



Australian Government



Know your obligations

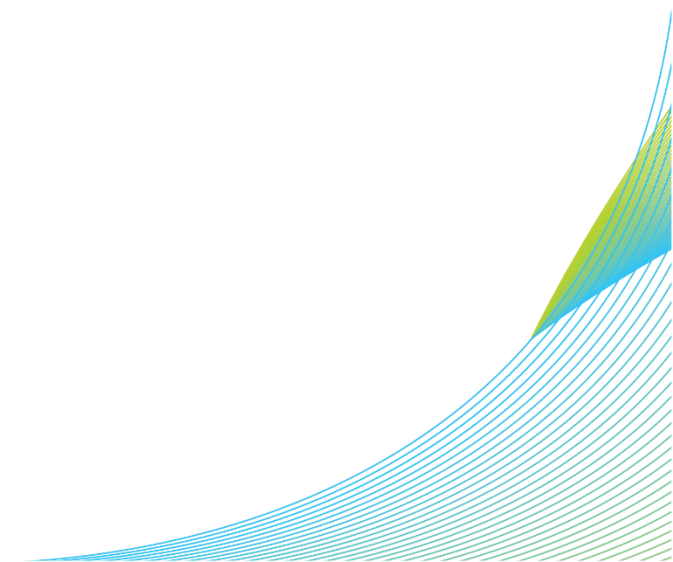
Presented by: Debra Anderson, Board Member, Tax Practitioners Board

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
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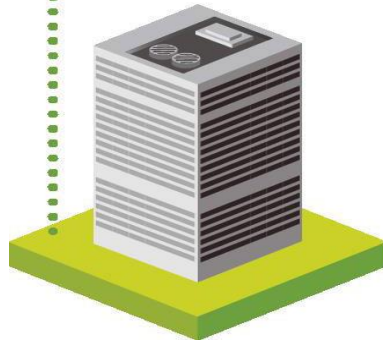
Registered tax practitioner population

As of 1 March 2024

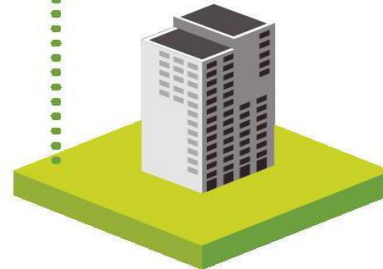
62,753
TOTAL TAX
PRACTITIONERS

Who are made up of:

45,824
TAX AGENTS

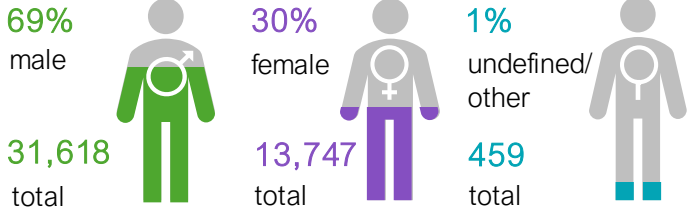


16,929
BAS AGENTS

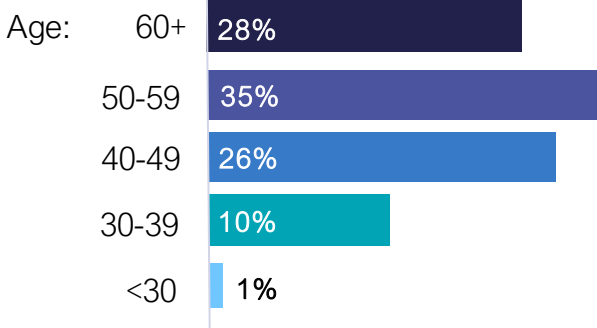
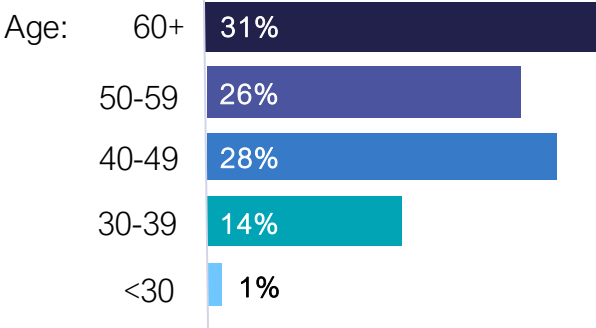
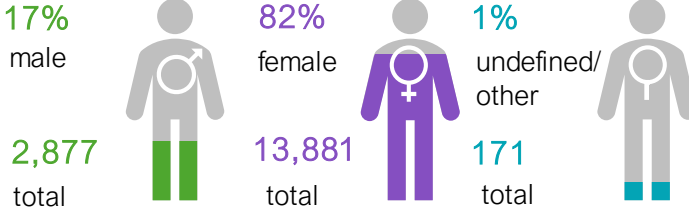


Registered tax practitioner demographics

TAX AGENTS



BAS AGENTS



Registered tax practitioner lodgement

2021-22 financial year

Individual lodgements

63%

Individual income tax returns lodged by tax practitioners

9.9 million

Individual income tax returns lodged by tax practitioners



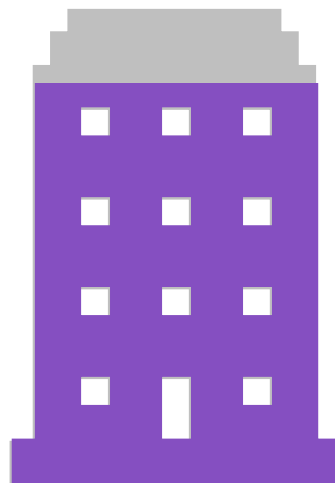
Business lodgements

96%

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

2.9 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 1



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 and BAS agents. Ensuring compliance with the *Tax Agent Services Act 2009*.
- C. Registration and regulation of tax and BAS agents. Ensuring compliance with the *Tax Agent Services Act 2009* and carrying out work under the *Corporations Act 2001*.

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

Tax practitioner obligations



Ongoing registration requirements – PI insurance

- You must have professional indemnity (PI) insurance cover that meets our requirements, and you must 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 2



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.
- The Code sets out the required professional and ethical standards required of tax practitioners, including the obligations they have to their clients, 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

Code item 1

Act honestly and with integrity

Code item 2

Comply with tax laws in the conduct of your personal affairs

Code item 3

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

Code item 4

Act lawfully in your client's best interest

Code item 5

Manage conflicts of interest

Code item 6

Do not disclose information without client permission

Code item 7

Ensure tax agent services are provided competently

Code item 8

Maintain the knowledge/skills relevant to the services you provide

Code item 9

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

Code item 10

Take reasonable care to ensure taxation laws are applied correctly

Code of professional conduct cont.

Code item 11

Do not obstruct the proper administration of taxation laws

Code item 12

Advise your client of their rights and obligations

Code item 13

Maintain professional indemnity insurance

Code item 14

Respond to requests and directions from the Board

Code item 15

Do not employ, or use the services of, a disqualified entity

Code item 16

Do not provide services in connection with a disqualified entity

Code item 17

Comply with any obligations under section 30-12

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.



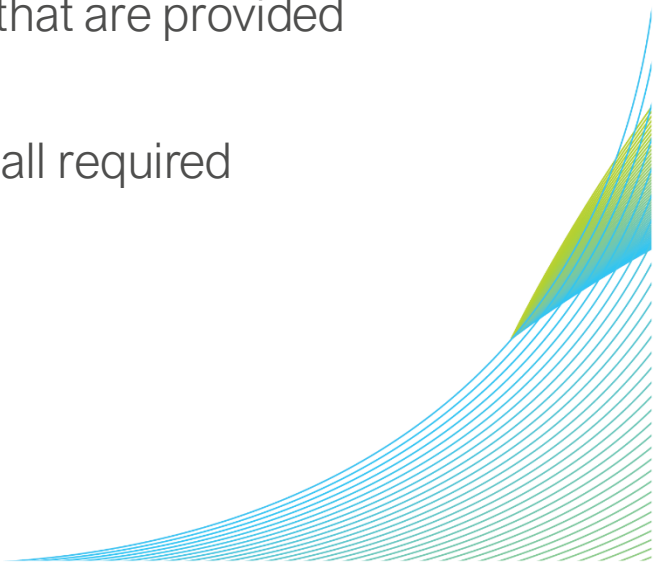
Taking reasonable care

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). Engagement letters provide:
 - a common understanding and communication between you and your client clarifies responsibilities
 - assistance in avoiding disputes.

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 3



- 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?

Recent law changes



Important changes to the TASA



Law change	Start date
1. Expanding the Code to prevent the engagement of disqualified entities	1 Jan 2024
2. Giving the Minister the ability to expand the Code	1 Jan 2024
3. Move to annual registration period	1 July 2024
4. Breach reporting – self reporting	1 July 2024
5. Breach reporting – another tax practitioner	1 July 2024
6. Updating of the objects clause in the legislation	1 Jan 2024
7. Enhance the TPB's financial independence	1 July 2024
8. Board member appointments	1 Oct 2024

 Impacts tax practitioners directly

Penalties and sanctions

Consequences for failing to comply



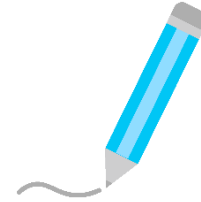
Termination



Suspension



Order



Written
caution

Case study 1

- A tax agent company breached Code item 7 when it failed to ensure a BAS agent service it provided, or that was provided on its behalf, was provided competently.
- A rogue employee created and used false documents, and managed to misappropriate over \$2 million of client funds.
- The company failed to provide adequate supervision and control of the employee.
- The BCC imposed a written caution and ordered the company to report to us every 6 months for the next 2 years on improvements made to their processes and staff training.

Case study 2

- A BAS agent had their registration terminated, with a 5-year ban, after they lodged BAS on behalf of a client without their knowledge or authorisation.
- The agent misappropriated the client's refunds.
- They made false or misleading statements when they lodged BAS containing false information – leading the ATO to issue refunds the client was not entitled to.
- The agent also provided false information and documentation attempting to prevent us from investigating and performing our duties.



Questions

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