what we have and make it better.

We think Open Banking Payments offer great opportunities here. Opening up the ability to initiate payments to new firms and new business models is already providing really exciting ways to speed up payments while making them more cost effective: we heard during the panel discussion about the way EcoPay has been able to make a real difference to HMRC.

But we think there is likely still more work to do – we think that there will likely need to be more coordination and more agreement and more working together in the future. We're keen to help UK payments achieve their potential. As Open Banking settles in to become a normal part of the UK payments landscape we'll be standing by to help and nudge where we can.

We always want to understand as much as we can about how new payment ideas come to fruition and how they can be best nurtured and encouraged. And this is where my ulterior motive comes in…

I think it's quite likely that BASDA members have been at the coalface of making payments integration work, and that they have perspectives that we can learn from. If you're reading this and there's something that has always bothered you about payments, something you just can't get to work as well as it should, we'd really like to hear about it. I don't promise that we will necessarily be able to fix it straight away. But the more we know about where the pain points are, the better equipped we are to try to make a difference.
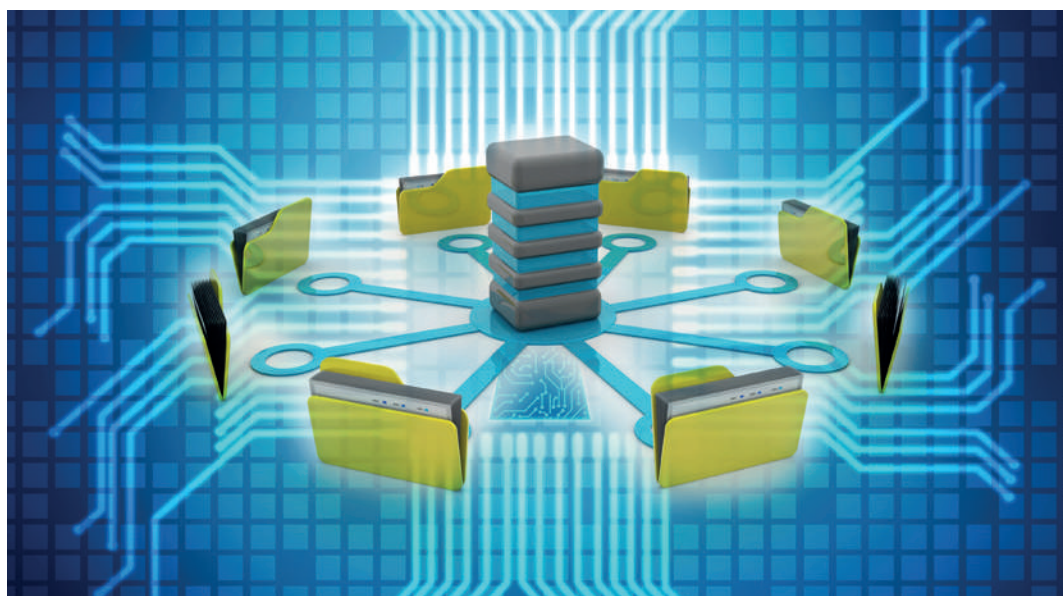
James Hickman – Chief Commercial Officer, Ecospend

JAMES HICKMAN

Payment innovation by Ecospend

The lack of technological advancements in payment services over the decades has created a fertile ground for technological innovation. So when Payment's Service Directive (PSD2) was established with the purpose of introducing payments and financial data services to new technologies, it was clear it wouldn't be long until the payments landscape would start to modernise.

Ecospend is a London based fintech startup taking full advantage of the opportunities PSD2 has opened up for third party providers. We have proprietary full stack open banking solutions in both Payments Initiation (PISP) and Data (AISP).

Having won the Government's tender process, which has been widely regarded as the most forensic analysis of the Open Banking market, we went live with the world's first open banking Government payment scheme in March of this year. Data products are coming soon.

Since then, HMRC has established itself as the true trailblazers of this new technology. Ecospend and HMRC started initiating tax payments in March and have since processed over £1.5 billion in transacted value, with the number of users increasing exponentially every month. In just ten weeks Ecospend and HMRC integrated an entirely new payment solution that is now live across 12 of the 30 tax regimes including PAYE, corporation tax, VAT and self assessment.

Our direct account to account payments bypass all third parties that we've been told are a crucial part of completing an online or instore payment. We aren't beholden to any of their 30 year old legacy systems and the money doesn't have to go through any issuers, banks or gateways. We simply initiate a direct transfer from one account to another.

From a consumer point of view, it means paying with your card is now completely unnecessary. All that is asked of the customer is to connect to your bank using your biometric ID and confirming the payment from your bank. The payment details, including the amount, payment reference, sort code and account number of the payee's account is pre populated so no card information, no personal data is required.

The change for merchants are equally as drastic. Rather than paying a substantial percentage of every transaction in card fees, our account to account payments bypasses all incumbent card fees, and in several cases our clients have saved up to 80% on their payment costs.

The efficiencies make for a safer transaction as well. Connecting merchant accounts directly to consumer accounts to instigate a direct bank transfer is a safer and far more robust method of avoiding fraud and chargebacks. Whereas it's not difficult to take someone else's card and go on a spending spree, it's all but impossible to log into a bank account that requires biometric authentication.

80% of the population own a smartphone now, and of that number over 85% have mobile banking. This means the vast majority of the population have the ability to pay online with their banking apps, removing the need for the piece of plastic in your wallet that slows down the transaction, opens both parties up to fraud, requires a slow and manual checkout experience for the consumer and places an unavoidable extra tax onto any merchant's income.

The fallout between Amazon and Visa was of no surprise to anyone with first hand experience of the current payments landscape. Incumbent payment methods are going to have to accept and adapt to open banking innovation that is driving the market forward. 2021 has proved open banking is now an alternative payment method that works and is popular. We are prepared for more and more businesses to turn to open banking as a solution for collecting payments.

Accounting
Excellence Awards

BASDA was delighted to once again be associated with the Accounting Excellence Awards presented by AccountingWEB.

These awards showcase the best technology and the innovative software developments within the accounting sector. In a year that COVID-19 continues to be prevalent businesses have had to pivot in many ways to support their employees and customers. Whether that's been new infrastructure, new software solutions BASDA are proud to be involved and recognise those suppliers who supported their accounting and business users through the crisis. This year BASDA was also invited to join the judging panel to select the Hero Award: Software Vendor Award.

As the only UK industry association focused specifically on supporting the issues of business software development organisations BASDA recognised many of our members' customers nominated for various awards.

A fantastic event celebrating the very best in the accounting sector.

If you are entering a submission for an award why not download our latest guide, 10 Things to Consider when Entering Awards. This guide focuses on 10 things a business needs to consider including which categories to enter and how to prepare for vote-winning submissions that follow the rules, while standing out to the judges.

AccountingWeb LIVE
Coventry Dec 1-2

AccountingWeb Live Expo brought together the UK's largest accounting community in-person across two action-packed days of expert advice and innovative suppliers. BASDA were invited to join the event as part of a panel to discuss 'How Payments Systems and Software will Transform your (and your clients) business in 2022'. Kevin Hart, CEO and Executive Chairperson of BASDA was joined on the panel by Richard McCall, CEO and Co-Founder Armylytix; Sam O'Connor ACA, CEO, Coconut Bank; Constanza Castro Feijóo, Stakeholder Engagement Manager, Open Banking.

The panel reviewed the open banking solutions available that can improve your productivity and profitability, plus the latest trends in client usage for 2022 including:

- Making open banking relevant to accountants

- Tech experts and vendors to take your questions

- The next move on from automation to save you hours

Kevin shared insights into the various Open Banking based initiatives that deliver real world benefits through current and future use cases, and via existing and emerging proof points, such as Income Tax payments and the RTI PoC and discussed how the emerging eco-systems, including BASDA members, play a key role in enabling such derived benefits.

BASDA
The Voice of UK Business Software

www.basda.org

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...and don't forget, you can always talk to our friendly team at **marketing@basda.org**

BASDA Annual Summit – 6th October 2022
at The Wellcome Collection, London

Accountex – 11th-12th May 2022 at ExCel, London

Accountex Summit North – 12th October 2022
at Manchester Central

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