



INDIRECT TAX SALARY GUIDE

UK & EUROPE

2023

harveyJOHN

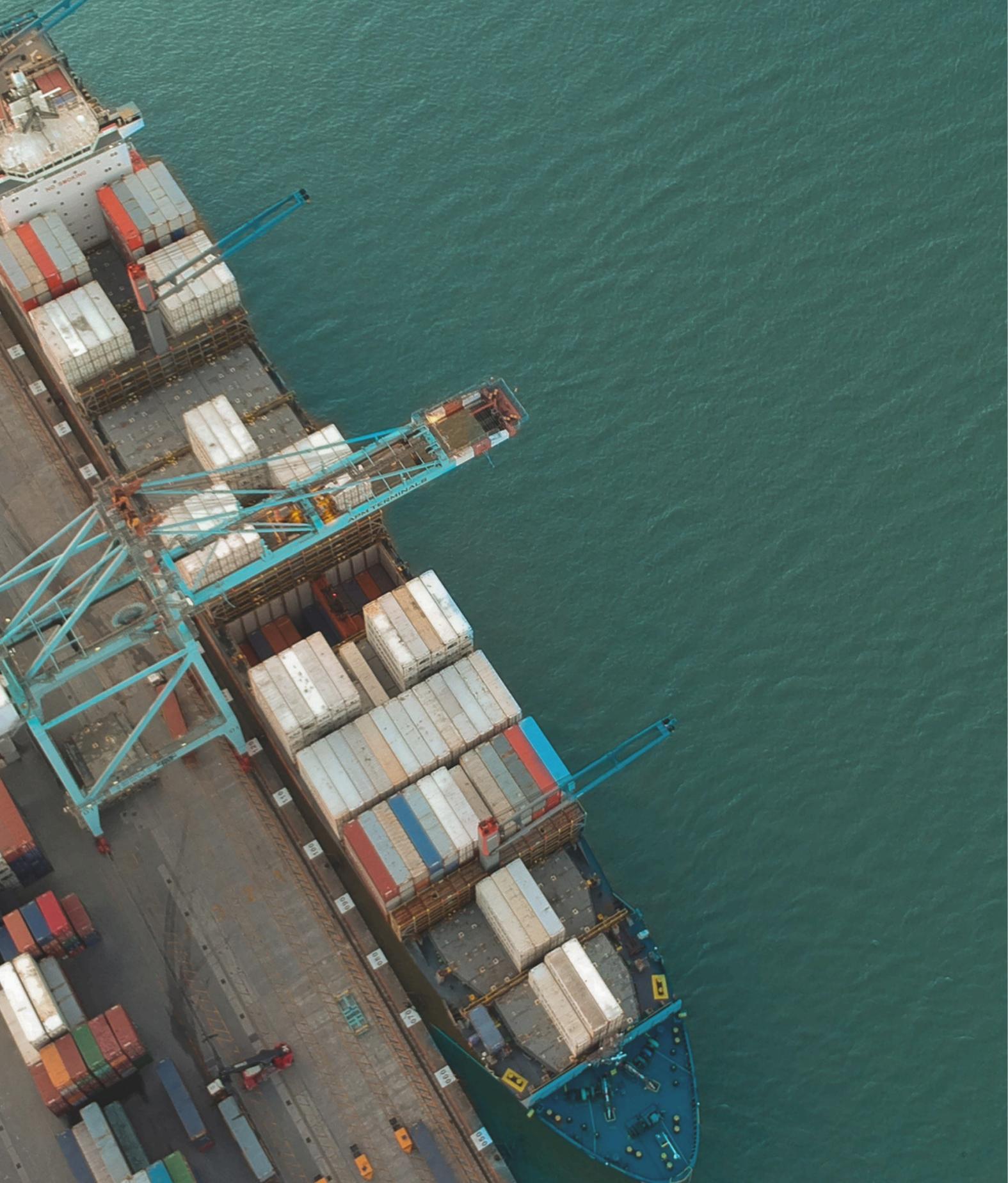


TABLE OF CONTENTS

- 1** Foreword
- 2** Highlights
- 3** Professional Services
 - UK & Ireland
 - Europe
 - Compliance Services
- 5** Commerce & Industry
 - Indirect Tax & Trade Compliance
- 6** Banking & Financial Services - UK&I
- 7** Embracing Flexibility - Benefits
- 8** Diversity, Equity & Inclusion
- 9** Respondent Profile
- 10** Contacts

FOREWORD

Over the course of the past year, the realm of indirect tax and customs has experienced intense and rapid upheaval. While businesses in Europe battle through constant political and economic headwinds, tax functions are increasingly lent upon to navigate their organisation through a transformative landscape, one shaped by an array of legislative, technological, and behavioral changes.

Employers were still nursing the impact of COVID-19 when the global shockwaves of the Russia-Ukraine war (and the litany of subsequent sanctions) swiftly followed, which created an increasingly complex landscape for indirect tax and customs functions. When you throw in the ongoing ramifications of Brexit into the mix, it's unsurprising that customs and global trade professionals have been propelled into the limelight. Perhaps more positively, the challenges that customs and trade compliance specialists have faced this past year have resulted in a positive impact on the discipline's average remuneration and volume of opportunities across Europe. The trade environment has been a challenging arena at the best of times but, with an increasingly volatile landscape becoming the new normal - one that's been shaped by COVID-19, Brexit, and geopolitical instability - it feels like we are entering a new era of customs and trade recruitment, which will inevitably impact salaries.

In general, however, it should be headlined that our findings have identified a considerable increase in average salaries across the entire indirect tax space. The reasoning behind this is multi-faceted. Certainly much of it can be rooted back to 2020-21 when businesses imposed pay freezes as a tool to nurse the unknown economic impact of COVID-19, resulting in employers either needing to double-up the following year or risk losing staff to the competition. As businesses largely rebounded in the post-pandemic landscape, so did the demand to hire.

Adding to this has been the sheer amount of policy change, which has really squeezed the already short supply of indirect tax professionals. The adoption of tax and trade as a political tool to meet ESG commitments has hugely impacted the workload of indirect tax specialists, particularly as in-house tax teams are tasked with ESG planning and how to build an effective strategy. Perhaps of equal stature was the European Commission's proposals around VAT in the Digital Age. With e-invoicing having an impact on the entire business, the spotlight is shining even brighter on the internal indirect tax function. Much like their colleagues in customs, the sheer amount of work that indirect tax specialists face may be overwhelming but, equally, both ViDa and ESG have become the pocket aces for indirect tax functions as they can now raise the stakes, have a more dominant voice, and take more control in shaping business strategy. Likewise, there's still a large part of the market who are not yet tuned in with ViDa and ESG, which plays well for the service providers.

Multiple variables have therefore created unprecedented demand for specialists. With demand significantly outweighing supply, salaries have had to rise - but have they risen enough? With the inflationary pressures globally, the OECD have recently reported that 'real wages' have fallen almost everywhere. The topic of remuneration has therefore been the number one consideration amongst job seekers and we are still watching the ramifications of this play out. Counter-offers have been omnipresent this past year and scuppered much of the success of internal recruitment teams, leading to more reliance on external recruiters to fill vacancies.

Although remuneration has been the dominant consideration amongst candidates, one of the other characteristics of our post-pandemic recruiting landscape has been the adoption of great flexibility and work-life balance. It felt like the enterprise space was gradually working towards this but global lockdowns accelerated this paradigm shift in workplace attitudes. It is therefore unsurprising that the majority of our respondents favoured benefits around this domain, including the much speculated 4-day week.

As we look ahead to influencing factors of remuneration in the indirect tax market, one cannot ignore that advent of chatbot technology. We are in the early adoption cycle of generative AI programs, such as ChatGPT, and this raises some very interesting questions about how indirect tax responsibilities will be impacted. This is an area that the Harvey John team are carefully monitoring.

On the whole, the events of recent years have created an increasingly competitive landscape for recruitment and one that favours the candidate market - for now. There's a widespread discomfort amongst hiring managers with the reality of today's salaries yet they, too, are equally concerned about their own remuneration, which creates an interesting dichotomy. Ultimately, we do expect the heightened focus around salaries to settle but, whilst there's continued uncertainty around inflation, it's unlikely to be in the near future.

This report draws upon data from over 2,000 tax professionals, presenting comprehensive salary ranges across diverse disciplines throughout the UK & Europe. Additionally, it sheds light on the benefits and limitations inherent in the tax sector. Of noteworthy concern is the influence of the remote working paradigm on salaries, with individuals residing in areas that traditionally offer lower compensation receiving salaries comparable to those of their counterparts in London.



Alex Mann
Director - Indirect Tax & Tax Technology
alex@harveyjohn.com



HIGHLIGHTS

62%

VOTED THEIR SALARY SATISFACTION BELOW AN 8 OUT OF 10

29%

PAY GAP BETWEEN MALE AND FEMALE AT PARTNER LEVEL

32%

OF THOSE WORKING IN PROFESSIONAL SERVICES ARE ABLE TO 'WORK FROM ANYWHERE'

68%

OF THOSE WORKING PART TIME ARE WOMEN

15%

PAY INCREASE FOR MANAGERS IN CUSTOMS & TRADE COMPLIANCE COMPARED WITH OUR 2020 SURVEY

59%

WOULD LIKE TO SEE A 4 DAY WORK WEEK



PROFESSIONAL SERVICES

UK&I

While the supply of indirect tax expertise has always struggled to meet demand, these conditions have intensified over the past year due to intense competition and skill shortages in the practice market.

Unlike previous years, the Big 4 and Top Tier firms have had to compete with a growing number of firms consolidating power through strategic national acquisitions, creating more attractive propositions for candidates who would traditionally stay within the Top 20. The professional services sector's widespread growth has also fueled demand for bolstering indirect tax practices. Moreover, higher-than-usual levels of recruitment in the industry have left firms racing to fill the gaps left by those exiting the tax practice market.

Beyond recruitment, the Big 4 has faced another challenging year under the spotlight for reform and various regulatory issues, attracting even more scrutiny. Speculation surrounding Project Everest, along with new claims of conflicts of interest within the Big 4, has tested employee commitment and complicated both retention and hiring. Unrelated or not, the past year has witnessed a noticeable amount of partner moves both within the Big 4 and towards the Top Tier. Such movements have also given rise to the increasing presence of customs and trade opportunities outside of the Big 4, namely with several of the Top Tier firms.

When asked how satisfied they are with their current pay package, the average indirect tax practice professional marked 6.37 out of 10.

The most challenging battleground for hiring has undoubtedly been at the mid-management level, leading to an abnormally sharp increase in salaries.

It was not long ago that such numbers were firmly within the senior manager pay band and this has certainly created a point of contention for many firms who are unable to compete. Interestingly, notable firms from the Top Tier have been key players in driving these numbers upwards as they look to lure talent away from the Big 4. It should also be highlighted that, while the most impressive salary uplift has been at the manager grade, the senior manager band has comfortably stretched into the low six figures, particularly in key hubs like London, Brussels, and Amsterdam.

As many firms struggle to attract candidates without the allure of higher salaries, a notable concern has arisen regarding 'grade inflation.' In the absence of higher packages, generous job titles have been used to attract those candidates seeking promotion, raising questions about the dilution of manager grades.

On the whole, the indirect tax and customs practice market has been extremely busy and we do not expect it to slow down anytime soon. Ongoing economic pressures related to inflation, coupled with significant policy changes demanding greater indirect tax expertise, will continue to place remuneration at the forefront of recruitment efforts.

| GRADE | BIG 4 | TOP 10 | TOP 50 | BONUS |
|------------------|---------------------|-------------------|-------------------|--------|
| SALARIED PARTNER | 175,000 - 285,000 | 155,000 - 265,000 | 145,000 - 190,000 | 20-25% |
| EQUITY PARTNER | 290,000 - 1,100,000 | 200,000 - 950,000 | 150,000 - 550,000 | N/A |

| GRADE | LONDON | AVG | THE SOUTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|---------|--------|
| ASSISTANT | 27,000 - 36,000 | 34,450 | 25,000 - 36,000 | 30,180 | 5-10% |
| ASSOCIATE | 33,000 - 45,000 | 42,300 | 30,000 - 45,000 | 39,680 | 5-10% |
| ASSISTANT MANAGER | 50,000 - 64,000 | 57,230 | 45,000 - 58,000 | 52,530 | 5-10% |
| MANAGER | 62,000 - 80,000 | 73,750 | 52,000 - 76,000 | 67,000 | 5-10% |
| SENIOR MANAGER | 77,000 - 120,000 | 92,310 | 70,000 - 105,000 | 87,410 | 10-15% |
| DIRECTOR | 95,000 - 165,000 | 116,350 | 90,000 - 140,000 | 110,820 | 15-20% |

| GRADE | THE MIDLANDS | AVG | THE NORTH | AVG | BONUS |
|-------------------|------------------|--------|------------------|--------|--------|
| ASSISTANT | 24,000 - 33,000 | 27,550 | 22,000 - 28,000 | 24,200 | 5-10% |
| ASSOCIATE | 28,000 - 40,000 | 36,030 | 27,000 - 35,000 | 30,430 | 5-10% |
| ASSISTANT MANAGER | 40,000 - 55,000 | 48,780 | 38,000 - 52,000 | 43,450 | 5-10% |
| MANAGER | 50,000 - 66,000 | 57,860 | 50,000 - 60,000 | 51,300 | 5-10% |
| SENIOR MANAGER | 70,000 - 95,000 | 81,240 | 65,000 - 80,000 | 69,730 | 10-15% |
| DIRECTOR | 83,000 - 110,000 | 97,400 | 80,000 - 110,000 | 90,600 | 15-20% |

| GRADE | SCOTLAND & N. IRELAND | AVG | WALES | AVG | BONUS |
|-------------------|-----------------------|---------|------------------|--------|--------|
| ASSISTANT | 25,000 - 35,000 | 27,440 | 22,000 - 28,000 | 23,850 | 5-10% |
| ASSOCIATE | 28,000 - 40,000 | 35,010 | 28,000 - 37,000 | 32,570 | 5-10% |
| ASSISTANT MANAGER | 40,000 - 52,000 | 46,030 | 38,000 - 52,000 | 44,790 | 5-10% |
| MANAGER | 52,000 - 65,000 | 58,050 | 50,000 - 60,000 | 56,110 | 5-10% |
| SENIOR MANAGER | 66,000 - 95,000 | 72,533 | 65,000 - 82,000 | 67,481 | 10-15% |
| DIRECTOR | 87,000 - 120,000 | 105,460 | 80,000 - 110,000 | 94,200 | 15-20% |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

*AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

Many firms, notably the Big 4, have tried to move the dial on their regional growth and relocated or expanded services lines away from their traditional home in London. As such, being 'physically' present in London has become far less of a commercial and professional necessity for indirect tax professionals. Recruiting for firms in the Home Counties, however, has become increasingly more complex as the greater flexibility around hybrid workings has meant that those living within a reasonable proximity to London can still enjoy a city weighting while commuting in 2-3 days a week.

PROFESSIONAL SERVICES

EUROPE

BELGIUM

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 36,000 - 46,000 | 43,200 | 5-10% |
| ASSISTANT MANAGER | 42,000 - 66,000 | 52,130 | 5-10% |
| MANAGER | 62,000 - 85,000 | 73,810 | 10-15% |
| SENIOR MANAGER | 90,000 - 145,000 | 91,550 | 10-15% |
| DIRECTOR | 100,000 - 185,000 | 140,330 | 15-20% |
| SALARIED PARTNER | 175,000 - 375,000 | 246,450 | 25-30% |

NETHERLANDS

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 36,000 - 50,000 | 42,870 | 1-5% |
| ASSISTANT MANAGER | 45,000 - 66,000 | 55,150 | 5-10% |
| MANAGER | 68,000 - 90,000 | 79,160 | 5-10% |
| SENIOR MANAGER | 90,000 - 140,000 | 108,670 | 10-15% |
| DIRECTOR | 110,000 - 200,000 | 165,760 | 15-20% |
| SALARIED PARTNER | 185,000 - 375,000 | 256,050 | 25-30% |

LUXEMBOURG

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 36,000 - 52,000 | 44,550 | 5-10% |
| ASSISTANT MANAGER | 53,000 - 71,000 | 60,100 | 10-15% |
| MANAGER | 70,000 - 90,000 | 83,150 | 5-10% |
| SENIOR MANAGER | 92,000 - 140,000 | 104,020 | 15-20% |
| DIRECTOR | 110,000 - 210,000 | 169,430 | 15-20% |
| SALARIED PARTNER | 180,000 - 375,000 | 302,470 | 25-30% |

IRELAND

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 29,000 - 45,000 | 36,890 | 5-10% |
| ASSISTANT MANAGER | 50,000 - 63,000 | 54,880 | 5-10% |
| MANAGER | 60,000 - 76,000 | 68,650 | 10-15% |
| SENIOR MANAGER | 75,000 - 95,000 | 84,740 | 10-15% |
| DIRECTOR | 88,000 - 175,000 | 123,200 | 10-15% |
| SALARIED PARTNER | 145,000 - 300,000 | 248,770 | 25-30% |

GERMANY

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 40,000 - 55,000 | 42,540 | 5-10% |
| ASSISTANT MANAGER | 55,000 - 70,000 | 63,640 | 5-10% |
| MANAGER | 70,000 - 90,000 | 78,560 | 10-15% |
| SENIOR MANAGER | 88,000 - 135,000 | 107,450 | 15-20% |
| DIRECTOR | 115,000 - 200,000 | 145,700 | 25-30% |
| SALARIED PARTNER | 175,000 - 350,000 | 265,030 | 25-30% |

SWITZERLAND

| GRADE | RANGE (CHF) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 50,000 - 85,000 | 76,500 | 5-10% |
| ASSISTANT MANAGER | 80,000 - 120,000 | 105,080 | 5-10% |
| MANAGER | 120,000 - 155,000 | 142,660 | 5-10% |
| SENIOR MANAGER | 155,000 - 200,000 | 173,090 | 10-15% |
| DIRECTOR | 200,000 - 275,000 | 231,220 | 15-20% |
| SALARIED PARTNER | 280,000 - 375,000 | 314,570 | 25-30% |

HUNGARY

| GRADE | RANGE (HUF) | AVG | BONUS |
|-------------------|--------------|-------|--------|
| ASSOCIATE | 6.5M - 9M | 8.4M | 10-15% |
| ASSISTANT MANAGER | 9.5M - 12.5M | 11.5M | 10-15% |
| MANAGER | 13.2M - 21M | 14.4M | 15-20% |
| SENIOR MANAGER | 20M - 28M | 23.6M | 20-25% |
| DIRECTOR | 28M - 36M | 33M | 20-25% |
| SALARIED PARTNER | 36M - 60M | 48.4M | 25-30% |

SPAIN

| GRADE | RANGE (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ASSOCIATE | 24,000 - 30,000 | 28,270 | 1-5% |
| ASSISTANT MANAGER | 33,000 - 45,000 | 40,910 | 1-5% |
| MANAGER | 48,000 - 57,000 | 50,720 | 10-15% |
| SENIOR MANAGER | 58,000 - 80,000 | 69,890 | 10-15% |
| DIRECTOR | 80,000 - 110,000 | 84,550 | 10-15% |
| SALARIED PARTNER | 100,000 - 200,000 | 166,670 | 25-30% |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

*AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

Counter-offers have been rife in the professional services sector over the past year. As firms scramble to recruit, they have also raised the stakes in their efforts to retain. On average, tax professionals in practice are 2.5x more likely to receive a counter-offer than those in industry.

COMPLIANCE SERVICES

Compliance service providers across Europe have always faced tough competition when it comes to hiring but this has intensified post Brexit, particularly for UK firms who can no longer readily access a European pool of talent.

Supply, quite simply, has not met demand in recent years and the average remuneration for indirect tax compliance specialists has continued to climb, most notably in the UK. This has made hiring a painful process for tax leaders, especially as the lack of expertise is the primary obstacle standing in the way of substantial revenue growth. Salaries across Europe have also increased but, admittedly, at a more steady rate. While the UK firms continue to navigate a post-Brexit recruitment market, they also face the same hurdle as their European counterparts: competing against an increasingly more active in-house hiring market, where compliance specialists typically receive more attractive packages.

With tighter legislation coming into play - not to mention the European Commission's recent proposals regarding ViDa - compliance services will be increasingly leaned upon for support, so winning that battle of attraction has become more important than ever.

| GRADE | UNITED KINGDOM (GBP) | AVG | EUROPE (EUR) | AVG | BONUS |
|---------------------------------------|----------------------|--------|------------------|--------|--------|
| COMPLIANCE ASSISTANT (> 12 MONTHS) | 25,000 - 30,000 | 27,640 | 28,000 - 35,000 | 32,330 | 5-10% |
| COMPLIANCE ASSISTANT (12 - 24 MONTHS) | 35,000 - 50,000 | 42,080 | 32,000 - 48,000 | 40,670 | 5-10% |
| COMPLIANCE SPECIALIST (REVIEWER) | 40,000 - 60,000 | 49,780 | 45,000 - 55,000 | 50,070 | 5-10% |
| COMPLIANCE TEAM LEADER | 57,000 - 78,000 | 63,220 | 55,000 - 72,000 | 66,110 | 5-10% |
| COMPLIANCE DIRECTOR | 80,000 - 110,000 | 98,330 | 75,000 - 110,000 | 95,460 | 10-15% |

COMMERCE & INDUSTRY

INDIRECT TAX, CUSTOMS, & TRADE COMPLIANCE

Commerce and industry have navigated through an unprecedented array of events in recent years, ranging from workplace transformation, policy change, and geopolitical turbulence - including two transnational crises: COVID-19 and the Russia-Ukraine War. As a result, in-house hiring has thrived and the remuneration of indirect tax professionals has seen an inevitable hike.

While recent events have largely played into the hands of job seekers, there have been some notable winners. Ongoing trade disputes from Brexit and the sanctions following the Russia-Ukraine war has thrust trade compliance into the spotlight, resulting in SMEs through to large enterprises expanding their in-house capabilities in this domain. Customs and trade compliance recruitment has subsequently been at a record high over the last year and has, for the first time, outperformed the hiring of VAT specialists in the UK, Ireland, and Germany.

Similarly, the growing emphasis on producing clean data in the indirect tax function has resulted in an uptick of analyst hires across the UK & Europe, with salaries in this area reaching as high as £65,000 in the UK and €70,000 in Europe. These salaries are predominantly seen in Big Tech, who have demonstrated aggressive hiring strategies over the last couple of years.

The motive for 'clean' data has also encouraged tax leaders from financially sound businesses to invest in transforming their tax function, resulting in an increase of in-house technology dominated roles. Although 'transformation' is the holistic reimagining of the way people, processes, technology, and data contribute to a tax function, this movement has largely resulted in the two latter components moving to the forefront as we see growing opportunities for those with deep skills in ERP systems, data manipulation, and tax engines emerge.

Finally, those sitting around the manager grades have been on the receiving end of the greatest uplifts in remuneration.

On average, 40-45% of vacancies each quarter are pitched at the manager level, which has squeezed the supply of an already candidate short market.

With the hybrid nature of their role - one that typically covers compliance, processes, advisory, and people management - competent managers have increasingly become a go-to hire in place of more senior profiles. As such, hiring has been sluggish at the indirect tax and customs leadership level and led to more stagnancy around remuneration. However, the adoption of tax and trade as a political tool to meet ESG commitments - paired with proposals around ViDa - create a compelling value proposition for the indirect tax function and one could argue that senior expertise and business partnering will soon become more sought after.

HIGHLIGHTS

- Only 31.3% of the in-house indirect tax market are qualified
- In the last 3 years, the UK median salary has seen the fastest rate of growth (32.9%), while Germany has experienced the the slowest growth (19.4%)
- The sharp rise in median salaries have largely been impact by the upswing of Analyst and Manager remuneration.
- Hungarians ranked among the least satisfied with their remuneration followed by UK indirect tax professionals. Belgium ranked amongst the 'most satisfied' with their remuneration.

| GRADE | UNITED KINGDOM (GBP) | AVG | IRELAND (EUR) | AVG | BONUS |
|-------------------|----------------------|---------|-------------------|---------|--------|
| ANALYST | 35,000 - 65,000 | 49,130 | 42,000 - 65,000 | 53,410 | 10-15% |
| ASSISTANT MANAGER | 48,000 - 75,000 | 61,680 | 60,000 - 78,000 | 67,600 | 10-15% |
| MANAGER | 65,000 - 105,000 | 82,140 | 75,000 - 100,000 | 87,200 | 10-15% |
| SENIOR MANAGER | 85,000 - 135,000 | 106,770 | 90,000 - 140,000 | 115,320 | 10-15% |
| DIRECTOR | 115,000 - 160,000 | 141,300 | 110,000 - 160,000 | 133,640 | 20-25% |

| GRADE | GERMANY (EUR) | AVG | SWITZERLAND (CHF) | AVG | BONUS |
|-------------------|-------------------|---------|-------------------|---------|--------|
| ANALYST | 40,000 - 66,000 | 57,880 | 90,000 - 110,000 | 103,450 | 5-10% |
| ASSISTANT MANAGER | 60,000 - 82,000 | 69,530 | 110,000 - 140,000 | 119,330 | 5-10% |
| MANAGER | 82,000 - 112,000 | 95,320 | 125,000 - 175,000 | 147,080 | 10-15% |
| SENIOR MANAGER | 90,000 - 155,000 | 122,600 | 150,000 - 210,000 | 175,500 | 10-15% |
| DIRECTOR | 130,000 - 200,000 | 167,760 | 210,000 - 320,000 | 271,440 | 25-30% |

| GRADE | HUNGARY (HUF) | AVG | SPAIN & ITALY (EUR) | AVG | BONUS |
|-------------------|---------------|-------|---------------------|---------|--------|
| ANALYST | 6.5M - 13M | 9.6M | 31,000 - 45,000 | 34,630 | 5-10% |
| ASSISTANT MANAGER | 11M - 15.5M | 12.3M | 38,000 - 55,000 | 41,080 | 5-10% |
| MANAGER | 13M - 20M | 13.8M | 50,000 - 70,000 | 56,330 | 10-15% |
| SENIOR MANAGER | 16.5M - 25M | 19.8M | 70,000 - 95,000 | 79,450 | 10-15% |
| DIRECTOR | 23M - 36M | 28.1M | 90,000 - 160,000 | 141,040 | 20-25% |

| GRADE | BELGIUM (EUR) | AVG | NETHERLANDS (EUR) | AVG | LUXEMBOURG (EUR) | AVG | BONUS |
|-------------------|-------------------|---------|-------------------|---------|-------------------|---------|--------|
| ANALYST | 40,000 - 65,000 | 54,730 | 42,000 - 72,000 | 53,120 | 48,000 - 75,000 | 58,920 | 5-10% |
| ASSISTANT MANAGER | 55,000 - 80,000 | 66,110 | 62,000 - 85,000 | 68,700 | 60,000 - 80,000 | 64,880 | 5-10% |
| MANAGER | 80,000 - 110,000 | 88,330 | 80,000 - 120,030 | 102,220 | 80,000 - 130,000 | 107,310 | 10-15% |
| SENIOR MANAGER | 96,000 - 150,000 | 111,670 | 95,000 - 160,000 | 127,510 | 100,000 - 155,000 | 124,220 | 15-20% |
| DIRECTOR | 130,000 - 210,000 | 158,750 | 130,000 - 200,000 | 146,120 | 135,000 - 210,000 | 161,090 | 25-30% |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

**AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.



BANKING & FINANCIAL SERVICES

UK&I

17.8%

Senior Analysts working in Financial Services are paid 17.8% more than those working in Commerce & Industry

15.1%

Managers working in Financial Services are paid 15.1% more than those working in Commerce & Industry

5-10%

The **average bonus** for those working in Financial Services is 5-10% higher than those in other sectors.

| GRADE | UK (GBP) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ANALYST | 44,000 - 65,000 | 57,890 | 10-15% |
| ASSISTANT MANAGER | 60,000 - 75,000 | 68,330 | 15-20% |
| MANAGER | 75,000 - 110,000 | 94,540 | 15-20% |
| SENIOR MANAGER | 90,000 - 145,000 | 114,680 | 20-30% |
| DIRECTOR | 120,000 - 215,000 | 147,770 | 30%+ |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

**AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.*

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

EMBRACING FLEXIBILITY

UNVEILING THE MOST IN-DEMAND BENEFITS

Although remuneration has been one of the most dominant considerations for candidates this year, one of the other characteristics of our post-pandemic recruiting landscape has been the adoption of **flexibility in the workplace**.

With the onset of cloud technology, the enterprise space has gradually been working towards this but global lockdowns accelerated the adoption of remote working, creating a paradigm shift in the workplace.

It therefore comes with no surprise that the majority of our tax community favoured benefits within this domain.



Hybrid working is no longer viewed as a benefit, it has become an expectation and it is now widely assumed that every business will offer this, to some degree

Working from anywhere has become a transformative feature of the modern work environment, particularly in the indirect tax space across Europe. A significant number of respondents in a salary survey expressed a desire for remote work. While there are debates about the efficiency of remote work, many businesses have adopted a hybrid working approach, offering a balance between office and remote work. The lack of hybrid or flexible working arrangements is viewed negatively by the market, as it is seen as outdated and inflexible.



of tax professionals believe that everyone should be entitled to remote working opportunities.

The **four-day work week** is another highly coveted benefit, with a majority of respondents expressing interest in this arrangement. This compressed work week allows employees to enjoy longer weekends, giving them more time for personal pursuits, hobbies, and quality time with loved ones. Trials of the four-day work week in the UK have shown positive results, including increased revenue, improved well-being, and decreased stress and fatigue. The demand for this benefit is expected to intensify in the coming years, although its implementation may vary across sectors.

Unlimited holiday allowance has sparked debates as a desirable benefit, with a quarter of respondents expressing interest in this policy. While it offers flexibility and trust to employees, challenges arise without clear guidelines and a supportive work environment. Decision anxiety and perceived inequity can impact employee dynamics. However, when balanced effectively, unlimited holiday entitlement has been shown to enhance productivity, reduce absenteeism, and alleviate burnout.

Paid mental health days have gained attention as candidates prioritise well-being. Some respondents have expressed interest in having this benefit as a way to address mental health needs. Firms, particularly within the Big 4 accounting firms, are recognizing the importance of mental health and taking steps to support their employees in this area.

Overall, **flexibility-related benefits** are becoming crucial for attracting and retaining talent in the tax field. Firms that do not embrace flexibility may fall behind as competitors foster work-life balance, enhance productivity, and boost morale, leading to the development of thriving and resilient tax teams.

DIVERSITY, EQUITY & INCLUSION



OF RESPONDENTS WERE MALE



OF RESPONDENTS WERE FEMALE



OF RESPONDENTS IDENTIFIED AS TRANSGENDER OR NON-BINARY



OF RESPONDENTS CONSIDERED THEMSELVES WHITE



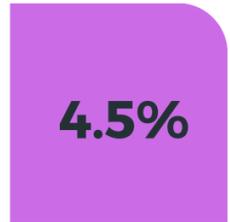
OF RESPONDENTS WERE BLACK BRITISH, AFRICAN, OR CARIBBEAN



OF RESPONDENTS WERE ASIAN OR BRITISH ASIAN



PAY GAP BETWEEN MALES & FEMALES AT PARTNER LEVEL



PAY GAP BETWEEN BLACK BRITISH RESPONDENTS & WHITE BRITISH RESPONDENTS AT THE SENIOR MANAGER LEVEL



PAY GAP BETWEEN MALES & FEMALES AT THE ASSISTANT MANAGER LEVEL

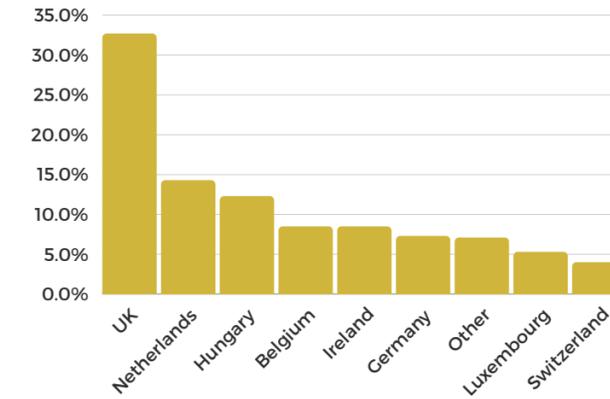
RESPONDENT PROFILE

1,341 TOTAL RESPONDENTS

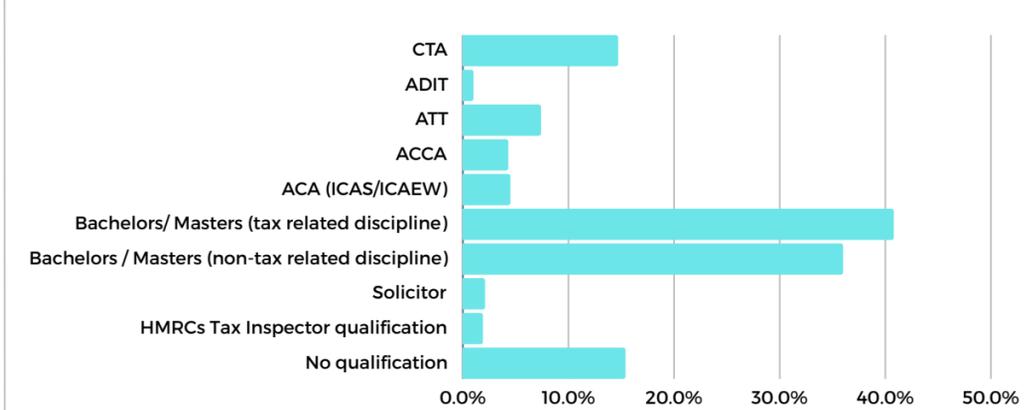
GRADE

| | |
|-------------------|-------|
| Assistant | 5% |
| Senior Analyst | 24% |
| Assistant Manager | 10% |
| Manager | 26% |
| Senior Manager | 19% |
| Director | 11.5% |
| Partner | 4.5% |

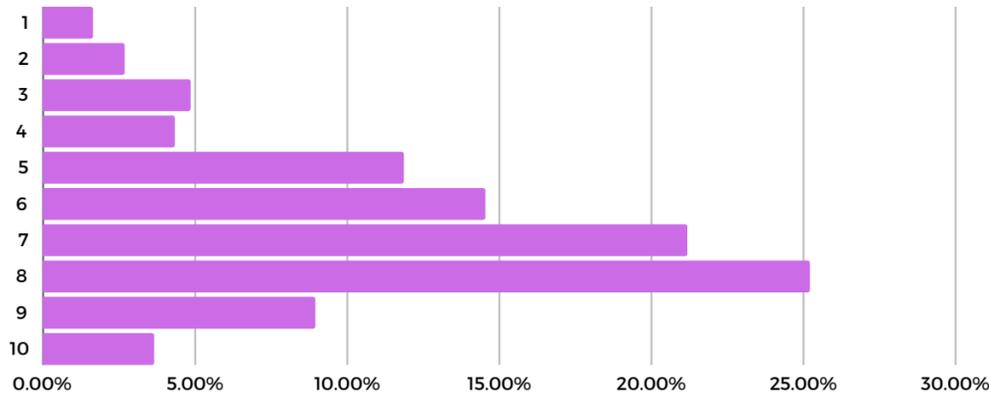
LOCATION



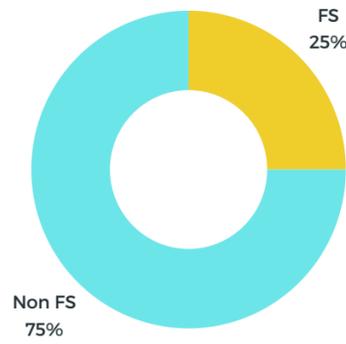
QUALIFICATIONS



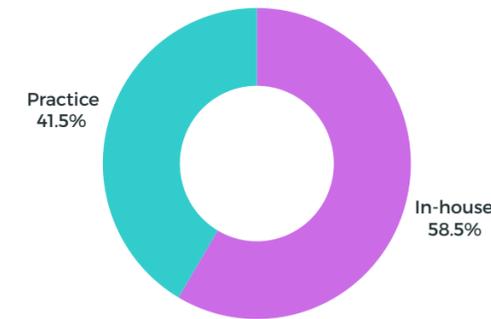
SALARY SATISFACTION



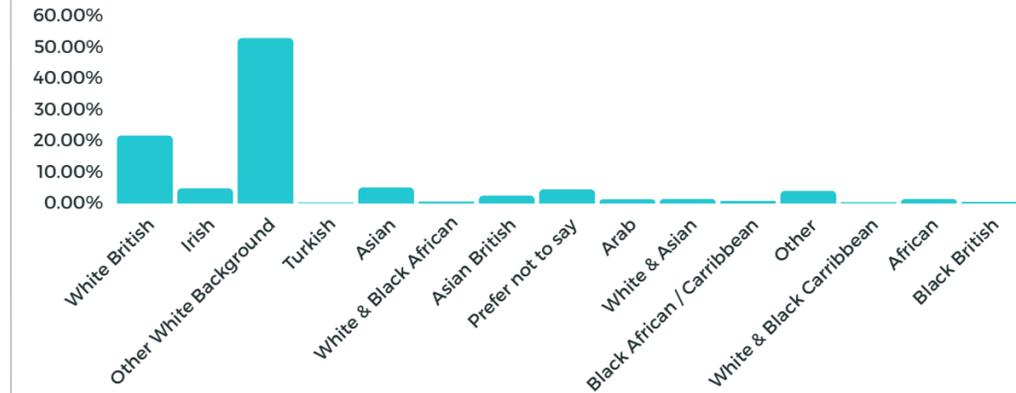
FINANCIAL SERVICES



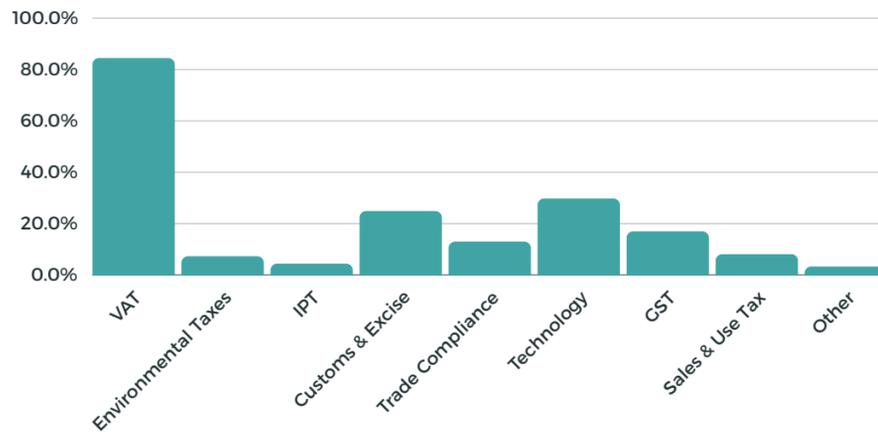
IN-HOUSE VS PRACTICE



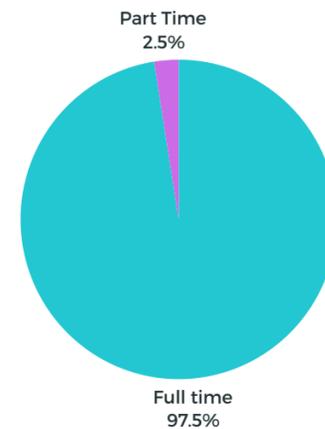
ETHNICITY



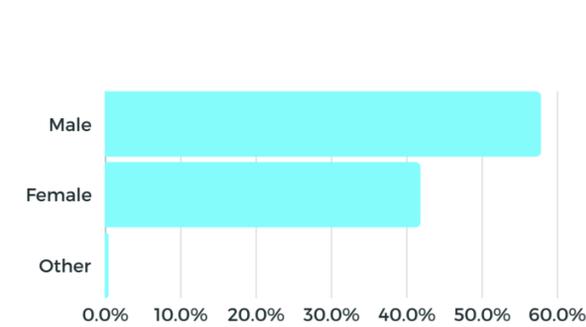
SPECIALISM



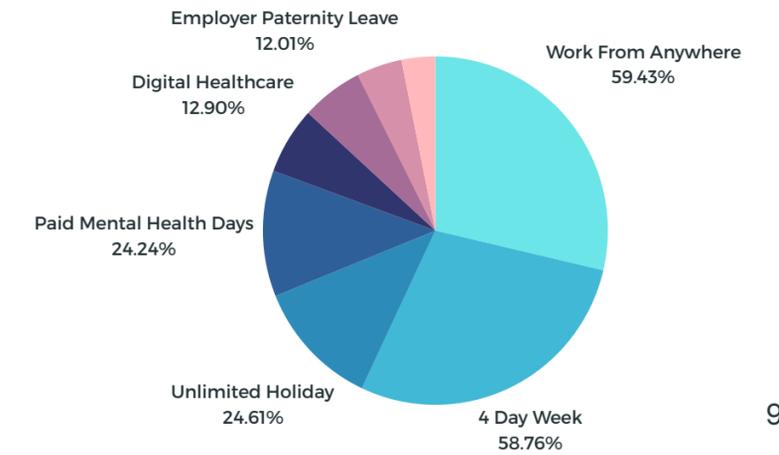
FULL TIME / PART TIME



GENDER



THE BENEFITS RESPONDENTS WANT TO SEE



With so many forces at play in the tax world, there's become an increasing reliance on high performing tax teams. From globalisation, transformation, digitalisation, and the everchanging landscape of tax policy – businesses are now actively adopting more thoughtful approaches to tax, creating a heightened profile of the 'tax professional' in the global market.

In this changing tax landscape, a responsive approach to recruitment is pivotal to mapping out and engaging tomorrow's tax talent. This is where Harvey John recruitment come in. With specialist recruiters covering Direct Tax, Indirect Tax, Tax Technology, as well as more niche focuses on Customs, Trade Compliance, and Insurance Premium Tax, our team are well-equipped to bring successful candidates and clients together. Our focus is predominantly, though not limited to, the EMEA tax markets.

Every day we analyse the global market, stay ahead of hiring trends and build upon our network. Our strength lies in our natural curiosity to constantly source more information. And by doing this, day in and day out, we're able to connect you with the best tax talent on an international scale.

As specialist tax recruiters, we're the outsiders with the inside knowledge that can keep you and your team abreast of this evolving industry.

For a more in-depth overview of your market, tailored salary guidance, or to discuss your hiring needs, get in touch one our recruitment specialists.

Note: Salary ranges are based on information provided by Harvey John's tax community including both candidates and clients. These are approximate guides only. They are indicative market ranges and are dependent on variable factors, including but not limited to experience level, market conditions, company size, industry sector and job scope.

Disclaimer: Harvey John accepts no responsibility for any action taken or not taken based on this guide.

CONTACT



Alex Mann 
Director - Head of Tax Recruitment
alex@harveyjohn.com

harveyJOHN

DIRECT TAX SALARY GUIDE

2023

harveyJOHN





TABLE OF CONTENTS

| | |
|-----------|---|
| 1 | Foreword |
| 2 | Highlights |
| 3 | Professional Services <ul style="list-style-type: none">→ Corporate Tax→ Personal & Employment Tax |
| 5 | Commerce & Industry <ul style="list-style-type: none">→ Heads of Tax→ Specialisms in Focus |
| 6 | Embracing Flexibility - Benefits |
| 7 | Diversity, Equity & Inclusion |
| 8 | Respondent Profile |
| 10 | Contacts |

FOREWORD

The ever-evolving direct tax landscape has experienced a dynamic year, both in its implications for recruitment and its broader economic significance.

During the 2021-2022 period, a notable upswing in mass recruitment occurred, accompanied by a talent shortage, resulting in a substantial growth in salaries. However, the subsequent year, 2022-2023, has witnessed a moderation in salary increments, along with a discernible stabilisation of remuneration ranges compared to the preceding years.

In general it should be headlined that our findings have identified a considerable increase in average salaries across the entire direct tax space. The reasoning behind this is multi-faceted. Certainly much of it can be rooted back to 2020-21 when businesses imposed pay freezes as a tool to nurse the unknown economic impact of COVID-19, resulting in employers either needing to double-up the following year or risk losing staff to the competition. As businesses largely rebounded in the post-pandemic landscape, so did the demand to hire.

An emerging concern arising from elevated salary expectations and the intensifying race to hire is the speed of professional advancement. Engagements with both in-house and practice tax leaders have underscored apprehensions regarding the technical and soft skill proficiencies of current managers, particularly in areas such as personnel management, project oversight, and interpersonal aptitude. Many have referred to this as 'grade inflation'.

Reversing this predicament proves arduous, especially within professional services where the availability of top talent is scarce. Whilst it is customary for some staff to transition to in-house roles, the prevailing economic uncertainty and the allure of "staying put" exacerbate the strain on recruitment efforts. Whilst staff retention remains a priority, replacing departing employees has become an increasingly daunting task.

On the in-house front, the implementation of OECD Pillar 2 has emerged as a focal point for multinational corporations, significantly shaping the responsibilities of corporate, international tax, and employment tax specialists. Although the demand for investment in tax technology and overall tax function efficiency remains high, resource constraints have posed challenges for certain organisations.

The salary gap between in-house and practice still exists but has slightly narrowed. With in-house teams generally facing fewer headwinds than professional services when recruiting, they don't need to compete as aggressively on remuneration. In fact, unlike other tax disciplines, one could argue that for employment tax and the rare personal tax (including trusts and family offices) role, it is potentially even more competitive to secure a role in-house. This is because the volume of (in-house) roles has slowed, and at the same time, more and more candidates report an interest in moving in-house.

As we look ahead to influencing factors of remuneration in the tax market, one cannot ignore that advent of chatbot technology. We are in the early adoption cycle of generative AI programs, such as ChatGPT, and this raises some very interesting questions about how tax responsibilities will be impacted. This is an area that the Harvey John team are carefully monitoring.

On the whole, the events of recent years have created an increasingly competitive landscape for recruitment and one that favours the candidate market - for now. There's a widespread discomfort amongst hiring managers with the reality of today's salaries yet they, too, are equally concerned about their own remuneration, which creates an interesting dichotomy. Ultimately, we do expect the heightened focus around salaries to settle but, whilst there's continued uncertainty around inflation, it's unlikely to be in the near future.

We extend our sincere gratitude to the tax professionals who contributed to our research, enabling us to present a comprehensive and informed analysis. We hope this report proves instrumental in driving strategic decision-making and fostering dialogue within the tax community.

This report draws upon data from over 2,000 tax professionals, presenting comprehensive salary ranges across diverse disciplines throughout the United Kingdom. Additionally, it sheds light on the benefits and limitations inherent in the tax sector. Of noteworthy concern is the influence of the remote working paradigm on salaries, with individuals residing in areas that traditionally offer lower compensation receiving salaries comparable to those of their counterparts in London.



Alex Mann



Director - Head of Tax Recruitment

alex@harveyjohn.com



HIGHLIGHTS

60%

**VOTED THEIR SALARY
SATISFACTION BELOW
AN 8 OUT OF 10**

22%

**PAY GAP BETWEEN
MALE & FEMALE AT
PARTNER LEVEL**

63%

**WOULD LIKE TO SEE A 4
DAY WORK WEEK**

14%

**MANAGERS IN LONDON ARE
PAID 14% MORE ON
AVERAGE THAN
ELSEWHERE IN THE UK**

12%

**OF THOSE WORKING IN
PROFESSIONAL SERVICES
CAN 'WORK FROM
ANYWHERE'**

97%

**OF THOSE WORKING
PART TIME ARE WOMEN**

PROFESSIONALS SERVICES

CORPORATE TAX

The landscape of corporate tax recruitment experienced a profound transformation, characterised by intense competition and a relentless pursuit of talent across organisations. The race to strengthen headcount, spanning from the Big 4 to the mid-tier, has seen firms readdress their playbook on how they can come out of top in the battle of attraction. Surging demands for tax professionals has therefore resulted in a notable increase in salaries, benefits, and the adoption of greater flexible or hybrid working arrangements.

One significant outcome of this hiring frenzy was the deviation from traditional compensation structures, particularly at the managerial level. In many cases, entry-level salaries were overshadowed as newly appointed managers commanded remuneration comparable to their more experienced counterparts. This growing concerns of 'grade inflation' has raised concerns about the diminishing requirements for managerial positions in the present day. As the scarcity of candidates at the ACA/CTA qualified level persists, organisations find themselves adapting their hiring criteria to accommodate the shortfall of qualified professionals.

At the senior level, specific sectors within the financial landscape, such as real estate, private equity, and financial services emerged as highly sought-after areas of expertise among the Top 20 firms. Despite a noticeable decrease in M&A activities during 2022, the profitability of these tax service lines remained robust. The resultant impact cascaded down the organisational hierarchy, fueling a heightened demand for individuals with specialised knowledge in areas such as funds and transaction tax.

While recruitment efforts targeting qualified professionals and above have maintained their momentum, the overall fervour has subsided since the latter part of 2022. Employers now approach the hiring process with increased caution and discernment, dedicating more time to carefully evaluate prospective candidates. This shift in approach stems from the need to mitigate the uncertainties that characterised recent times, including the unpredictability of offers and remuneration packages. Stability and security have emerged as pivotal factors for both employers and candidates alike, leading to a more measured and deliberate recruitment approach.

Organisations must navigate the delicate balance between attracting top talent and ensuring long-term stability and growth.

The scarcity of qualified tax professionals further exacerbates the challenges faced by organisations seeking to fill key positions. The evolving landscape of tax salary management requires a comprehensive understanding of economic and political factors that influence recruitment dynamics.

From a macroeconomic perspective, corporate tax rate hikes and changes in innovation tax reliefs have produced headlines in the media that suggest 'the UK is closed for business'. Of course, these are often sensationalist headlines, but with three prime ministers and chancellors over the past 12 months, instability almost seemed inevitable. The counter-suit is that the UK has not followed the predictions from economic analysts and investment banks, and has continued to grow (albeit minimally). Regardless of this, corporate tax teams across the UK continue to grow as tax planning, corporate tax structures, and M&A work remains plentiful. As such an active area of the tax profession, the demand for qualified talent is unlikely to dwindle anytime soon.

| GRADE | LONDON | AVG | THE SOUTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|---------|--------|
| ASSISTANT | 26,000 - 35,000 | 31,100 | 23,000 - 32,000 | 26,350 | 0-5% |
| SEMI SENIOR | 32,000 - 44,000 | 38,400 | 28,000 - 37,000 | 32,050 | 5-10% |
| SENIOR | 43,000 - 52,000 | 44,450 | 39,000 - 46,500 | 43,500 | 5-10% |
| ASSISTANT MANAGER | 52,000 - 59,000 | 54,100 | 46,000 - 56,000 | 49,000 | 5-10% |
| MANAGER | 57,000 - 75,000 | 63,250 | 55,000 - 71,000 | 63,250 | 5-10% |
| SENIOR MANAGER | 75,000 - 120,000 | 88,300 | 70,000 - 105,000 | 75,250 | 15-20% |
| DIRECTOR | 95,000 - 220,000 | 130,900 | 90,000 - 200,000 | 103,700 | 15-20% |

| GRADE | THE MIDLANDS | AVG | THE NORTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|--------|--------|
| ASSISTANT | 22,000 - 28,000 | 24,500 | 21,000 - 27,000 | 23,250 | 0-5% |
| SEMI SENIOR | 25,000 - 32,000 | 27,700 | 24,000 - 32,000 | 28,200 | 5-10% |
| SENIOR | 33,000 - 40,000 | 36,400 | 31,000 - 40,000 | 35,600 | 5-10% |
| ASSISTANT MANAGER | 42,000 - 50,000 | 42,250 | 39,000 - 48,000 | 42,350 | 5-10% |
| MANAGER | 51,500 - 62,000 | 54,050 | 50,000 - 62,000 | 54,750 | 5-10% |
| SENIOR MANAGER | 63,000 - 77,000 | 67,300 | 63,000 - 78,000 | 68,000 | 15-20% |
| DIRECTOR | 88,000 - 160,000 | 108,100 | 80,000 - 130,000 | 94,000 | 15-20% |

| GRADE | SCOTLAND & IRELAND | AVG | WALES | AVG | BONUS |
|-------------------|--------------------|---------|------------------|--------|--------|
| ASSISTANT | 18,000 - 26,000 | 22,450 | 18,000 - 25,000 | 21,000 | 0-5% |
| SEMI SENIOR | 25,000 - 31,000 | 28,150 | 24,000 - 31,000 | 27,900 | 5-10% |
| SENIOR | 33,000 - 43,000 | 37,900 | 32,000 - 41,000 | 36,800 | 5-10% |
| ASSISTANT MANAGER | 39,000 - 49,000 | 42,000 | 37,000 - 45,000 | 40,100 | 5-10% |
| MANAGER | 49,000 - 60,000 | 56,750 | 48,000 - 60,000 | 54,000 | 5-10% |
| SENIOR MANAGER | 63,000 - 75,000 | 67,400 | 65,000 - 75,000 | 66,650 | 15-20% |
| DIRECTOR | 85,000 - 145,000 | 100,100 | 80,000 - 130,000 | 98,700 | 15-20% |

Ripple effects have been felt across the practice market as a result of the increasing prevalence of partner moves.

While the Big 4 grappled with mounting media scrutiny, they have also witnessed numerous partner moves within and beyond their own ranks. As work shifts away from the accounting giants, the Top 20 firms have experienced significant growth, allowing partners in this space to enjoy enhanced remuneration. Furthermore, the mid-tier to top-tier firms have benefited from acquisitions, enabling partners to oversee larger practices.

There has been a notable push for greater diversity at the partner level, resulting in a gradual regeneration of this grade, particularly within the Top Tier, during each promotion cycle

| GRADE | BIG 4 | TOP 10 | MID TIER | TOP 50 - 100 | BONUS |
|------------------|---------------------|---------------------|-------------------|-------------------|--------|
| SALARIED PARTNER | 175,000 - 285,000 | 155,000 - 265,000 | 130,000 - 225,000 | 120,000 - 160,000 | 20-25% |
| EQUITY PARTNER | 290,000 - 600,000 | 200,000 - 450,000 | 185,000 - 450,000 | 150,000 - 350,000 | N/A |
| SENIOR PARTNER | 700,000 - 1,500,000 | 450,000 - 1,500,000 | 250,000 - 600,000 | 180,000 - 450,000 | N/A |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

*'AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

PROFESSIONAL SERVICES

PERSONAL & EMPLOYMENT TAX

Over the last year, the personal and employment tax sector has faced challenges due to talent shortages and the increasing cost of living. To remain competitive, salaries have had to rise, leading accountancy firms to pass some of these costs onto clients.

Larger firms have taken the opportunity to drop less profitable clients, while smaller firms have increased costs and gained new work. Tax advisors are in high demand as individuals and businesses seek to mitigate inflated costs, resulting in increased workload for practice and in-house teams.

With the abundance of new work, many practices are experiencing growth, with some expanding by 30% or more!

Consolidation has played a significant role in this growth. Mid-tier and smaller firms have merged or been acquired, providing greater funding for higher salaries and resources to handle more work from existing and new clients. As a result, the mid-tier is slowly closing the historical salary and quality gap that exists between the Big 4 and other firms. The boundaries between the "Big 4" and "top tier" salaries have become increasingly blurred.

While there is still a salary gap between in-house and practice roles, it has shown signs of closing. In-house teams face fewer recruitment challenges and do not need to compete as aggressively on remuneration, especially in employment tax and rare personal tax, trusts, and family office roles. However, securing an in-house role is more competitive due to fewer available positions and increasing interest from candidates. Unlike other tax disciplines, we tend to see a better retention of professionals staying in practice.

The Global Mobility sector has seen a decline in roles but an increase in candidates. Clients and employers are finding globally mobile workforces less attractive due to the success of remote work and the costs and environmental impact associated with international assignments. Visa issues and challenges related to shipping possessions and equipment have also contributed to the decline.

On the other hand, there is a growing demand for broader employment tax expertise. Companies are receiving more requests for pay increases, requiring enhanced benefit provisions, and facing the need to navigate recent legislation such as uncertain tax treatment, corporate criminal offense, and upcoming Pillar Two regulations.

This increased focus on tax processes has led to an upward trajectory in the demand for employment tax roles. Niche roles specialising in areas such as share schemes have become more common, not limited to the Big 4 but also found in mid-tier firms. Equally, tax technology has made significant advancements in employment taxes, with automated solutions for P11Ds, PSA, and off-payroll becoming widespread. Efforts are being made to refine solutions for Global Mobility as well. Tax technology boutiques, Top 20 firms, and the Big 4 regularly create new positions to develop and implement software in response to these developments.

Emerging roles in personal tax focus on advisory services, including trust setup, structure streamlining, and mitigating HMRC scrutiny. Leadership changes, budgets, and mini-budgets drive demand for personal tax advisors, affecting compliance and advisory aspects. Manager-level advisory positions have increased, requiring hires of compliance specialists and increased focus on advisory work.

A significant change in personal and human capital taxes is the widespread adoption of hybrid, remote, and flexible working. This shift, which began in 2020, is now considered a lasting trend rather than a temporary response to the pandemic. Employers are competing by offering work-life balance, with a standard of at least two days of remote work. This presents salary complications, as remote workers are paid based on their office location's salary banding.

| GRADE | LONDON | AVG | THE SOUTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|---------|--------|
| ASSISTANT | 25,000 - 35,000 | 34,250 | 23,000 - 30,000 | 26,450 | 0-5% |
| SEMI SENIOR | 35,000 - 45,000 | 38,000 | 30,000 - 43,000 | 42,850 | 5-10% |
| SENIOR | 45,000 - 55,000 | 49,200 | 40,000 - 50,000 | 44,600 | 5-10% |
| ASSISTANT MANAGER | 55,000 - 60,000 | 53,300 | 50,000 - 55,000 | 51,750 | 5-10% |
| MANAGER | 60,000 - 75,000 | 70,150 | 55,000 - 70,000 | 59,350 | 5-10% |
| SENIOR MANAGER | 75,000 - 100,000 | 96,800 | 70,000 - 80,000 | 70,400 | 15-20% |
| DIRECTOR | 90,000 - 155,000 | 136,000 | 80,000 - 140,000 | 134,350 | 15-20% |

| GRADE | THE MIDLANDS | AVG | THE NORTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|---------|--------|
| ASSISTANT | 22,000 - 27,000 | 23,500 | 21,000 - 27,000 | 23,550 | 0-5% |
| SEMI SENIOR | 27,000 - 32,000 | 29,850 | 27,000 - 32,000 | 29,000 | 5-10% |
| SENIOR | 32,000 - 45,000 | 41,500 | 32,000-45,000 | 40,450 | 5-10% |
| ASSISTANT MANAGER | 45,000 - 50,000 | 49,250 | 45,000 - 50,000 | 47,100 | 5-10% |
| MANAGER | 50,000 - 65,000 | 62,650 | 50,000 - 60,000 | 56,850 | 5-10% |
| SENIOR MANAGER | 65,000 - 80,000 | 77,900 | 65,000 - 80,000 | 78,650 | 15-20% |
| DIRECTOR | 80,000 - 120,000 | 105,000 | 80,000 - 120,000 | 111,900 | 15-20% |

| GRADE | SCOTLAND & IRELAND | AVG | WALES | AVG | BONUS |
|-------------------|--------------------|--------|------------------|--------|--------|
| ASSISTANT | 21,000 - 28,000 | 23,000 | 21,000 - 25,000 | 22,850 | 0-5% |
| SEMI SENIOR | 25,000 - 30,000 | 29,200 | 25,000 - 30,000 | 29,750 | 5-10% |
| SENIOR | 30,000 - 45,000 | 42,800 | 30,000 - 40,000 | 37,500 | 5-10% |
| ASSISTANT MANAGER | 50,000 - 55,000 | 50,850 | 40,000 - 45,000 | 44,000 | 5-10% |
| MANAGER | 55,000 - 65,000 | 62,550 | 45,000 - 55,000 | 54,600 | 5-10% |
| SENIOR MANAGER | 65,000 - 80,000 | 72,650 | 55,000 - 75,000 | 61,500 | 15-20% |
| DIRECTOR | 80,000 - 125,000 | 98,550 | 75,000 - 115,000 | 98,250 | 15-20% |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

*AVG' refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

Many firms, notably the Big 4, have tried to move the dial on their regional growth and relocated or expanded services lines away from their traditional home in London. As such, being 'physically' present in London has become far less of a commercial and professional necessity for indirect tax professionals. Recruiting for firms in the Home Counties, however, has become increasingly more complex as the greater flexibility around hybrid workings has meant that those living within a reasonable proximity to London can still enjoy a city weighting while commuting in 2-3 days a week.

COMMERCE & INDUSTRY

With higher corporate tax rates, and ever changing tax legislation on a local and international level, the need for strong in-house tax teams has never been greater. It is a rarity to hear of negative tax team growth, and there’s a reason for that.

External tax service providers are not cheap, especially when considering the amount of entities and jurisdictions MNEs have. In many cases, there is pressure from the top to reduce costs, and although the cost of an initial tax hire is increasing, in the grand scheme of things, it is becoming a more popular choice from tax leaders looking to cut costs.

The dynamics of the in-house market have diverged from those of the professional services market in recent years. While both sectors experience high demand for Manager-level positions, the key distinction lies in the company-driven nature of the in-house market. In this context, exceptional job opportunities naturally attract top-tier candidates. Conversely, the professional services market involves a multitude of factors that hinge on individual candidate requirements.

The in-house market is characterised by a higher volume of candidates, particularly in the demand for sector specialists. This trend is particularly noticeable in companies with large tax teams, such as FTSE 100 organisations. These companies typically have dedicated teams for corporate tax, transfer pricing, employment tax, and other specialised areas. On the other hand, there is a growing demand for versatile tax professionals who can handle diverse tax responsibilities in greenfield positions. These roles, often involving collaboration with third-party service providers, offer exciting opportunities and the potential to progress into prestigious "Head of" positions. Additionally, they provide exposure to a wide range of projects, making them highly attractive in the market.

Throughout our conversations with tax leaders in recent years, a recurring concern has emerged regarding the insufficient investment in various aspects of tax operations. This issue encompasses workload reduction, accuracy enhancement, and efficiency improvement. While it may be a prevalent challenge across industries, CFOs often cite budgetary constraints as a limitation. However, this is precisely where effective communication becomes crucial. By effectively demonstrating the essential nature of investing in tax technology, organizations can significantly contribute to the success of their tax functions. This effort is further bolstered by having a CFO who recognizes the significance of tax efficiency and compliance.

The most significant challenge that comes time and time again is the lack of investment in tax technology.

In terms of salaries, they have mirrored global trends in 2021 and 2022, witnessing an overall increase at every level. We have observed instances where professionals transitioning from professional services have experienced significant salary hikes, even doubling their previous earnings. However, the pace of substantial salary growth has since moderated, giving employers more leverage in their selection process. Salaries still remain relatively high, maintaining a competitive environment. Employers have employed various strategies, such as attractive benefits packages, to enhance their appeal. These include options like remote work or the flexibility to work from anywhere, cash allowances, unlimited vacation time, and shorter workweeks, with some offering four-day work arrangements (though this is still rare).

As we anticipate the future, there is significant discussion surrounding the level of readiness among companies for the digitalisation of tax. While some businesses may have seamlessly transitioned to Making Tax Digital (MTD) for indirect tax, it required careful planning and investment. Looking ahead, MTD for corporate tax poses another forthcoming challenge. Although salary growth is expected to plateau amidst decreasing inflation, the demand for essential tax professionals remains steadfast and shows no signs of diminishing.



HEADS OF TAX

Over the past year, there has been a heightened demand for Heads of Taxes who can shape global tax teams to align with evolving demands. Unsurprisingly, such roles require leaders who excel in team building, business partnering, strategic direction, and navigating the business through an ever-changing landscape of policy change.

Despite the increased volume of opportunities, those at a Head of Tax level have not enjoyed the same uplift in salaries that has been seen across the grades, with leadership remuneration ultimately remaining stagnant. We asked Heads of Taxes how satisfied they were with the current remuneration and, with an average 6.5 out of 10, they ranked among the least satisfied tax professionals in industry.

| MARKET CAP (GBP) | BASE (GBP) | BONUS + SHARES VARIABLE |
|------------------|-------------------|-------------------------|
| > 5BN | 120,000 - 190,000 | 20-60% |
| 5 - 10BN | 140,000 - 200,000 | 25-80% |
| 10 - 50BN | 160,000 - 250,000 | 30-100% |
| 50 - 100BN | 200,000 - 280,000 | 30-100% |
| 100BN > | 250,000 - 330,000 | 40-100% |

DIVERSITY AMONGST HEADS OF TAX



| GRADE | LONDON | AVG | THE SOUTH | AVG | BONUS |
|-------------------|-------------------|---------|-------------------|---------|--------|
| ANALYST | 27,000 - 45,000 | 33,900 | 25,000 - 34,000 | 30,700 | 5-10% |
| SENIOR ANALYST | 40,000 - 65,000 | 58,000 | 34,000 - 55,000 | 44,350 | 10-15% |
| ASSISTANT MANAGER | 50,000 - 70,000 | 64,250 | 48,000 - 63,000 | 57,600 | 10-15% |
| MANAGER | 65,000 - 85,000 | 73,650 | 60,000 - 80,000 | 69,000 | 10-15% |
| SENIOR MANAGER | 90,000 - 125,000 | 97,800 | 80,000 - 110,000 | 80,200 | 15-20% |
| DIRECTOR | 120,000 - 160,000 | 139,450 | 100,000 - 145,000 | 132,850 | 25-30% |

| GRADE | THE MIDLANDS | AVG | THE NORTH | AVG | BONUS |
|-------------------|------------------|---------|------------------|---------|--------|
| ANALYST | 22,000 - 28,000 | 22,450 | 22,000 - 30,000 | 24,700 | 5-10% |
| SENIOR ANALYST | 29,000 - 42,000 | 27,850 | 30,000 - 40,000 | 31,750 | 5-10% |
| ASSISTANT MANAGER | 40,000 - 58,000 | 51,100 | 42,000 - 52,000 | 50,000 | 5-10% |
| MANAGER | 51,000 - 69,000 | 66,800 | 50,000 - 72,000 | 59,850 | 10-15% |
| SENIOR MANAGER | 70,000 - 87,000 | 80,850 | 69,000 - 100,000 | 79,250 | 15-20% |
| DIRECTOR | 90,000 - 135,000 | 105,000 | 85,000 - 135,000 | 102,300 | 25-30% |

| GRADE | SCOTLAND & IRELAND | AVG | WALES | AVG | BONUS |
|-------------------|--------------------|---------|------------------|---------|--------|
| ANALYST | 22,000 - 32,000 | 27,250 | 22,000 - 28,000 | 21,850 | 5-10% |
| SENIOR ANALYST | 34,000 - 50,000 | 35,500 | 29,000 - 41,000 | 32,350 | 5-10% |
| ASSISTANT MANAGER | 51,000 - 59,000 | 51,300 | 40,000 - 55,000 | 49,900 | 5-10% |
| MANAGER | 55,000 - 65,000 | 63,200 | 51,000 - 69,000 | 61,500 | 10-15% |
| SENIOR MANAGER | 66,000 - 79,000 | 73,550 | 70,000 - 89,000 | 72,400 | 15-20% |
| DIRECTOR | 80,000 - 140,000 | 106,350 | 90,000 - 130,000 | 110,000 | 25-30% |

Salaries are presented using the most common 'low' through to the most common 'high' from our market research

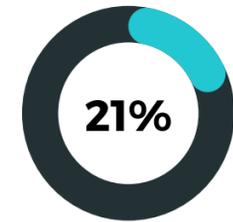
*AVG refers to the average base salary that has been obtained from our 2023 Salary Survey and has been rounded to the nearest £.

Due to the competitive nature of the market and the lack of clear distinction, this year we have not distinguished between Big 4, Top Tier, and other firms.

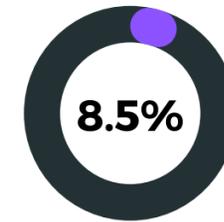
Counter-offers have been rife in the professional services sector over the past year. As firms scramble to recruit, they have also raised the stakes in their efforts to retain. On average, tax professionals in practice are 2.5x more likely to receive a counter-offer than those in industry.

In-house tax professionals expressed higher satisfaction with their remuneration, with an average rating of 7.1 out of 10. Meanwhile, their counterparts in practice rated a lower level of satisfaction with an average of 6.1 out of 10.

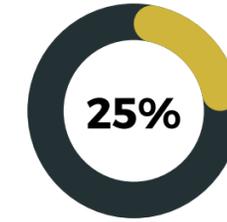
SPECIALISMS IN FOCUS



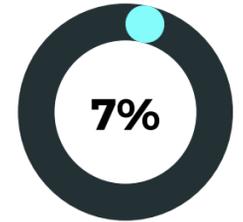
CORPORATE TAX MANAGERS ARE PAID ON AVERAGE 21% MORE THAN PRIVATE CLIENT TAX PROFESSIONALS



TRANSFER PRICING MANAGERS ARE PAID 8.5% MORE THAN EMPLOYMENT TAX MANAGERS



SENIOR MANAGERS SPECIALISING IN CORPORATE TAX ARE PAID 25% LESS THAN THOSE WORKING IN-HOUSE



ONLY 7% OF RESPONDENTS IN GLOBAL MOBILITY ARE A QUALIFIED ACA/CTA

| GRADE | TRANSFER PRICING | AVG | EMPLOYMENT & GLOBAL MOBILITY | AVG | BONUS |
|-------------------|-------------------|---------|------------------------------|---------|--------|
| ANALYST | 28,000 - 55,000 | 38,880 | 27,000 - 50,000 | 25,000 | 10-15% |
| ASSISTANT MANAGER | 60,000 - 75,000 | 64,250 | 50,000 - 70,000 | 59,250 | 10-15% |
| MANAGER | 75,000 - 87,000 | 78,650 | 60,000 - 83,000 | 74,550 | 10-15% |
| SENIOR MANAGER | 85,000 - 125,000 | 101,350 | 80,000 - 110,000 | 89,970 | 15-20% |
| DIRECTOR | 115,000 - 170,000 | 129,450 | 110,000 - 200,000 | 143,520 | 25-30% |

FINANCIAL SERVICES

| GRADE | UK (GBP) | AVG | BONUS |
|-------------------|-------------------|---------|--------|
| ANALYST | 44,000 - 65,000 | 57,900 | 10-15% |
| ASSISTANT MANAGER | 60,000 - 75,000 | 68,350 | 15-20% |
| MANAGER | 75,000 - 110,000 | 89,550 | 20-25% |
| SENIOR MANAGER | 90,000 - 145,000 | 114,700 | 20-30% |
| DIRECTOR | 120,000 - 215,000 | 147,750 | 30%+ |

INTERIM

| GRADE | INTERIM DAY RATE |
|-------------------|------------------|
| ANALYST | 175 - 275 |
| ASSISTANT MANAGER | 275 - 400 |
| MANAGER | 400 - 550 |
| SENIOR MANAGER | 550 - 750 |
| DIRECTOR | 750 - 1200 |

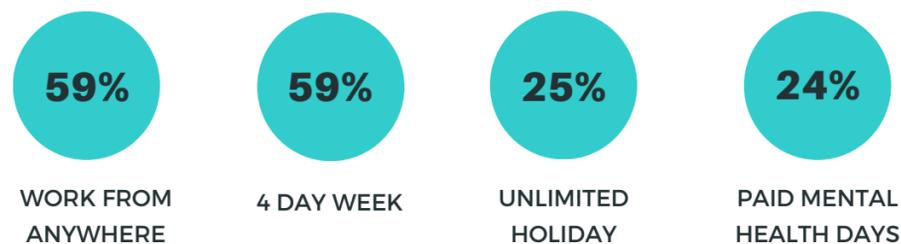
EMBRACING FLEXIBILITY

UNVEILING THE MOST IN-DEMAND BENEFITS

Although remuneration has been one of the most dominant considerations for candidates this year, one of the other characteristics of our post-pandemic recruiting landscape has been the adoption of **flexibility in the workplace**.

With the onset of cloud technology, the enterprise space has gradually been working towards this but global lockdowns accelerated the adoption of remote working, creating a paradigm shift in the workplace.

It therefore comes with no surprise that the majority of our tax community favoured benefits within this domain.



Working from anywhere has become a transformative feature of the modern work environment, particularly in the indirect tax space across Europe. A significant number of respondents in a salary survey expressed a desire for remote work. While there are debates about the efficiency of remote work, many businesses have adopted a hybrid working approach, offering a balance between office and remote work. The lack of hybrid or flexible working arrangements is viewed negatively by the market, as it is seen as outdated and inflexible.

Hybrid working is no longer viewed as a benefit, it has become an expectation and it is now widely assumed that every business will offer this, to some degree

Due to the increase in **remote and hybrid** working, more and more tax professionals have been taking roles based in metropolitan cities like London, and commuting from other parts of the country due to an increase in salary weighting. For this reason, we have decided to include the average salaries at each grade across the whole of direct tax in this year's guide.

| GRADE | UK AVERAGE (GBP) |
|-------------------|------------------|
| ASSISTANT | 30,710 |
| SEMI SENIOR | 42,359 |
| ASSISTANT MANAGER | 48,460 |
| MANAGER | 60,910 |
| SENIOR MANAGER | 84,944 |
| DIRECTOR | 121,037 |
| PARTNER | 256,396 |

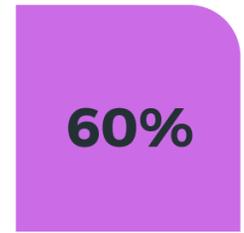
The **four-day work week** is another highly coveted benefit, with a majority of respondents expressing interest in this arrangement. This compressed work week allows employees to enjoy longer weekends, giving them more time for personal pursuits, hobbies, and quality time with loved ones. Trials of the four-day work week in the UK have shown positive results, including increased revenue, improved well-being, and decreased stress and fatigue. The demand for this benefit is expected to intensify in the coming years, although its implementation may vary across sectors.

Unlimited holiday allowance has sparked debates as a desirable benefit, with a quarter of respondents expressing interest in this policy. While it offers flexibility and trust to employees, challenges arise without clear guidelines and a supportive work environment. Decision anxiety and perceived inequity can impact employee dynamics. However, when balanced effectively, unlimited holiday entitlement has been shown to enhance productivity, reduce absenteeism, and alleviate burnout.

Paid mental health days have gained attention as candidates prioritise well-being. Some respondents have expressed interest in having this benefit as a way to address mental health needs. Firms, particularly within the Big 4 accounting firms, are recognizing the importance of mental health and taking steps to support their employees in this area.

Overall, **flexibility-related benefits** are becoming crucial for attracting and retaining talent in the tax field. Firms that do not embrace flexibility may fall behind as competitors foster work-life balance, enhance productivity, and boost morale, leading to the development of thriving and resilient tax teams.

DIVERSITY, EQUITY & INCLUSION



OF RESPONDENTS WERE MALE



OF RESPONDENTS WERE FEMALE



OF RESPONDENTS IDENTIFIED AS TRANSGENDER OR NON-BINARY



OF RESPONDENTS WERE WHITE



OF RESPONDENTS WERE BLACK BRITISH



OF RESPONDENTS WERE ASIAN OR BRITISH ASIAN



PAY GAP BETWEEN AFRICAN OR CARIBBEAN RESPONDENTS & WHITE RESPONDENTS AT THE MANAGER LEVEL



PAY GAP BETWEEN BLACK BRITISH & WHITE BRITISH RESPONDENTS AT THE ASSISTANT LEVEL



PAY GAP BETWEEN MALE & FEMALE AT PARTNER LEVEL

RESPONDENT PROFILE

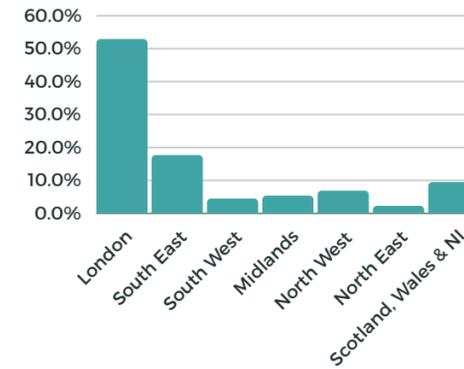
682

TOTAL RESPONDENTS

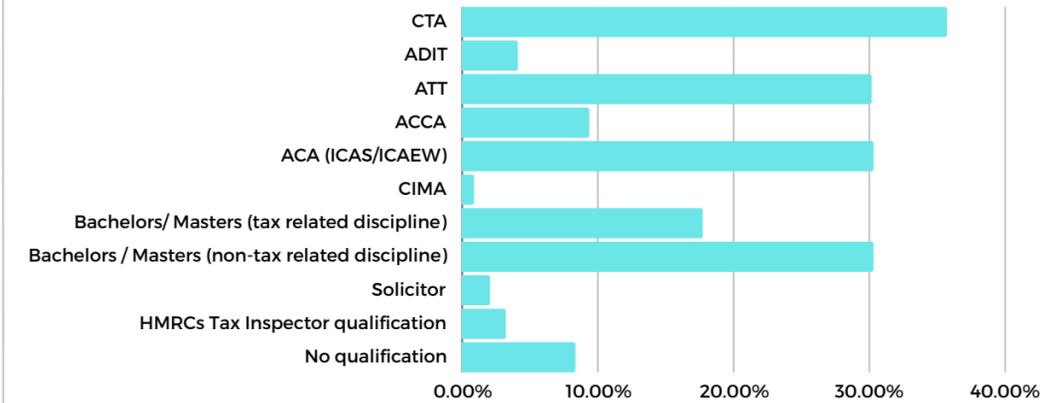
GRADE

| | |
|-------------------|-------|
| Assistant | 8.2% |
| Senior Analyst | 14.2% |
| Assistant Manager | 13.2% |
| Manager | 23.9% |
| Senior Manager | 15.8% |
| Director | 12.2% |
| Head of / VP | 9.7% |
| Partner | 2.7% |

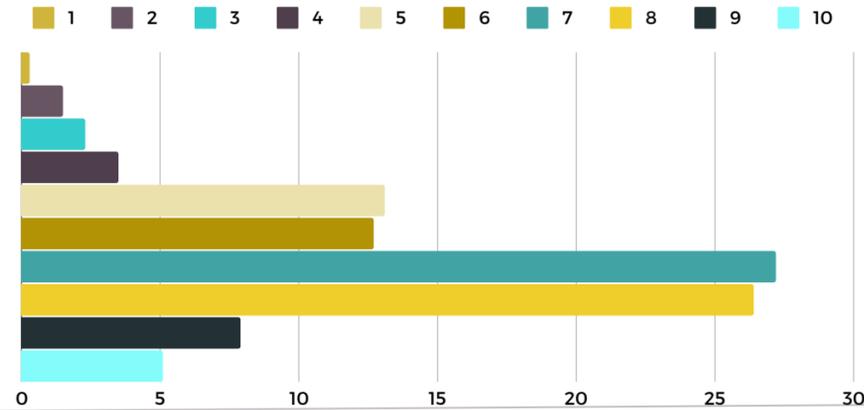
LOCATION



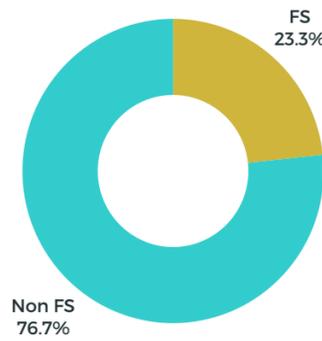
QUALIFICATIONS



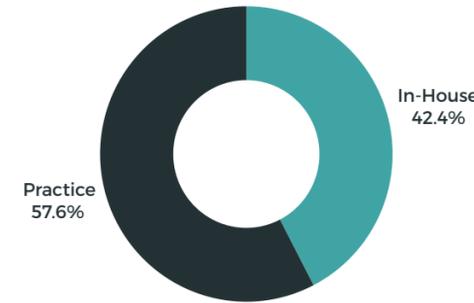
SALARY SATISFACTION



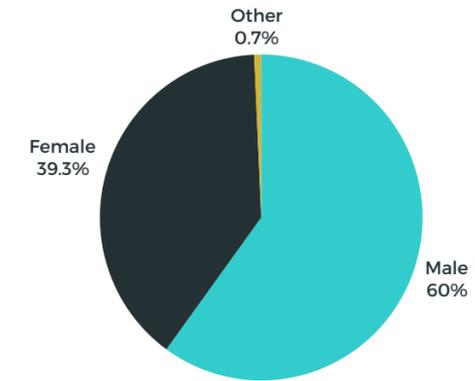
FINANCIAL SERVICES



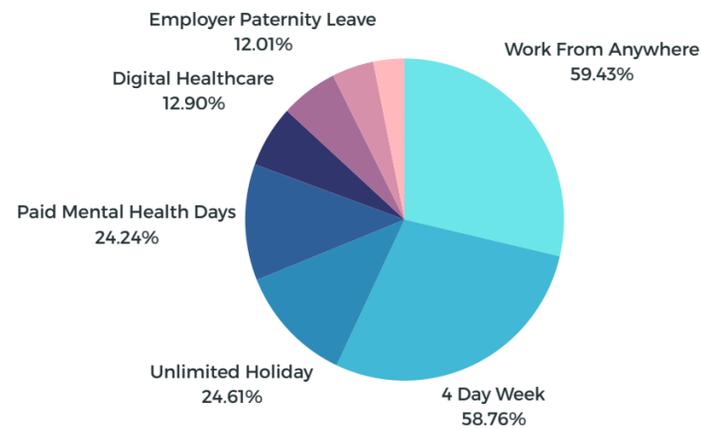
IN-HOUSE VS PRACTICE



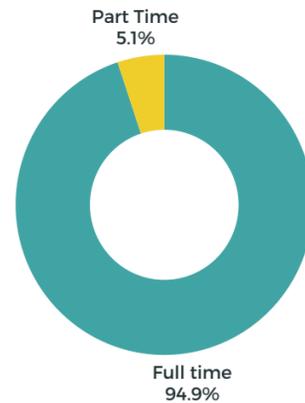
GENDER



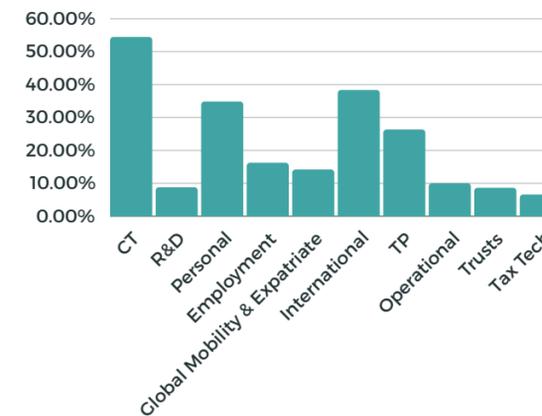
THE BENEFITS RESPONDENTS WANT TO SEE



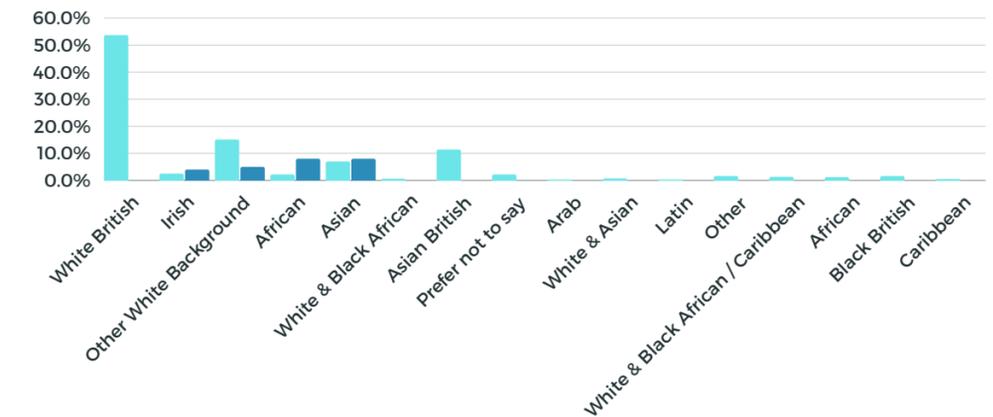
FULL TIME / PART TIME



SPECIALISM



ETHNICITY



With so many forces at play in the tax world, there's become an increasing reliance on high performing tax teams. From globalisation, transformation, digitalisation, and the everchanging landscape of tax policy – businesses are now actively adopting more thoughtful approaches to tax, creating a heightened profile of the 'tax professional' in the global market.

In this changing tax landscape, a responsive approach to recruitment is pivotal to mapping out and engaging tomorrow's tax talent. This is where Harvey John recruitment come in. With specialist recruiters covering Direct Tax, Indirect Tax, Tax Technology, as well as more niche focuses on Customs, Trade Compliance, and Insurance Premium Tax, our team are well-equipped to bring successful candidates and clients together. Our focus is predominantly, though not limited to, the EMEA tax markets.

Every day we analyse the global market, stay ahead of hiring trends and build upon our network. Our strength lies in our natural curiosity to constantly source more information. And by doing this, day in and day out, we're able to connect you with the best tax talent on an international scale.

CONTACT



Alex Mann 
Director - Head of Tax Recruitment
alex@harveyjohn.com

As specialist tax recruiters, we're the outsiders with the inside knowledge that can keep you and your team abreast of this evolving industry.

For a more in-depth overview of your market, tailored salary guidance, or to discuss your hiring needs, get in touch one our recruitment specialists.

Note: Salary ranges are based on information provided by Harvey John's tax community including both candidates and clients. These are approximate guides only. They are indicative market ranges and are dependent on variable factors, including but not limited to experience level, market conditions, company size, industry sector and job scope.

Disclaimer: Harvey John accepts no responsibility for any action taken or not taken based on this guide.

harveyJOHN