




Chancery Court Tax Chambers: Best Boutique Tax Chambers 2019

Drawing on a vast wealth of tax advisory and disputes experience, Chancery Court Tax Chambers (CCTC) is a boutique Barrister's Chambers providing UK and international tax and wealth structuring advice and assistance. As part of our overview of a selection of the winners of this year's Legal Awards we explore the secrets behind the practice's incredible success by interviewing their Head of Chambers, Joseph Howard.

 Joseph, dressed in dark blue suit, is there to meet me the moment the elevator doors open at 5 Chancery Lane, CCTC's current home. After a firm handshake, he introduces me to his team – Tristan, Soracha, and Bianca – and then he shows me to a pleasantly decorated conference room, set apart from the main office.

"This is usually where I first meet my clients" Joseph explains as he closes the heavy oak door. He pours me a coffee and even though he has only said a few words, his gently reassuring manner is already in evidence, putting me immediately at ease as I settle into my seat.

I start by congratulating him on CCTC's fantastic achievement in winning an SME News Legal Award for 2019. Then I mention their imminent move to larger offices in the newly refurbished 18th Century 12 Gray's Inn Square (formally the offices of Baron Carlisle of Berriew QC) as well as the launch of CCTC's pupillage programme. While I'm giving him open licence to have a – quite justifiable – boast about CCTC's breathtaking year to date, Joseph doesn't take it. Instead, he asks about me.

We end up chatting for ten minutes about my own work, and – when it emerges that we share an interest in architecture – for another five about that too. I soon realise that, while I'm just an interviewer rather than a client, that getting to know who he's talking to is simply second nature to Joseph.

Before I open my notebook, I ask Joseph the simple question of what inspired him to seek to be called to the bar, and to specialise in tax.

"It was really an accident" he smiles. *"I'm not from a 'lawyer family' where my parents encouraged me to become a barrister. Quite the opposite in fact. I started learning the ropes from the bottom up in a family business. It was 1996 and I was in my early twenties, and we needed to get an injunction in relation to a building we were working on. Our solicitor wasn't able to understand the nuances of what we wanted, or to write the injunction we needed in time. So I – perhaps incautiously – brought a book on injunctions from a legal bookshop and had a go at drafting it myself. Then I went to court with it"*

"That was certainly a bold move" I say. *"Wasn't it obvious to the judge the injunction was the work of a have-a-go amateur?"*

"Yes" Joseph laughs. *"Its language and presentation were certainly not 'conventional'. However, it captured more or less what we needed it to. The judge told me that he was incredulous I had drafted it with no training and just a textbook. He asked me if I'd considered going into law- which at that point I hadn't!"*

"So, this was what inspired you?"

"Yes. And a realisation that dawned on me right then. That, working with the law is fundamentally engineering with language. First, you need to be an architect- that is to say, you need a vision of what you want to achieve through a legal construction. Second,

you need to be a structural engineer to make sure that the legal structure you build (whether it be a court case, a company restructure or a complex family succession plan) doesn't collapse. In drafting that injunction I'd managed to design a relatively simple legal "building" that fitted our purpose and built it well enough that it stood firm in court. From that point onwards, I knew I wanted to go into law."

"But that was in property law. What ended up drawing you instead to tax?"

"Shortly afterwards, I met an old barrister called John Ross-Martin. He was Chancery barrister from Lincoln's Inn and was just about to retire... I asked him if there was anything that – looking back – he'd have done differently. He told me that he'd have become a tax barrister."

"Why was that?" I ask.

"Because that's where the cutting edge of the law is to be found. Tax is one of the largest expenses of any commercial venture. Get it right and everyone is then happy. Get it wrong and suddenly all your profits are gone, and your deal is deep underwater. Government tax policy changes frequently (often twice a year) and this is reflected in the ever growing and changing UK tax code which is the longest and most complex in the world: over 20,000 pages, and currently growing by thousands every year."

I follow his gaze to a bookshelf where – amidst numerous imposing tax encyclopaedias (some of which bear his name) I can see the yellow sleeves of the latest edition of Tolley's

Tax Handbook: spanning nearly two feet and printed in tiny type on tissue thin paper.

'We'll probably need a bigger bookcase for next year's edition' smiles Joseph.

What it means to be 'Boutique'

I ask Joseph to tell me about CCTC and what sets it apart from its competitors. In particular, I want to understand what 'boutique' means when it comes to tax chambers and whether this is just marketing spiel.

"What sort of tax problems do you deal with?" I ask.

"Tax is not the centre of our universe" comes the counterintuitive reply. "People are."

"Our clients are often famous celebrities, sports people, bankers, national and global business leaders- exceptional high and ultra-high net worth individuals. Many of them are highly internationally mobile, with financial affairs spanning multiple jurisdictions. When I say they are exceptional, I mean that quite literally. In that they aren't just brilliant, but unique. And they come with unique and often highly complex financial circumstances. These in turn create unique and highly complex tax problems."

"So off-the-peg taxation solutions aren't just adequate for them?" I reply. "Hence- the need for a bespoke approach?"

"You took the words out of my mouth!" laughs Joseph.

"To continue that tailoring metaphor, a boutique tax chambers is like a bespoke suit maker. We physically meet our clients and their trusted advisors to measure them up. That is, to understand their financial and personal circumstances, and what they want to achieve: be it legal compliance, tax efficient solutions to wealth structuring, inheritance or succession planning, or a myriad of other aims. Once we understand that, we tailor a suit to fit. It's no surprise that a Saville Row suit will always fit better and look better than something off-the-peg".

I don't even need to ask where that blue suit came from.

I ask Joseph to tell me more about dialogue with clients. Because of course, most barristers are only available through referrals from the solicitors and accountants.

He nods. "That's right barristers can be curiously inaccessible. That's one of the main reasons we've held a Direct Access Certificate from the Bar Standards Board for Public Access for nearly a decade."

"For us, dialogue isn't just a marketing feature designed to provide peace of mind: it's literally essential because we need to analyse each individual's situation holistically. High and ultra-high net worth individuals invariably that bring unique circumstances to the table. For



example, sometimes there are quite delicate family matters - involving old trust funds set up by deceased persons with restrictive provisions, or succession or inheritance regimes which apply to specific domiciles, for example those governed by Sharia Law. We need to understand a client's full circumstances to find solutions which are commercial, discreet, and legally robust and future-proofed."

"But isn't this personal approach simply something I would expect from any highly-trained and accomplished public access barrister?" I interject.

Joseph laughs. "There are many brilliant barristers within a stone's throw of this very building. But people can be brilliant in many different ways. Many barristers have spent their professional lives honing their litigation skills- knocking over opponents and dominating courtrooms. Very few of them have had substantial commercial experience outside of the legal world."

"So you would say that what your clients really value is your ability to look at problems from a holistic legal and commercial perspective?" I ask.

"That's exactly it. To a hammer, everything can look like a nail. In my case, I came to the bar after working commercially with clients and customers. I'm a businessman who became a barrister and who can combine rigorous legal thinking with commercial problem-solving intuition".

A holistic approach to Taxation

"So, is a boutique tax chambers really just about a particularly personal approach which reflects your clients' exceptionality?" I ask. "It's more than that" replies Joseph. "It's also about the broad skillset we bring."

"There is a 5-pointed star of taxation that affect most of our clients: income taxes, capital gains taxes, stamp duties, inheritance taxes and VAT. You will find most tax barristers have a particular sub-specialism which dictates most of their professional activities, and many focus on either advisory or courtroom work. But the clients we work with often require taxation solutions which straddle several of these: often all five points of the star. They are often interconnected rather than separate- so work in one often creates work in others".

I nod - it certainly makes sense that even Joseph would need to be an all-rounder rather than a niche specialist. However, there is another thing that has been bugging me, and I put it to him. Namely, why not use an experienced accountant? Is it really necessary to get barristers involved until you need legal counsel, or actually end up in court?

"Accountants are invariably commercially minded and thoroughly knowledgeable in the general tax field" agrees Joseph. "However, they are not commonly legal specialists. Even if supported by the legal knowledge of a

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solicitor who can draft documents, there will inevitably come a point where legal complexities push them to seek counsel. Given that, we advise our clients to involve tax barristers from the beginning rather than crowbar them in later on via a referral mechanism when much ink has been spilled and positions have become entrenched."

I decide to push Joseph on how exactly having a barrister involved from the beginning – rather than keeping him or her at arm's length for consultation – really makes a difference.

"The first major advantage is that we understand the relevant documentation more swiftly and even more accurately" Joseph replies. "With our clients, paperwork is often particularly legally complex: this is especially true if documents are foreign, old, or otherwise obscure. Consider also that high and ultra-high net worth individuals may have already set up, acquired or inherited intricately-structured arrangements, assets with particular ownership structures and obligations, innovative special purpose vehicles, and many other artefacts of sophisticated legal design. Rather than operating through distant referrals – and running the risk that highly technical legal advice might be imperfectly understood – it can save enormous time and effort to involve us as soon and as closely as possible. Many of the accountants we work with recognise this and bring their more complex clients to see us very early on. This invariably improves the accountant's relationship with the client because they are so pleased with the results."

"So that deals with the incoming documents" I reply. "What about the outgoing?"

"That comes back to my earlier engineering analogy. Engaging us brings the architect and structural engineer together from the beginning. It allows all potential taxation solutions to be explored, and the optimised approach to implementation taken from the outset. I once was handed a case relating to a family partnership where the accountant did not understand the nuances of the way the law operated in a foreign jurisdiction, and inadvertently produced fundamentally flawed accounts and transaction documentation. Finally, consider the future."

As we've discussed, taxation laws change constantly – often in reaction to unpredictable political developments – and its often simply too much to ask generalist accountants and solicitors to create cutting edge wealth structuring strategies which are legally robust (and flexible) enough to stand for the many decades to come."

"But what about a client's existing solicitor's and accountants?" I ask. "Can CCTC slot into existing arrangements?"

"Absolutely" Joseph replies. "We work with numerous accountants, solicitors and other trusted advisors to help them take care of their own HNW and UHNW clients. One of CCTC's greatest strengths is that we can play solo, or take our place in an existing orchestra."

Independence from HMRC and Privacy
Something that struck me on CCTC's website was their focus on their independence from HMRC and the fact they never work with them. I wondered if this might be another advantage of their approach?

"HMRC should be – but is not – set as an independent tax collector complying impartially with the law" Joseph explains. "It will strive to collect the most tax it can. There are always exceptions, but in many cases it behaves clumsily and overreaches its own powers. Sometimes when a client is investigated, tax inspectors will ask huge numbers of questions which clients are not in fact obliged to answer. Our job is to ensure that clients comply with the law, not with HMRC's Christmas wish list. Many tax barristers also work as advocates for HMRC which, unsurprisingly, can make some clients feel uncomfortable. However, it's more than just a trust or conflict of interest issue. We are so busy looking after our clients that we simply don't have time to work with HMRC".

"You sound like you really enjoy taking on HMRC!" I reply.

"Oh yes" smiles Joseph. "I really do. It's a challenge, and a win against HMRC in court is a testament to the fact that we have done our job really well.

Having made this forceful point, I decide to ask Joseph about how CCTC protect clients' privacy.

"It's vital" he replies. "With high-level, international transactions and wealth structuring, control of information can be absolutely critical. To ensure this, our team is deliberately small and meticulously vetted. All our electronic communications and data are protected by intelligent systems, smart technology, and even a Swiss encrypted email system."

"It's also worth adding that my team will never be surprised by any wealth management or taxation problem – or even the most intricate or convoluted personal or family situation. We've simply seen it all before: with clients as exceptional as our own, we expect the unexpected."

"Finally, all of our communications are legally privileged. That means that HMRC cannot make us disclose communications or documents. Accountants do not have such protections, and HMRC inspectors' statutory powers can – and frequently do – force the disclosure of documents and information if they choose to launch an investigation. This power of legal privilege also applies if CCTC is added to existing team of legal advisors, who also benefit from this powerful defence as soon as we are instructed."

Joseph's Journey: from Businessman to top Boutique Tax Barrister

We've already heard how Joseph was inspired to leave the property development business and become a tax barrister. His first step

on this ambitious journey was to study Law at King's College at Cambridge University.

"What was studying at Cambridge like?" I ask.

"It was a constant challenge because my peers were so brilliant: the environment was incredibly competitive and the turnarounds for essays was extremely short. You had to keep up. Much of the teaching was through the one-to-one supervision system with just you, your essay, and a top Law Professor in a room for an hour. Half-baked arguments and generic platitudes just didn't wash with these experts. However, they respected original thinking and the ability to defend your arguments."

"Were there any particular academics who stood out as influences?"

"Yes: two in particular. The first was John Armour, Professor of Company Law, who is now at Oxford. He encouraged us to think beyond case law, and to reflect on the practical consequences of judicial decisions. The second was Eleanor Sharpston, QC – now Advocate General at the European Court of Justice – who was my college Director of Studies. She warned me to expect regular eighteen-hour days as a Barrister. I didn't believe her then but wish I had!"

"What did you do after Cambridge?"

I did a Masters at University of London's intercollegiate LLM. Cambridge had given me great academic grounding, but the LLM opened the door to the professional world of law with in London. We were taught by senior members tax bar and practicing QCs. It was a highly professional community."

"So presumably next came your pupillage?"

"Yes: at 11 New Square, the chambers of John Gardiner QC. It was superficially a very old fashioned chambers which, even in the mid-noughties, was almost entirely paper-based and full of dusty archives. This was memorably exhibited when one day there was a power cut, and nobody noticed until sun went down! That said, while the infrastructure was antique, the thinking was very modern. I learned not to be afraid how large the numbers got: we had to be so confident in the rigour of our analysis, and the correctness of our advice, that it did not matter whether the sums involved were in the hundreds or the billions of pounds."

"A particular influence during my pupillage was Jonathan Peacock QC. His ability to empathise with clients never failed to win their trust. He did this through combining a supremely commanding legal mind with a touch of confident humility. I've always tried to model my own approach on his."

"So then you moved fully into professional practice? What was the road to CCTC from there?"

"My first job as a fully-fledged professional barrister was at Allen and Overy, the leading

magic circle law firm which did much to mitigate the 2007 banking crisis. I cut my teeth on designing, analysing, and structuring tax saving and mitigation structures for the biggest banks and companies in the UK."

"Did the credit crunch and its aftermath effect you, career-wise?"

"It did. After the credit crisis and the introduction of the Banking Code in 2009, the zeitgeist in the sector completely changed, and in effect, the business of corporate tax structuring gradually came to an end, so I then moved to the No. 1 Tax Litigation Team – McGrigors LLP – at 5, Old Bailey, where I worked as their in-house barrister."

"Did working as an in-house litigator suit you?" I ask.

"No, it most certainly didn't! It showed me in no-uncertain terms that if I was going to work in litigation, I wanted to be on the front line. Doing all the preparatory work myself and then watching another barrister go and present it ineffectively was incredibly frustrating."

"I can see where this is going" I reply. "Is this when you decided you wanted to embrace the freedom of 'going boutique'?"

"Yes. I moved to Atlas Tax Chambers, founded by myself and Keith Gordon. We rapidly became so successful that we were courted relentlessly by other big tax chambers. Eventually, after much head-hunting we decided to merge with the large and famous Temple Tax Chambers"

"Aren't they one of the largest tax chambers?" I interject.

"Correct. While I had a happy time there, I grew increasingly frustrated with the natural limitations that being part of a larger association of barristers put on how I wanted to operate my practice. I knew the next move was for me to take the plunge and set up my own chambers which could embody my client-centered philosophy, and where I could hand-pick my own team. Hence- CCTC."

"And the rest is history" I say. "Any regrets?"

Joseph laughs. "Only that I didn't do it sooner!"

Beyond Joseph: CCTC's Team

Joseph is very keen to stress that CCTC isn't just all about him, and before I take my leave he insists on having coffee with the team inside their main operations hub. It's a stylishly decorated open-plan area overlooking an impressive glass atrium. I like it that Joseph isn't separated from his team in his own office. When he's not in court, he's right here with them.

He first introduces me to Tristan, whose handshake is as firm as his own. Tristan's background is Law and Accountancy and he was previously a partner inside another boutique tax practice assisting the individuals

and companies with HMRC enquiries and investigations, focussing on VAT and excise duties. Tristan is himself a veteran tax litigator and expert swordsman and martial artist. I can see how the Zen-like focus and martial training could be useful in the context of preparation for some of CCTC's legal battles.

Next there is Soracha, CCTC's legal assistant. She has a law degree from Cambridge and Joseph tells me in no uncertain terms that she has a brilliant legal career ahead of her. She's already earned his trust to operate with considerable autonomy- preparing complex legal documents and dealing with huge value trusts. Her recent work was instrumental in securing an important client a refund of more than £20,000 from HMRC for wasted legal costs. Joseph tells me that anyone who works in tax knows just how exceptionally rare it is to secure such costs-related compensation from HMRC!

Finally, I meet Bianca, the Marketing and Communications Officer. She previously worked for one of the USA's top hedge funds, and it's obvious to me that she a natural communicator and great conversationalist. She manages CCTC's press releases, writes copy, and manages their very considerable client communications and news flow.

Before we say goodbye, Joseph tells me some news. CCTC has just accepted its newest team member: a leading tax partner, with years of magic circle tax experience will soon be joining Joseph, and helping to assist CCTC clients with its ever-increasing work flow. I can see the thought of this has really excited him. *"It's all about the people for me"* he says again. *"The clients- and my team"*.

As the elevator doors close and the team now wave goodbye, I sense I won't be the last interviewer visiting CCTC. They are really going somewhere.

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