



Australian Government



Know your obligations

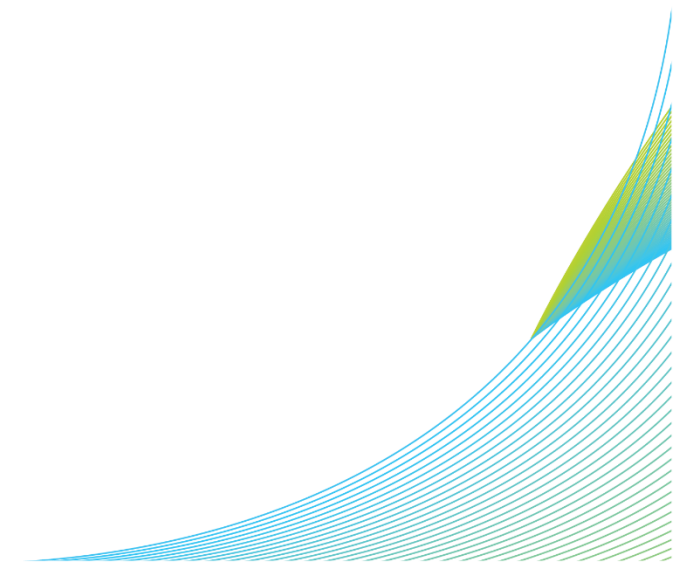
Presented by: Debra Anderson, Board Member
Tax Practitioners Board

Welcome

'In the spirit of reconciliation, we respectfully acknowledge the Traditional Owners and Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their cultures, and Elders past, present and emerging.'

Access the presentation slides: tpb.gov.au/webinar-hub

What we will cover today

- ✓ What we do
 - ✓ Your obligations
 - ✓ Code of Professional Conduct
 - ✓ Ongoing registration requirements
 - ✓ Penalties and sanctions
 - ✓ Case studies
 - ✓ Q&A
- 

Poll 1

Are you a:

- > tax agent
- > BAS agent; or
- > other?



Meet your presenter



Debra Anderson

- > Board Member
- > Tax Practitioners Board

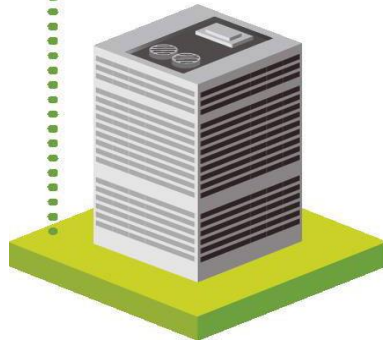
Registered tax practitioner population

As of 30 October 2023

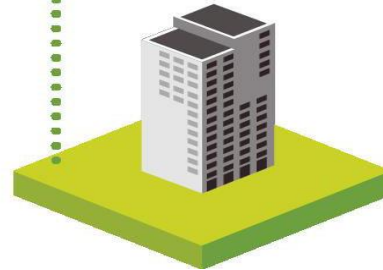
62,213
TOTAL TAX
PRACTITIONERS

Who are made up of:

45,101
TAX AGENTS

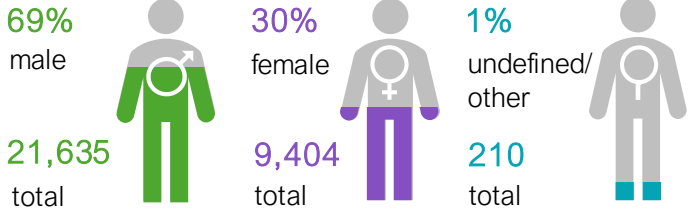


17,112
BAS AGENTS

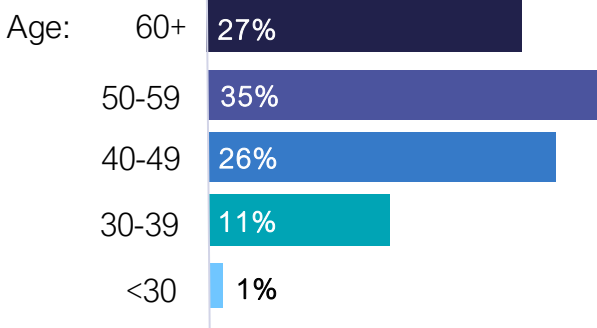
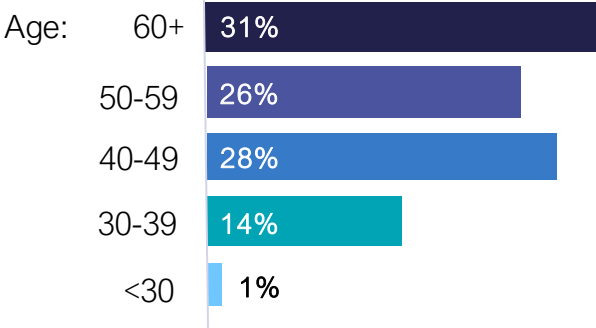
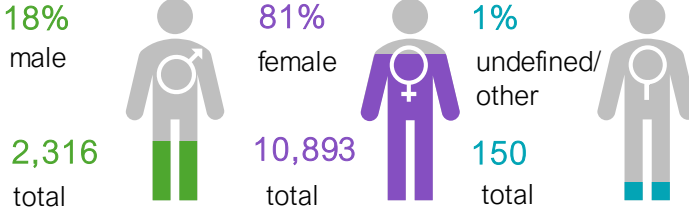


Registered tax practitioner demographics

TAX AGENTS



BAS AGENTS



Registered tax practitioner lodgement

2020-21 financial year

Individual lodgements

64%

Individual income tax returns lodged by tax practitioners

9.6 million

Individual income tax returns lodged by tax practitioners



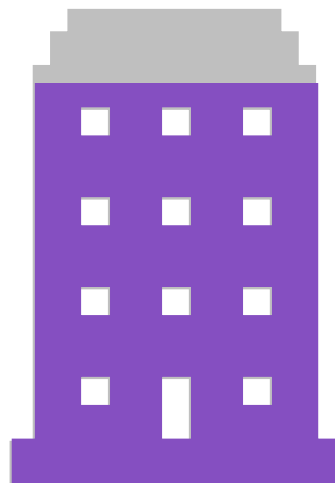
Business lodgements

93%

Company, partnership, trust and individual business income tax returns lodged by tax practitioners

3.8 million

Business income tax returns lodged by tax practitioners



What we do

A decorative graphic in the bottom right corner consisting of numerous thin, light blue curved lines that sweep upwards and to the right, creating a sense of motion and depth.


Poll 2



What is the role of the TPB?

- A. Regulation of tax and BAS agents. Ensuring compliance with the *Tax Agent Services Act 2009* and *Taxation Administration Act 1953*.
- B. Registration and regulation of tax practitioners. Ensuring compliance with the *Tax Agent Services Act 2009*.
- C. Registration and regulation of tax practitioners. Ensuring compliance with the *Tax Agent Services Act 2009* and carrying out work under the Corporations Act.

Our purpose and obligations to you

- We are a national body created under the *Tax Agent Services Act 2009* and we set policies to:
 - provide consumer protection for clients of tax practitioners
 - register and regulate tax practitioners.
 - We are separate from the Australian Taxation Office (ATO).
 - The Tax Practitioner Service Charter outlines our commitment to tax practitioners.
- 

Our strategic pillars



Pillar 1

Ready our people,
technology and
culture for the future



Pillar 2

Foster opportunities
to collaborate and
partner



Pillar 3

Make it easy for
tax practitioners
to work with us



Pillar 4

Strengthen our
regulation
practice

Use the Registered tax practitioner symbol

- A free Registered tax practitioner symbol is available for tax practitioners.
- We regularly promote the Symbol to taxpayers.
- It reassures taxpayers and businesses that you have the right qualifications and experience to look after their tax affairs.



Tax agent
12345678



BAS agent
12345678

Protecting honest tax practitioners

- Most tax practitioners do the right thing but if we identify a serious risk to clients, the public or to revenue, we will take swift action to support the public interest.
- We understand these situations can be difficult to navigate and we encourage you to contact us if you need advice.
- Report those doing the wrong thing: tpb.gov.au/complaints

Tax practitioner obligations



Ongoing registration requirements – PI insurance

- You must have professional indemnity (PI) insurance cover that meets our requirements and you need to tell us about the details of this cover.
- PI insurance is a consumer protection mechanism to compensate your clients in the event they suffer loss due to an act, error or omission as a result of services you provide.



Ongoing registration requirements

- Meeting qualification and relevant experience requirements.
- Meeting continuing professional education requirements.
- Notifying the TPB of changes that affect your registration.



Poll 3



Who must satisfy the fit and proper person requirement in the TASA?

- A. Individual tax practitioners
- B. Directors of a company tax practitioner
- C. Directors of a company partner of a partnership tax practitioner
- D. Individual partners of a partnership tax practitioner.

HINT: There is more than one correct answer.

Your obligations



- You must also satisfy a fit and proper person requirement.
- Registered tax practitioners are subject to various civil penalty provisions which impose financial penalties for certain conduct.
- You must comply with obligations under the Code of Professional Conduct.
- It sets out the required professional and ethical standards required of tax practitioners, including the obligations they have to their clients, to the TPB and in relation to their own conduct.

Code of Professional Conduct



Five key principles



Honesty & integrity



Independence



Confidentiality



Competence



Other
responsibilities

Code of Professional Conduct

1

Act honestly and with integrity

2

Comply with taxation laws in the conduct of your personal affairs

3

Account to your client for money or other property you hold in trust

4

Act lawfully in your client's best interest

5

Manage conflicts of interest

6

Do not disclose information without client permission

7

Ensure tax agent services are provided competently

8

Maintain knowledge and skills relevant to the services you provide

9

Take reasonable care to ascertain your client's state of affairs

10

Take reasonable care to ensure taxation laws are applied correctly

11

Do not obstruct the proper administration of taxation laws

12

Advise your client of their rights and obligations

13

Maintain professional indemnity insurance

14

Respond to requests and directions from the Board

Respond to board requests

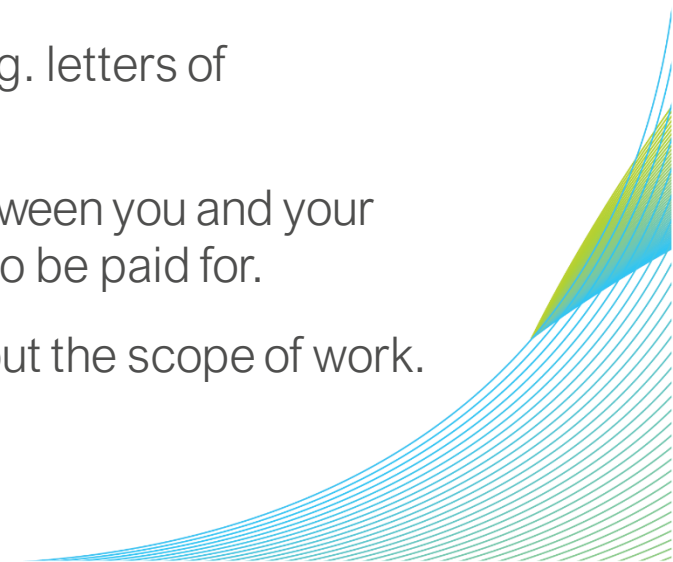
- You must respond to all requests from the Board in a timely, responsible and reasonable manner.
- Examples of failures to respond to a Board request or direction in a timely, responsible and reasonable manner may include:
 - failing to provide written responses to Board correspondence within the time period specified
 - making arrangements with the Board to provide information, and subsequently failing to provide that information in accordance with the arrangement.

Complying with taxation laws



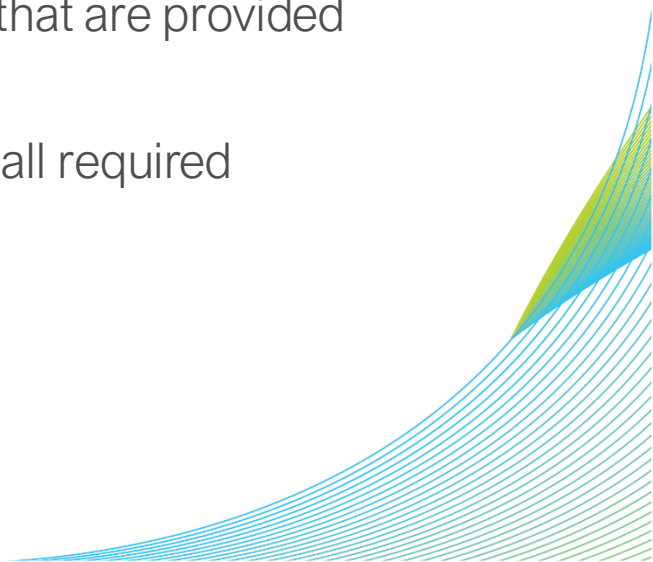
- One of your obligations under the Code is to comply with the tax laws in the conduct of your personal tax affairs.
- This includes timely lodgement of personal income tax returns and activity statements, payment of super guarantee contributions, and PAYG withholding and instalment payments.
- We will take several things into consideration when deciding if a tax practitioner has complied with the tax laws in their personal affairs.

Taking reasonable care

- To assist you to comply with your reasonable care obligations under the Code:
 - Exercise professional judgement taking into account relevant factors.
 - Use signed written agreements with clients (e.g. letters of engagement).
 - A common understanding and communication between you and your client clarifies responsibilities and how the work is to be paid for.
 - It can assist in avoiding disputes over fees and about the scope of work.
- 

Taking reasonable care

To assist you to comply with your reasonable care obligations you should also:

- Maintain adequate supervision and control. All registered tax practitioners must ensure services they provide, or that are provided on their behalf, are provided competently.
 - Take appropriate relevant steps to ensure you have all required information.
- 

Number of CPE hours

- For a standard 3-year registration:
 - tax agents must complete 120 hours with a minimum of 20 hours each year.
 - BAS agents must complete 90 hours with a minimum of 20 hours each year.
- CPE must be relevant to the tax agent or BAS services provided.



POLL 4



- Steven, a registered BAS agent, attends a training session provided by Master Software.
- He uses the Deluxe Master Software package, developed by Master Software, to assist him in providing BAS services to clients.
- He also decides to attend an online seminar by Beyond Blue about managing his mental health.
- Which courses do you think Steven can claim as CPE under the TPB's policy?

Penalties and sanctions

Consequences for failing to comply



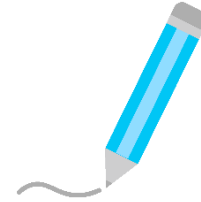
Termination



Suspension



Order



Written
caution

Case study 1



- A company tax agent ceased to meet the registration requirement that each director is a fit and proper person.
- The agent was an undischarged bankrupt, was disciplined by their professional association and the Supreme Court of Victoria made detrimental findings to their fame, integrity and character.
- They also failed to report over \$800,000 of income and to lodge numerous income tax returns and BAS.
- In addition they were convicted of 2 counts of using a forged document.
- We terminated their registration and prohibited them from reapplying for 5 years.

Case study 2



- A BAS agent breached multiple Code items and failed to be fit and proper person to be registered when they:
 - failed to meet their tax obligations and significantly understated their income for multiple years
 - claimed tax withholding credits they were not entitled to
 - lodged incorrect BAS and fabricating invoices
 - provided bookkeeping services prior to their registration as a BAS agent.
- We terminated the BAS agent's registration and imposed a 4-year ban from reapplying for registration.

Case study 3



- A former tax agent was sentenced to imprisonment and fined \$80,000.
- The Federal Court found they knowingly broke the law by preparing and lodging income tax returns for a fee while not a registered tax practitioner.
- They first came to our attention as a registered tax agent when we found Mr Williams had failed to pass tax refunds onto clients. We issued a 'cease and desist' notice in relation to this behaviour.
- His registration ceased, but he continued to prepare and lodge 73 income tax returns for taxpayers in his local community for a fee.
- The Federal Court also imposed a permanent injunction restraining Mr Williams from providing tax agent services for a fee or other reward.



Questions

Stay in touch with the TPB



tpb.gov.au



tpb.gov.au/contact



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Monday to Friday 9 am to 5 pm
(Sydney time)



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