



8 July 2024

Rt Hon Rachel Reeves MP  
Chancellor of the Exchequer  
HM Treasury  
1 Horse Guards Road  
Westminster  
London  
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## HM TREASURY AND ICAEW

On behalf of the Institute of Chartered Accountants in England and Wales (ICAEW), I am writing to congratulate you on your appointment as Chancellor of the Exchequer. I would like to add my personal congratulations on your historic achievement on becoming the first female Chancellor.

As you may know, ICAEW represents over 200,000 chartered accountants and students worldwide. In the UK, our members in business (leaders in finance and management) and practice (as external advisors) guide more than three million companies, in every region, sector and level of the economy. ICAEW is proud to have hosted you at Chartered Accountants' Hall during your tenure as Chair of the Business and Trade Select Committee, when you were a strong champion of audit and corporate governance reform.

The Treasury of course is at the heart of your government's central mission to establish economic stability and make the UK the fastest growing economy in the G7. Over many years, ICAEW has had productive working relationships with previous Chancellors and their ministers and officials, and I would like to offer you our continued support as you assume the great responsibilities of your new role.

Ahead of the General Election, ICAEW set out its own ideas for a renewed and resilient economy and many of those resonate with the manifesto on which you have now been elected. We welcome, for example, your intention to put the public finances on a sustainable long-term footing, and the recognition of the need to keep government borrowing under control. I am writing to your Chief Secretary to recommend strengthening this commitment further by establishing a Budget Committee through which government and Parliament could determine and communicate a long-term strategy for the public finances.

We also commend your intention to publish a roadmap for business taxation. I would be delighted to talk further with you about this: ICAEW wants this roadmap to provide the long-absent certainty and stability which businesses need to plan, grow, and invest. We also strongly recommend that your government prioritise tax simplification - specifically reviewing the fault lines within the tax system that distort behaviour and inhibit growth. I am writing to your Financial Secretary to outline

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### ICAEW

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what we believe are significant opportunities to streamline the tax system for better business outcomes while simultaneously improving tax compliance and revenue.

Finally, ICAEW is grateful for your commitment to strengthening the resilience and dynamism of the UK's business environment through audit and corporate governance reform. Since the collapse of Carillion in January 2018, the professional bodies, the firms and the regulator have worked closely to address many of the systemic issues you spoke so powerfully about as Business Committee Chair. However, we are at a critical juncture now, and further progress is contingent on early legislative action. The UK economy is still vulnerable to disorderly corporate collapse, and establishing the long-promised new statutory regulator must be a priority.

When we spoke with the then Shadow Secretary of State for Business and Trade about this earlier this year, I was reassured to learn that a future Labour government would take this forward. We are ready to work with your government to make this happen and I will write to the minister with responsibility for this policy area to offer our support. Swift movement on this issue will revitalise investor confidence and help establish the UK as a leader in sustainable and resilient corporate governance, poised for the net-zero transition.

More generally, I would value the opportunity to meet in the coming months to further discuss how ICAEW and its members can work with you and HM Treasury in the public interest. I would also like to offer Chartered Accountants' Hall as a venue as you communicate your economic priorities to the public and business communities. In the meantime, I wish you every success in your appointment.

Yours sincerely

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**Chief Executive**

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