



INDIRECT TAX TEAM

Market Report **2020**

BUILDING LEADING TALENT

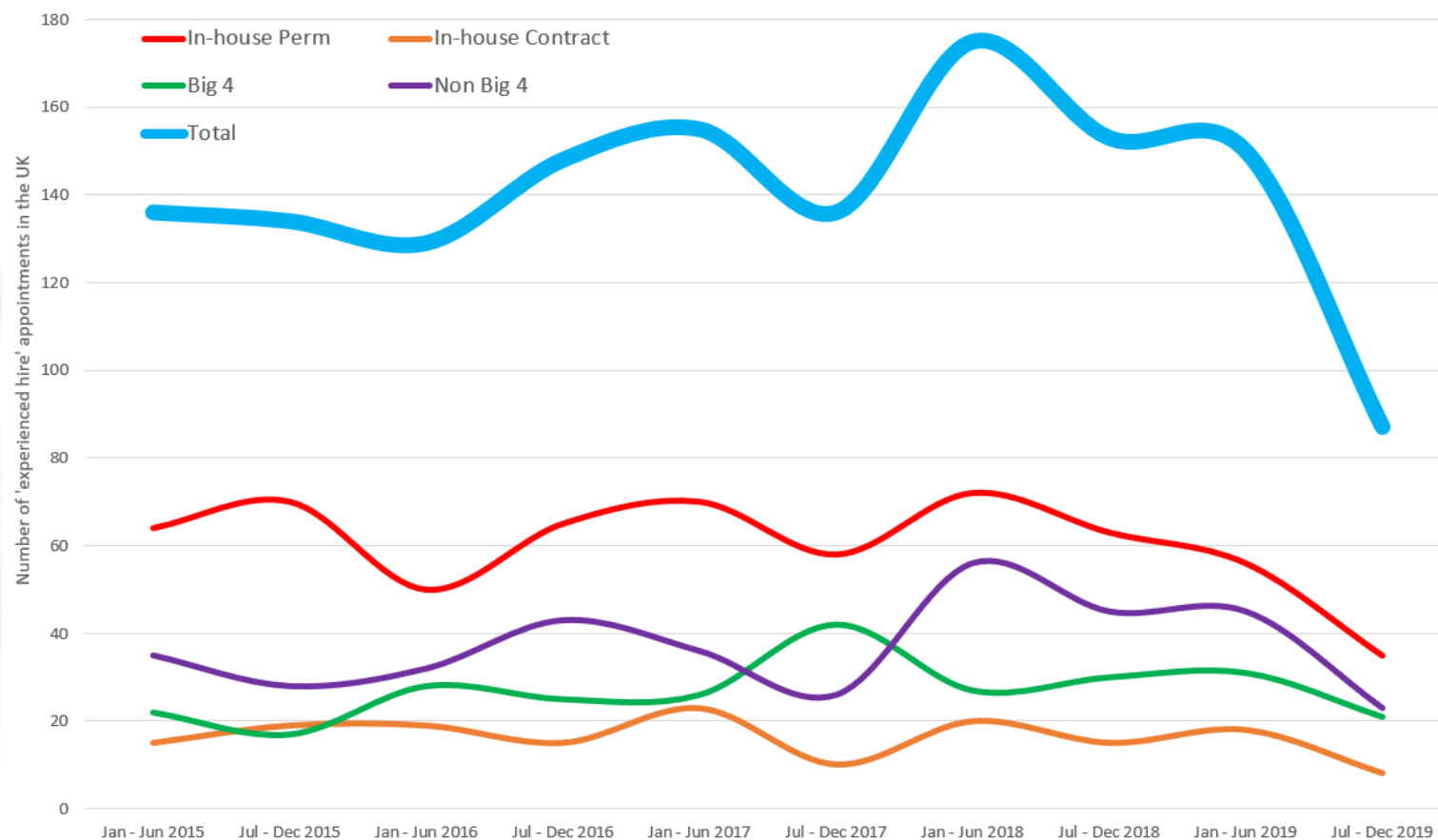


Welcome to BLT's Indirect Tax Market Report 2020!

Don't you just love it when one's forecasts turn out right? Our last biennial survey was published at the beginning of 2018, where we predicted that the numbers of in-house roles arising in the UK would increase, following the growth of the Big 4 firms Indirect Tax teams in the UK in the latter half of 2017. The upturn in the first half of 2018 was great to see, led by the numbers of in-house roles arising, and interestingly, an even more sizeable upturn in the numbers of appointments made into non Big 4 practices.

Sadly the inability of the UK's politicians to solve the Brexit conundrum in 2019 saw the volume of Indirect Tax hires plummet despite the constant positive messages about performance from the professional services firms and increased recognition of the value of in-house Indirect Tax resource. Recruitment in the Big 4 held steadier than other areas of the market (and if anyone knows what the score is, they will), but there's no doubt about it, the delays on Brexit decisions and results had a considerable impact on confidence...and firms and companies needed more certainty to keep the recruitment levels up.

But don't despair. What comes down, must go up – and now that the UK election is out of the way, we're hopeful that confidence will bounce back in 2020 – how quickly will depend on how detail around the departure pans out. This year therefore is perfect for companies to make positive plans about hiring and for individuals to make positive decisions about moving jobs. Things can (and will) only get better.



Big 4

	London Base Salary	Regional Base Salary	Car allowance	Bonus	Notes
Executive Director / Salaried (Associate) Partner	£140,000+	£140,000+	£5,000 – £6,700	0 – 30% (Av. 15%)	Reward levels are very varied at this grade, depending on role and responsibilities (whether in terms of national/EMEA/global responsibility, sector type, people management duties, additional non-Indirect Tax related responsibilities).
Director	Typically £105,000 – £140,000 (Av. £123,000)	Typically £90,000 – £140,000 (Av. £115,000)	£5,000 – £6,700	0 – 15% (Av. 7%)	
Senior Manager / Associate Director	Typically £75,000 – £95,000 (Av. £88,000)	Typically £67,000 – £88,000 (Av. £76,000)	£4,500 – £6,700	0 – 12% (Av. 7%)	
Manager (or equivalent)	Typically £53,000 – £70,000 (Av. £58,500)	Typically £37,000 – £59,000 (Av. £49,000)	£4,500 – £5,100	0 – 14% (Av. 5%)	
Assistant Manager / Consultant / Senior Associate	£40,000 – £55,000 (Av. £47,000)	£36,000 – £51,000 (Av. £43,000)	N/A	When offered 0 – 7%	Bonuses are not offered in every firm at these grades.
Assistant / Associate / Analyst	to £32,000	to £28,000	N/A	When offered 0 – 4%	

Bandings for the newly qualified (or thereabouts) grades moving upwards as firms work hard to reward and retain their future talent.

Biggest jump is in the Top 20 firms at these grades, as they fight to both attract and retain talent at this level.

Minimal upward movement at all other grades.

Top end of Senior Manager and Manager bands appear lower from two years ago, which results in lower 'average salary' figures.

Bonuses approximately halved from two years ago at Director level downwards, in all firms.

Top 20 Accountancy Practices & Law firms

	London Base Salary	Regional Base Salary	Car allowance	Bonus
Executive Director / Salaried (Associate) Partner	£120,000 – £160,000 (Av. £140,000)		Any amount for car allowance included in base figures quoted, as not many firms offer car allowances.	0 – 20% (Av. 12.5%)
Director	Typically £100,000 – £125,000 (Av. £112,000)	Typically £80,000 – £95,000 (Av. £90,000)		0 – 8% (Av. 4%)
Senior Manager	Typically £75,000 – £102,000 (Av. £82,500)	Location dependent £53,000 – £95,000 (Av. £75,000)		0 – 8% (Av. 3%)
Manager	£55,000 – £69,000 (Av. £61,000)	£42,000 – £60,000 (Av. £48,500)		0 – 3% (most firms do not offer bonuses at this grade). Very occasionally exceptional performance has resulted in a higher reward.
Assistant Manager / Consultant / Senior Associate	£44,000 – £54,500 (Av. £49,000)	to £42,000	N/A	
Assistant / Associate	to £35,000	Very rarely exist!	N/A	

Other Professional Services firms & Independents

	London Base Salary	Regional Base Salary	Car allowance	Bonus
Salaried Partner (or equivalent)	£100,000 – £160,000	Varies considerably according to size of firm & location	Any amount for car allowance included in base figures quoted. Independent firms rarely offer car allowances, but some smaller/regional accountancy firms do.	Some independent firms offer commission based earning, which can generate quite sizeable bonuses (up to 30%, if not higher). Smaller accountancy practices occasionally offer bonuses.
Director	£90,000 – £120,000 (Av. £102,000)	£85,000 – £115,000 (Av. £94,000)		
Senior Manager / Associate Director	£75,000 – £90,000 (Av. £83,000)	£50,000 – £70,000 (Av. £61,000)		
Manager	£55,000 – £68,000 (Av. £61,000)	£37,000 – £55,000 (Av. £47,000)		
Assistant Manager / Consultant	£37,000 – £45,000 (Av. £40,000)	£30,000 – £40,000 (Av. £34,000)	N/A	Rarely offered
Assistant	to £28,000	to £28,000	N/A	Rarely offered



SALARIES: IN-HOUSE – UK

VAT: Corporates

JOB CONTENT	GEOGRAPHIC SCOPE OF RESPONSIBILITY			BENEFITS		
	Mostly country specific	Mostly regional (e.g. EMEA, LATAM etc)	Mostly global	Allowance that can be taken as cash i.e typically car allowance and/or locational allowance	Bonus	Shares
Head of Indirect Tax <i>The most senior Indirect Tax specialist within the company, managing other Indirect Tax technical specialists (not including broad based accountants)</i>	£95,000 – £110,000 (Av. £104k)	Non F/S: £95,000 – £110,000 (Av. £104k) F/S: £100,000 – £150,000 (Av. £122k)	Non F/S: £95,000 – £140,000 depending on size of organisation (Av. £120k) F/S: £130,000 – £150,000 (Av. £141k) There are a handful of individuals who earn over these figures, whose roles either involve managing large global teams (10 plus) or have sizeable additional corporate responsibilities on top of Indirect Tax	Non F/S: 77% of respondents received cash allowance between £5,000 and £10,000 F/S: 22% of respondents received cash allowance between £6,000 and £9,500	All respondents received a bonus. Non F/S: 10% – 34% (Av. 20%) F/S: 20% – 40% (Av. 28%)	50% of respondents have shares
Advisory – Senior level <i>Reports into a Head of Indirect Tax, commonly managing other technical Indirect Tax specialists, not just accountants.</i>	£70,000 – £98,000 (Av. £85k)	Typically £72,000 – £107,000 (Av. £86k) If on the rare occasions that people management responsibilities stretch to over ten Indirect Tax specialists, salaries can reach up to £138,000	Non F/S: £95,000 – £140,000 depending on size of organisation (Av. £120k) F/S: £130,000 – £150,000 (Av. £141k) There are a handful of individuals who earn over these figures, whose roles either involve managing large global teams (10 plus) or have sizeable additional corporate responsibilities on top of Indirect Tax	40% of respondents received cash allowance typically between £5,000 and £7,500, but on occasion higher.	95% of respondents received a bonus. When received this was up to 35%, but typically lower (Av. 18%)	50% of respondents have shares
Sole Indirect Tax Specialist <i>Predominantly advisory/strategic responsibilities. May manage accountants, but not Indirect Tax technical specialists.</i>	Non F/S: £61,000 – £90,000 depending on the size/complexity of organisation (Av. £76k) F/S: £80 – £99,000 (Av. £89k)	Non F/S: £65,000 – £85,000 (Av. £74k) F/S: £90 – £110,000 (Av. £98k)	£95,000 – £125,000 (Av. £112k)	35% of respondents received cash allowance between £5,000 and £7,500	75% of respondents received a bonus. When received this was up to 30% (Av. 20%)	12% of respondents have shares
Advisory - Manager level <i>Reports into more senior Indirect Tax Specialists</i>	£55,000 – £70,000 (Av. £61k)	£55 – £77,000 (Av. £64k)		18% of respondents received cash allowance between £4,500 and £6,500	Most respondents received a bonus. When received this was up to 35%, but typically much lower (Av. 17%)	9% of respondents have shares
Compliance Manager <i>Usually involves people management</i>	£50,000 – £70,000 (Av. £61k)		£51,000 – £75,000 (Av. £63,000)	20% of respondents received cash allowance between £2,500 and £5,400	60% of respondents received a bonus. When received this was up to 20% (Av. 9%)	7% of respondents have shares
Compliance Analyst	£37,000 – £48,000 (Av. 43k)	£40,000 – £55,000 (Av. 47.5k)		None	20% of respondents received a bonus. When received this was up to 10% (Av. 6%)	Only a handful of companies offer shares at this grade.



SALARIES: IN-HOUSE – UK

VAT: In-house Headlines

- Very little salary differentials across different sectors, apart from in financial services at the more senior levels, and of course public sector.
- Very little salary movement from previous years. Only noticeable increase is intriguingly that Sole Indirect Tax specialists are paid a decent amount more than they were a few years ago – likely to reflect the realisation amongst smaller organisations that don't need more than one such advisory hire of the value that an internal VAT resource can bring.
- Despite the bulk of in-house VAT roles arising in the last year at the Compliance Manager & Advisory Manager levels, that hasn't resulted in any increase in the rewards offered at these grades....yet.
- Fewer organisations offering car/cash allowances. Noticeably rarer in financial services, real estate and retail sectors in particular.
- Bonuses are smaller at the Compliance Manager & Analyst grades than in previous years.

VAT: Public Sector

JOB CONTENT: VAT IN PUBLIC SECTOR (e.g. education establishment, charity, professional/public body etc). Excludes HMRC	BASE SALARY	BENEFITS
Manager	£52 – 77,000 (Av. £61k)	Bonuses are very rare, when received this was up to 6% No shares or car allowance on offer
Compliance Analyst	To £45,000	Rare

CUSTOMS & GLOBAL TRADE

JOB CONTENT	BASE SALARY	BENEFITS		
		Allowance that can be taken as cash i.e typically car allowance and/or locational allowance	Average Bonus	Shares
Global Head, managing large teams	£120,000 – £140,000 (Av. £128k)	Varies considerably	20%	Typically on offer
EMEA Head, managing large teams	£85,000 – £100,000 (Av. £92k)	Varies considerably	15%	Typically on offer
Global/EMEA Manager	£65,000 – £85,000 (Av. £72k)	50% of respondents received a cash allowance ranging between £5,500 and £8,500	8%	Rarely on offer
UK Manager	Typically £50,000 – £66,000 (Av. £56k). Occasionally those working outside of the South of England in small businesses may be paid less than these figures.	37% of respondents received a cash allowance ranging between £5,000 and £6,500	5%	Rarely on offer
Compliance Analyst	£35,000 – £45,000	Rarely on offer	4%	Rarely on offer

- The Customs in-house market has been fairly busy over the last 12 months although the majority of the roles have been UK Manager level roles. This has been a mix of first appointments and growing teams as Customs becomes higher profile for businesses and they are mindful of the potential increased administrative burden post Brexit. Businesses have become very aware that they will need to have the correct procedures in place to deal with Customs and Tariff issues – this will be a critical area after Brexit whether an agreement is reached to remain in the EU Customs Union or not.
- There haven't been as many roles at the more senior levels over the last year. Lack of confidence in the UK economy combined with the fact that businesses are not sure what their Customs strategy will need to be have made businesses very cautious about investing in more senior staff. We predict that this will change over the next 12 - 24 months when there is some clarity around the departure.
- The increased demand has pushed salaries up slightly – the UK Manager bracket being the one most affected to reflect the demand at this level.
- One notable change is the volume of people operating in the Customs market. Numbers have grown significantly – individuals have moved from shipping, logistics, policy and legal backgrounds into the Trade compliance field.

Professional Services

	Australia	Western Europe	Central & Eastern Europe	USA	Gulf Co-operation Council (GCC)
Director	175,000 – 250,000 AUD	120,000 – 170,000 Euros	100,000 Euros plus	170,000 USD plus	500 – 650,000 AED
Senior Manager	110,000 – 170,000 AUD	75,000 – 110,000 Euros	65,000 – 90,000 Euros	140,000 – 190,000 USD	340 – 490,000 AED
Manager	90,000 – 110,000 AUD	55,000 – 72,000 Euros	45,000 – 60,000 Euros	85,000 – 130,000 USD	250,000 – 360,000 AED
Assistant Manager	To 95,000 AUD	30,000 – 52,000 Euros	To 40,000 Euros	To 95,000 USD	180,000 – 280,000 AED. Sometimes employed on country of origin rates if on secondment
Bonuses	0 – 15% at levels above Manager	0 – 20% at levels above Manager	0 – 15% at levels above Manager	0 – 15% at levels above Manager	0 – 15% at levels above Manager
Notes	Regional differentials mean that those in Brisbane, Perth, Adelaide are likely to be towards the lower end of these ranges	The bandings quoted are for the main countries where one finds Indirect Tax specialists e.g. Ireland, Netherlands, Belgium, Luxembourg, France & Germany. Salaries in Italy, Spain, Portugal & Scandinavia would typically be at the lower ends of these brackets. Other smaller countries are likely to pay less than the bandings quoted.	The bandings quoted are for the main countries where one finds Indirect Tax specialists e.g. Poland, Hungary, Czech Republic, Slovakia & Romania	Considerable variations between States. New York & California likely to be at higher ends of the bandings, other cities/regions towards the lower end.	Currencies outside of UAE converted into AED. Salaries in UAE and KSA typically towards the mid to higher end of the bandings; Bahrain, Kuwait, Oman & Qatar towards the lower.

- Contrary to popular belief, the massive hiring in the GCC in the run up to implementation in UAE and KSA was predominantly led by internal transfers and secondees from within each firm's international network. This was enhanced by a handful of key external hires at the very senior end of the spectrum, and topped up by a fight for European, Australian and Malaysian talent at the Senior Manager & Manager levels. More junior roles were filled largely via secondees, predominantly from South Asia. We're now of course in the next phase of the development of long term Indirect Tax offerings in the region, and whilst the 'bulk buy' hiring mentality has stopped post implementation, there is still interest in some firms in hiring exceptional talent from Europe with proven client relationship skills at the levels upward of Manager, as well as interest in Indirect Tax technology expertise.
- Outside of the GCC, it's fair to say that other regions around the globe have been less 'hot' (if you will excuse the pun) on the external hiring front, no doubt due to continuing global economic uncertainty. Largely professional services firms have been focusing on developing homegrown talent.
- With apologies for the lack of data provided for other countries/regions – this is either because the Indirect Tax populations are too small resulting in a lack of available data to produce trustworthy salary ranges, or else salaries vary so much from region to region and city to city (e.g in South Asia) making comparisons impossible.



INTERNATIONAL

In-house

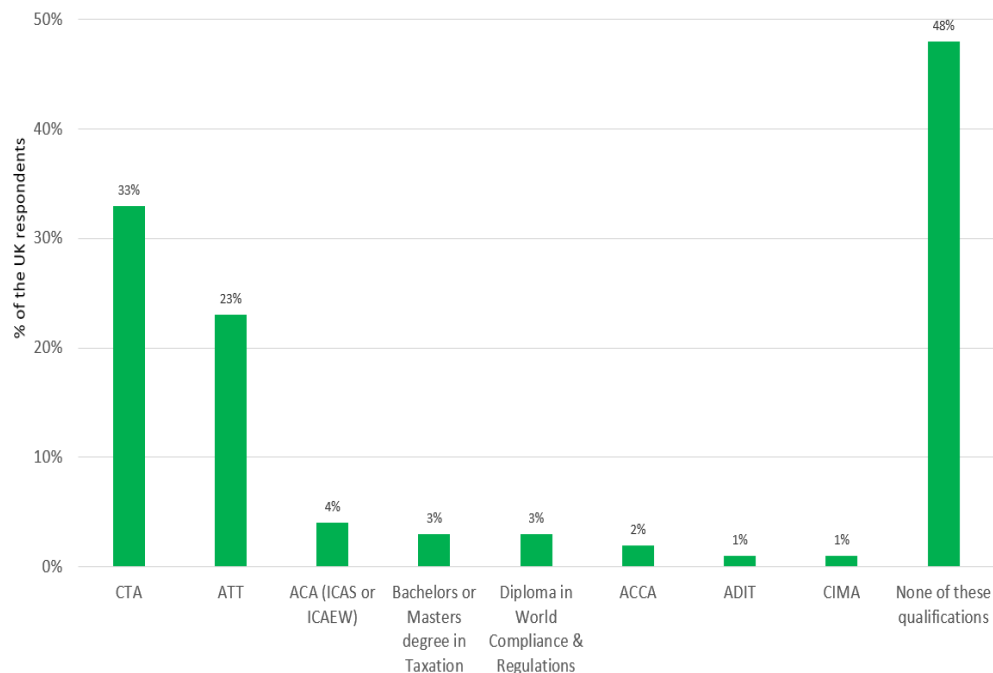
In-house	Western Europe (non UK)	Central & Eastern Europe	Switzerland	GCC (Gulf Co- Operation Council)	USA	Australia
Head of Indirect Tax <i>The most senior Indirect Tax specialist within the company, managing other Indirect Tax technical specialists (not including broad based accountants)</i>	Mostly global responsibilities: Typically 130,000 – 165,000 Euros (Av. 144,000 Euros); very occasionally higher. Mostly regional responsibilities: (e.g. EMEA): 95,000 – 138,000 Euros (Av. 118k Euros)	75,000 – 100,000 Euros (Av. 85k Euros); very occasionally higher.	Typically 250,000 CHF – 340,000 CHF; very occasionally higher if managing very large global teams	Mostly global responsibilities: 620,000 – 700,000 AED Mostly regional responsibilities: 480,000 – 550,000 AED	Typically 150,000 – 200,000 USD; occasionally higher if managing large global Indirect Tax teams	200,000 AUD plus, depending on geographic scope of responsibility and numbers of Indirect Tax specialists managed
Advisory – Senior level <i>Reports into a Head of Indirect Tax, commonly managing other technical Indirect Tax specialists, not including broad-based accountants</i>	95,000 – 125,000 Euros (Av. 113k Euros)		120,000 – 165,000 CHF (Av. 138k CHF)	400,000 – 520,000 AED	110,000 – 160,000 USD. These figures are for VAT. Sales & Use Tax specialists earn less	150,000 – 200,000 AUD
Sole Indirect Tax Specialist <i>Predominantly advisory/strategic responsibilities. May manage accountants, but not Indirect Tax technical specialists.</i>						
Advisory – Manager Level <i>Reports into more senior Indirect Tax Specialists</i>	70,000 – 95,000 Euros (Av. 80k Euros)	40,000 – 70,000 Euros (Av. 56k Euros)	115,000 – 145,000 CHF (Av. 128k CHF)	Varies considerably making comparisons difficult	Not enough data	
Compliance Manager	50,000 – 65,000 Euros (Av. 56k Euros)					
Compliance Analyst	To 40,000 Euros	27,000 – 45,000 Euros (Av. 36k Euros)	Not enough data			

- Customs & Global Trade salaries included in the figures quoted above.
- Bonuses: Western European, Swiss and USA bonuses typically are around 15/20% for advisory roles, and rare at the compliance grades. Bonuses are much less common in locations elsewhere. The exception to this rule are those few who manage large global indirect teams in numerous different geographical locations, when bonuses have been known to double one's base salary.

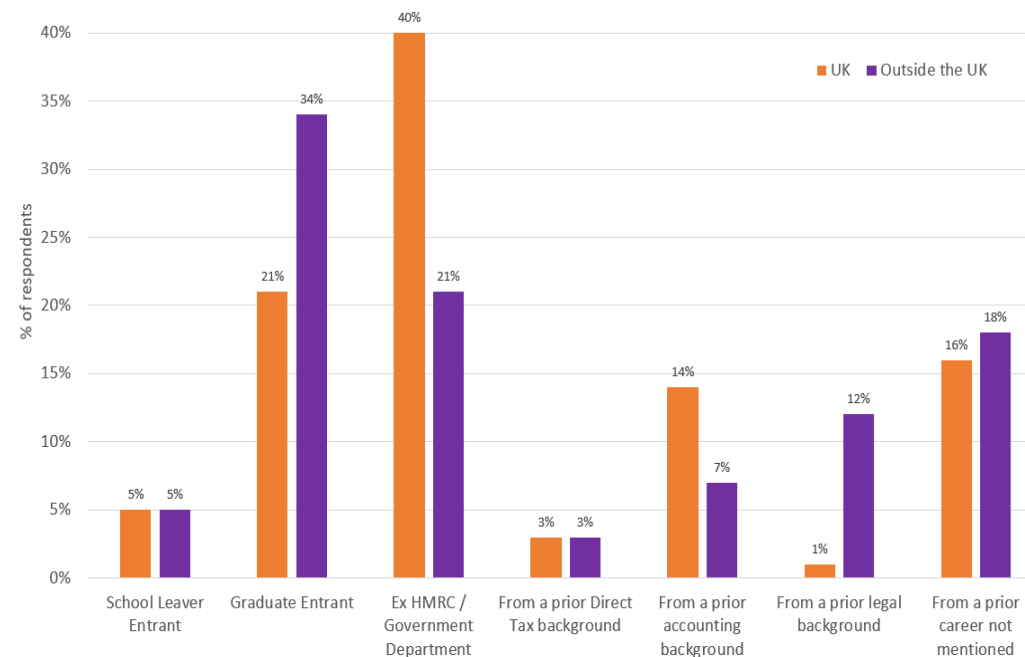


RECRUITMENT TRENDS

UK qualifications



Routes into Indirect Tax: How did the Indirect Tax population first embark upon their private sector Indirect Tax careers?



Where have the appointments come from?

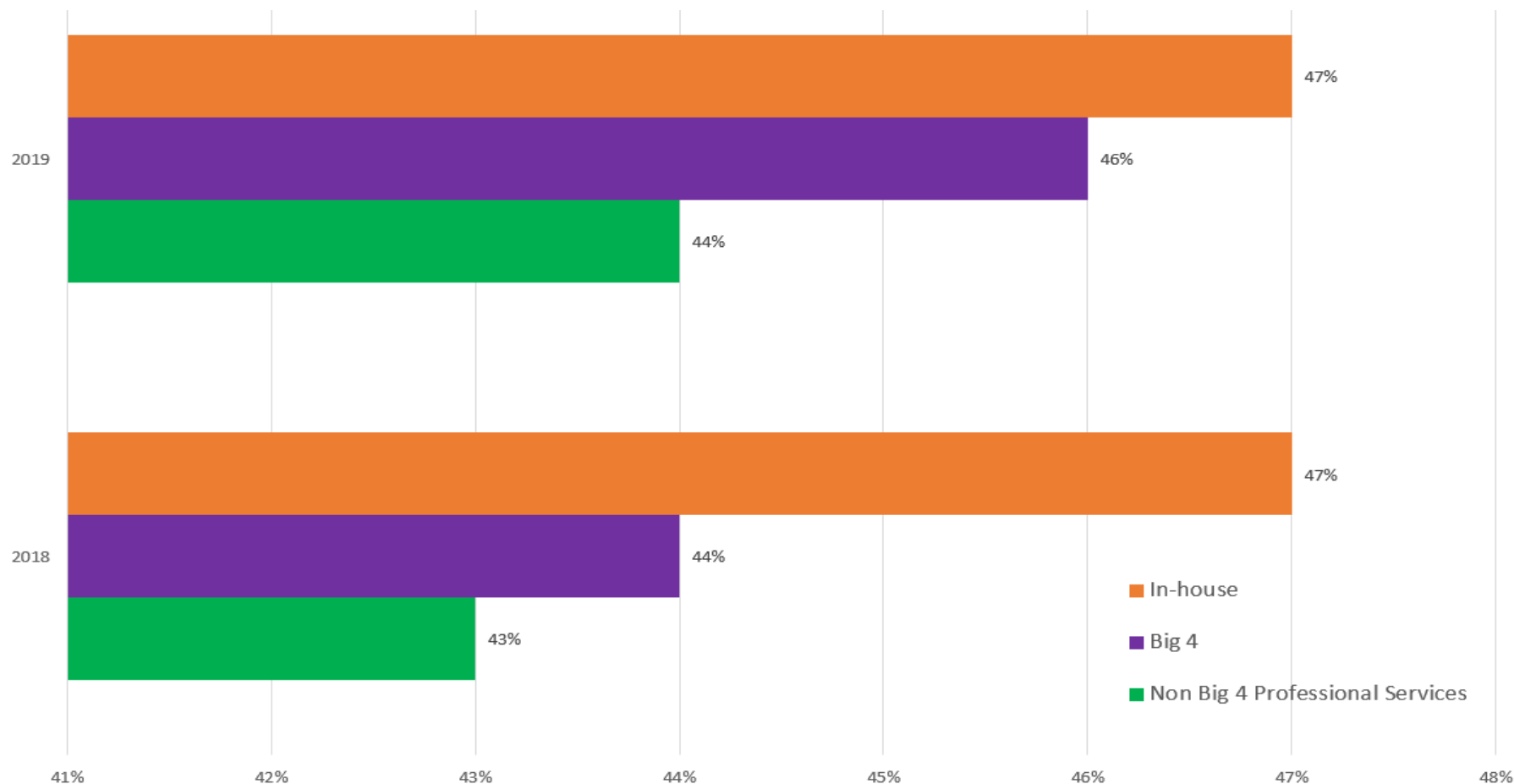
	In-house appointments		Big 4 appointments		Non Big 4 practice appointments	
	2019	2018	2019	2018	2019	2018
From Big 4	24%	22%	33%	34%	18%	29%
From non Big 4 practices	16%	10%	31%	27%	54%	41%
From in-house roles	56%	62%	27%	25%	18%	15%
From HMRC	2%	2%	9%	11%	7%	12%
Not employed / return to work	2%	2%	N/A	3%	1%	3%

- Bulk of in-house roles continue to go to those already working in-house.
- Increase in in-house roles appointing from a non Big 4 background
- Big 4 more interested in recruiting from a non Big 4 background than last year.
- Outside of the Big 4, there remains an increasing preference for recruiting from a non Big 4 background
- Dropping interest levels in recruiting from HMRC.



UK RECRUITMENT TRENDS

Gender Diversity: Who's been winning the battle for female talent?

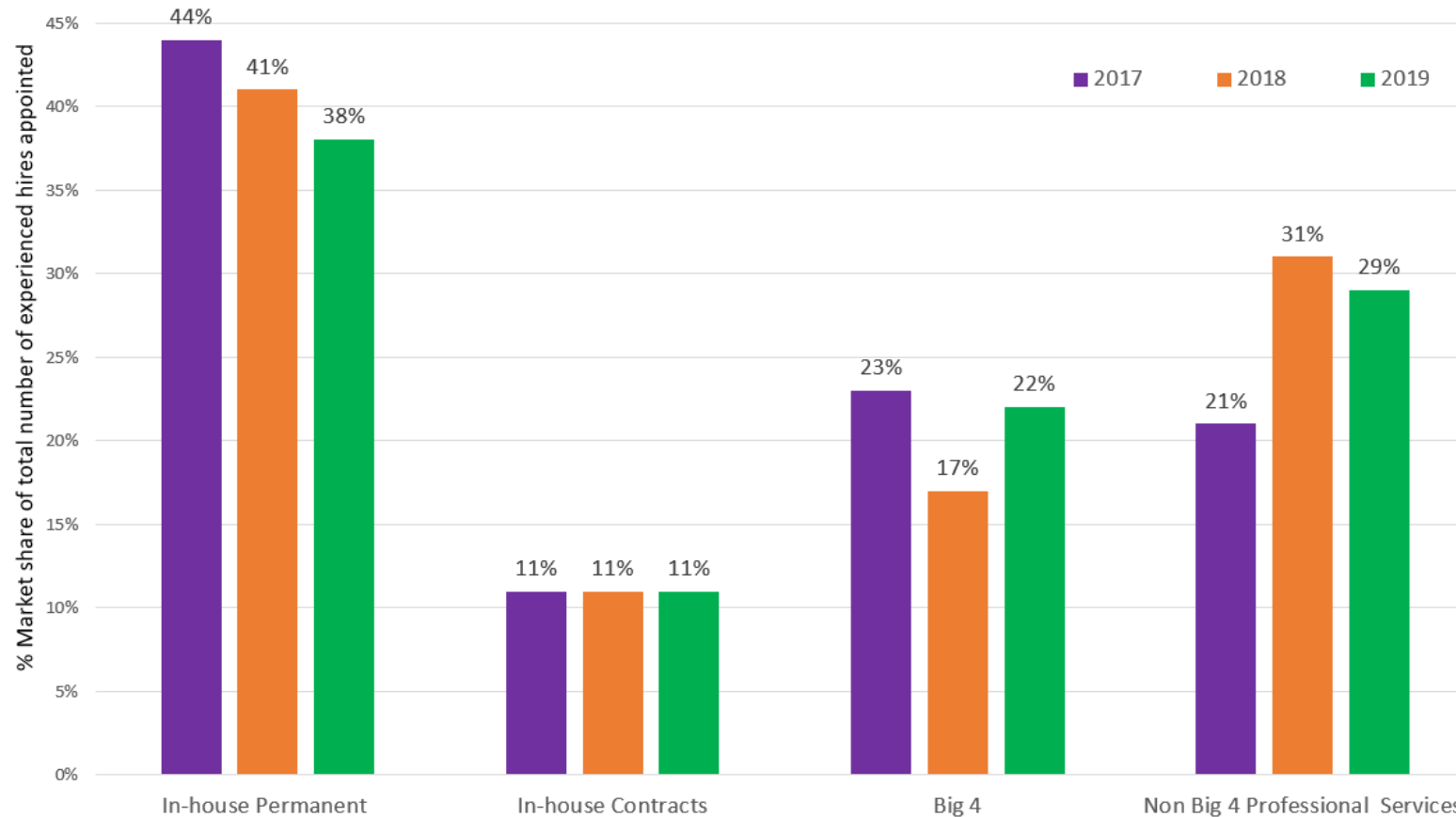


Things look rather different from a couple of years ago. In the 2018 Market Report, we reported on the good work of the Big 4 to address the gender gap; they were scoring 43% of female Indirect Tax hires back then, and indeed have further upped their percentage since. We also reported a steady increase in the results in the in-house market too, which had also reached 43% by early 2018. This has advanced so much that the corporate world win the 'prize' in both of the last two years at 47%. It's good news too from the mid-tier & independents who have also upped their game. Change is indeed happening, and the statistics show clear improvement. The magic 50% is in sight....



UK RECRUITMENT TRENDS

Recruitment Market Share in the UK: The impact of Brexit since the referendum



- Steady decline of the in-house job market share, to the advantage of the professional services firms.
- Big bounce in 2018 for the non Big 4 practices, holding roughly steady since at similar levels.

A note on Contracts....

Advisory – Senior Level	£500 – £650 a day
Advisory/Compliance – Manager level	£350 – £475 a day
Compliance Analyst	£200 – £350 a day

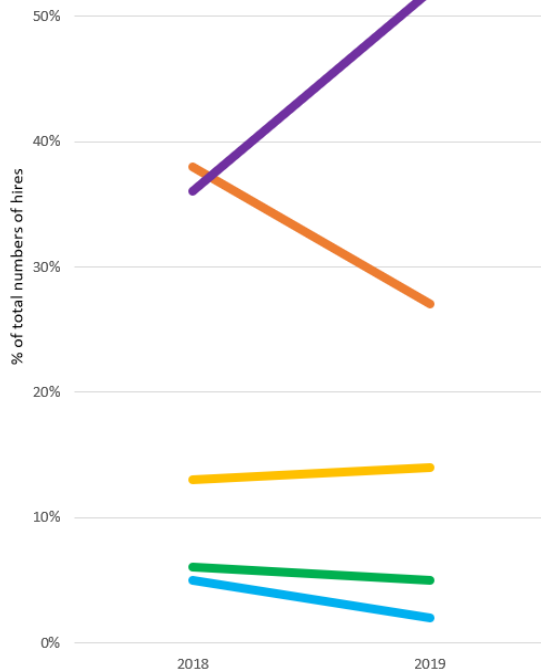
- The numbers of contracts arising has remained steady; maybe surprisingly, it's been impervious to the ups and downs of the last few years. The contracting market makes up a very small proportion of the total market and that trend seems set to continue.
- IR35 is the most important change in the contracting market which could result in some freelancers facing a significantly higher tax bill. It will be interesting to see the effect of this legislation on the contractor market over the next year. We know that the majority of contractors make this career choice for freedom and flexibility and for the ability to earn at a higher salary rate (which could now be eroded). The introduction of the IR35 changes may also deter some companies from hiring contractors.



UK RECRUITMENT TRENDS

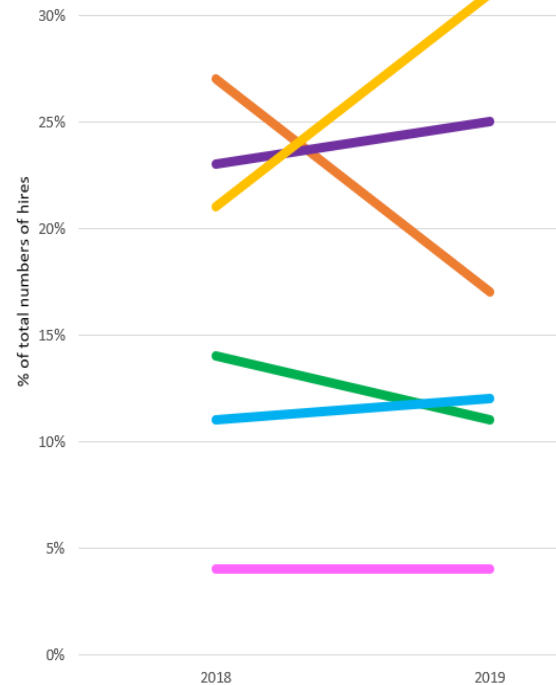
Levels of appointments

In-house Permanent



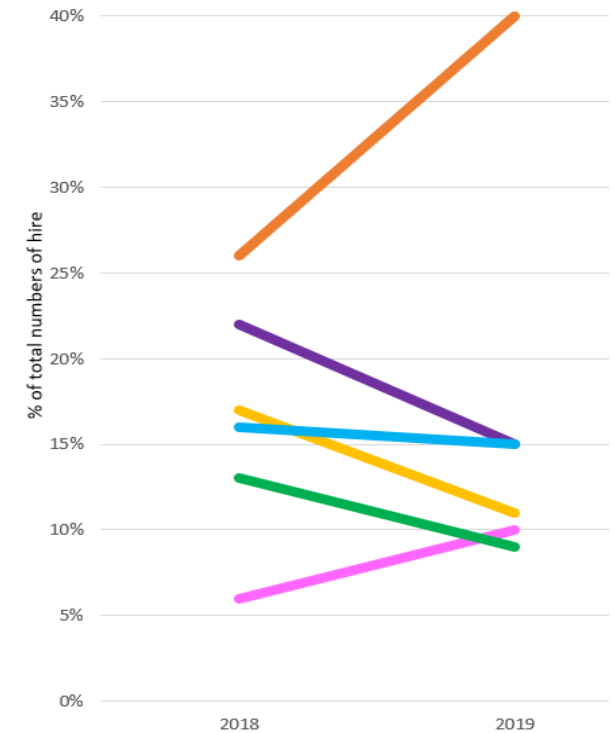
- For ease of comparison, in-house job titles converted into typical grading terminology used in professional services firms.
- Clear swing away from recruiting at the Senior Manager levels towards Manager grade.

Big 4



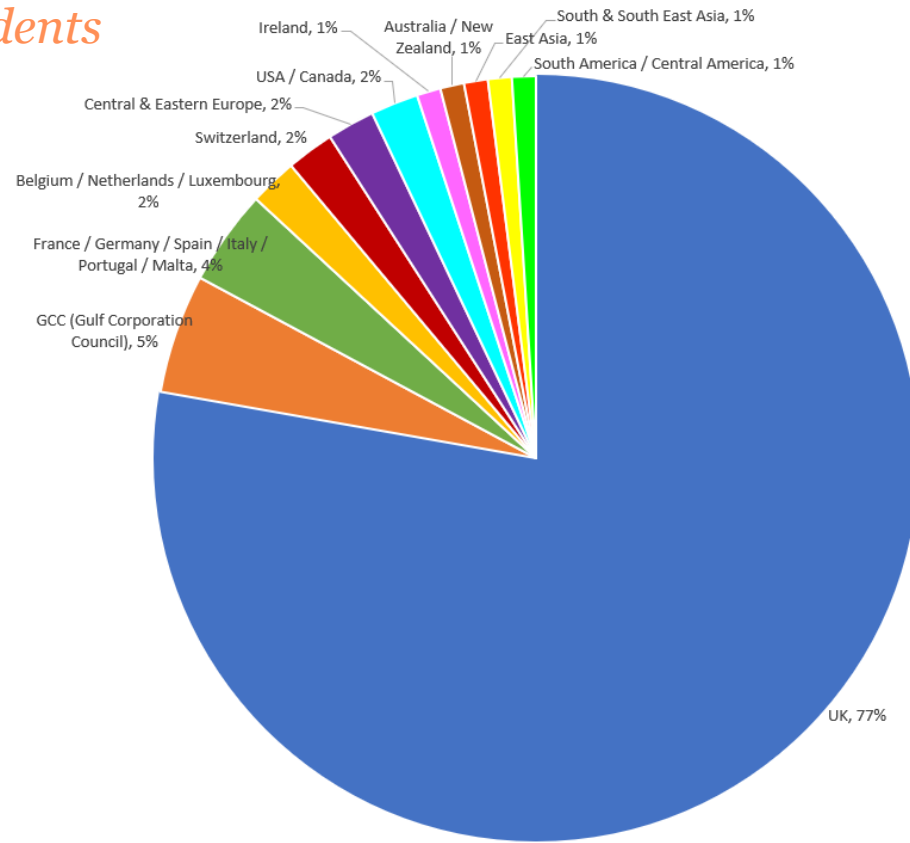
- Graduate/school leaver entrants not included.
- Clear swing away from hiring at the Senior Manager level towards Assistant Manager. Our view is that that's not by design – more Senior Managers would have been appointed if more candidates at this level had been prepared to move in this last year.

Non Big 4 Professional Services



- Graduate/school leaver entrants not included.
- Clear swing towards making Senior Manager and leadership hiring. Mid-tier firms continue to find hiring at the Assistant Manager level a challenge, despite that level being where a good number of potential vacancies exist.

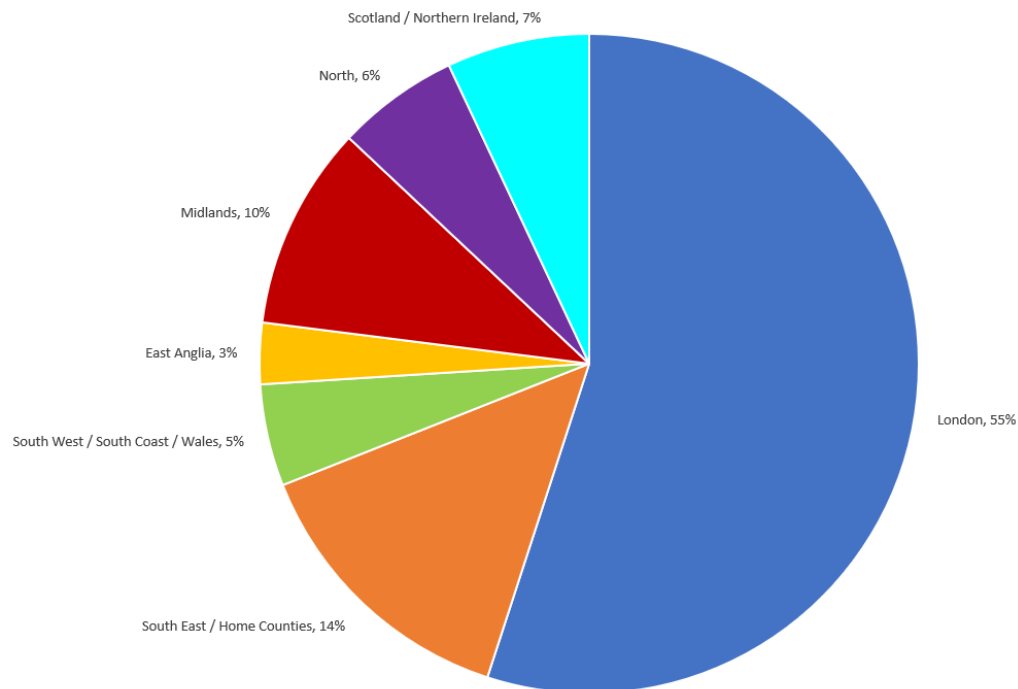
Geography of respondents globally.....



BLT would like to extend our thanks to all of our valued clients for their business over the last 2 years. We've been proud to work successfully with some amazing companies, including, but not exclusively:

Accordance, AICPA, Alvarez & Marsal, Amazon, Arconic, AstraZeneca, BDO, Bloomberg, BMA, BP, Burberry, Commercial Estates Group, Coty, DAZN, Deloitte, Estée Lauder, ExxonMobil, EY, Financial Times, Gardner Aerospace, Grant Thornton, John Lewis, KPMG, Lockton, M&G, Made.com, MHA MacIntyre Hudson, Nuveen, PwC, Royal Mail, RSM, Ryan, Saffery Champness, Siemens, Smith & Williamson, Sony, Square, SSP, Superdrug, The VAT Consultancy, University of Glasgow, VISA, Wilkins Kennedy

.....and within the UK



Thanks to all those who responded to the survey that was sent out to over 2000 Indirect Tax specialists in late 2019 – your input is hugely appreciated.



MEET THE INDIRECT TAX TEAM



Guy Barrand

Guy joined the indirect tax team in 1998 after leaving Jesus College, Cambridge with a first class degree in Classics. Guy recruits VAT and Customs specialists at all levels of experience for multinationals and financial services institutions as well as Big 4, mid-tier and independent consultancy practices. In addition to his UK portfolio, Guy has focused on developing BLT's presence on the global stage. Guy is a Director of BLT.



Emma Wade

After graduating from Leeds University with a first in Maths, Emma trained in Indirect Tax at Andersen and KPMG in Leeds where she gained her ACA. She then moved to London and to the world of recruitment at BLT in 1998. Emma works with a broad spectrum of commercial and consultancy businesses. As well as her VAT responsibilities, Emma also takes a lead on the continued growth of BLT's Customs and Global Trade offering. Emma is a Director of BLT.



Becky Blackwell

Becky is BLT's Office Manager and Indirect Tax Team Co-ordinator. She joined BLT in December 2007 from London Underground, where she was working as an Administrator. She has A Levels in Dance, Media and Photography. On top of her myriad other responsibilities (too numerous to mention!) Becky looks after BLT's website, BLT's social media and newsletters, as well as organising BLT's regular events and seminars.

BLT also specialise in....

Management Consultancy

BLT's Management Consultancy Team is the longest established in the UK.

The team places management consultants with professional services firms and in-house corporate teams – key areas we recruit for are: Strategy, International Development, Not-for-Profit, Digital, Finance Transformation, Change Management, Programme and Project Management.

For more information, please contact the team on
mc@blt.co.uk or +44 (0) 20 7419 0909



Tariq Siraj



Catriona Cookson



Davey Peyton

Executive Coaching

Liz Watt is the MD of BLT and a former Indirect Tax recruiter. Liz established BLT Executive Coaching in 2016, and works with individuals and organisations as they go through periods of change and development.

Typical programmes include Executive Coaching, Retirement Coaching, Career Coaching and 'Rising Star' Coaching.

For more information, please contact
bltcoaching1@gmail.com or +44 (0) 20 7419 6416



Liz Watt



CONTACT DETAILS

BLT's Indirect Tax Team

Tel: +44 (0)20 7405 3404

Email: vat@blt.co.uk

Website: www.blt.co.uk

Address:

Beament Leslie Thomas Recruitment Consultancy Limited
Central Court
25 Southampton Buildings
London
WC2A 1AL



 - @BLTRecruitment

 - <https://www.linkedin.com/company/blt-beament-leslie-thomas>