



Australian Government



TAX  
PRACTITIONERS  
BOARD

# BREACH REPORTING

## BE AWARE OF YOUR ADDITIONAL BREACH REPORTING OBLIGATIONS

### Overview

From 1 July 2024, additional breach reporting obligations apply to all registered tax practitioners under the *Tax Agent Services Act 2009* (TASA). These obligations require you to report 'significant breaches' of the [Code of Professional Conduct](#) (Code) in the TASA:

- relating to **your own conduct**, and
- by other **registered tax practitioners**.

The reporting obligation is triggered if you have reasonable grounds to believe a breach of the Code has occurred on or after 1 July 2024, and the breach is significant.

The breach reporting obligations apply to you in addition to the existing obligations under the TASA that require you to notify us if an event affecting your continued registration, and other changes in circumstances, occur.

### Significant breaches

A 'significant breach of the Code' is a breach that satisfies one of the following tests:

- is an indictable offence, or an offence involving dishonesty, under an Australian law
- results in, or is likely to result in, material loss or damage to another entity (including the Commonwealth)
- is otherwise significant, taking into account the:
  - number or frequency of similar breaches
  - impact of the breach on the ability to provide tax agent services, and
  - extent to which the breach indicates that arrangements to ensure compliance with the Code are inadequate, or
- is prescribed by the Tax Agent Services Regulations 2022.

### Reasonable grounds

- You must have 'reasonable grounds' to believe a significant breach has occurred. This means you must have a solid foundation or factual basis for your view.
- The test is an objective one – would a reasonable person in your position form the belief on the same grounds in the same circumstances?

- It requires you to make a professional judgment, based on the facts and circumstances.
- You do not need conclusive proof, however you do need to be able to support your claim and verify or corroborate it, as appropriate.
- If you are not certain a significant breach of the Code has occurred, but you have reasonable grounds for believing there has been, you must still report.
- We will assess the information provided to us in a breach report to ensure the reporting of another tax practitioner's conduct is not frivolous, vexatious or malicious. A belief that is solely based on hearsay or the opinion of others without being substantiated will not be based on reasonable grounds.

### Reporting a breach

- All significant breaches must be reported to us.
- If the breach is by another tax practitioner, it must also be reported to their [recognised professional association](#) (RPA).
- Breaches must be notified to us, and the applicable RPA (where relevant), in writing within **30 days** of the day you first have, or ought to have, reasonable grounds to believe you, or another tax practitioner, has breached the Code and the breach is significant.
- Use our online forms to report breaches to us.
- Contact the relevant RPA to find out how to notify them and what information they require.

### If you do not meet your obligations

Sanctions may be imposed if you fail to comply. You will:

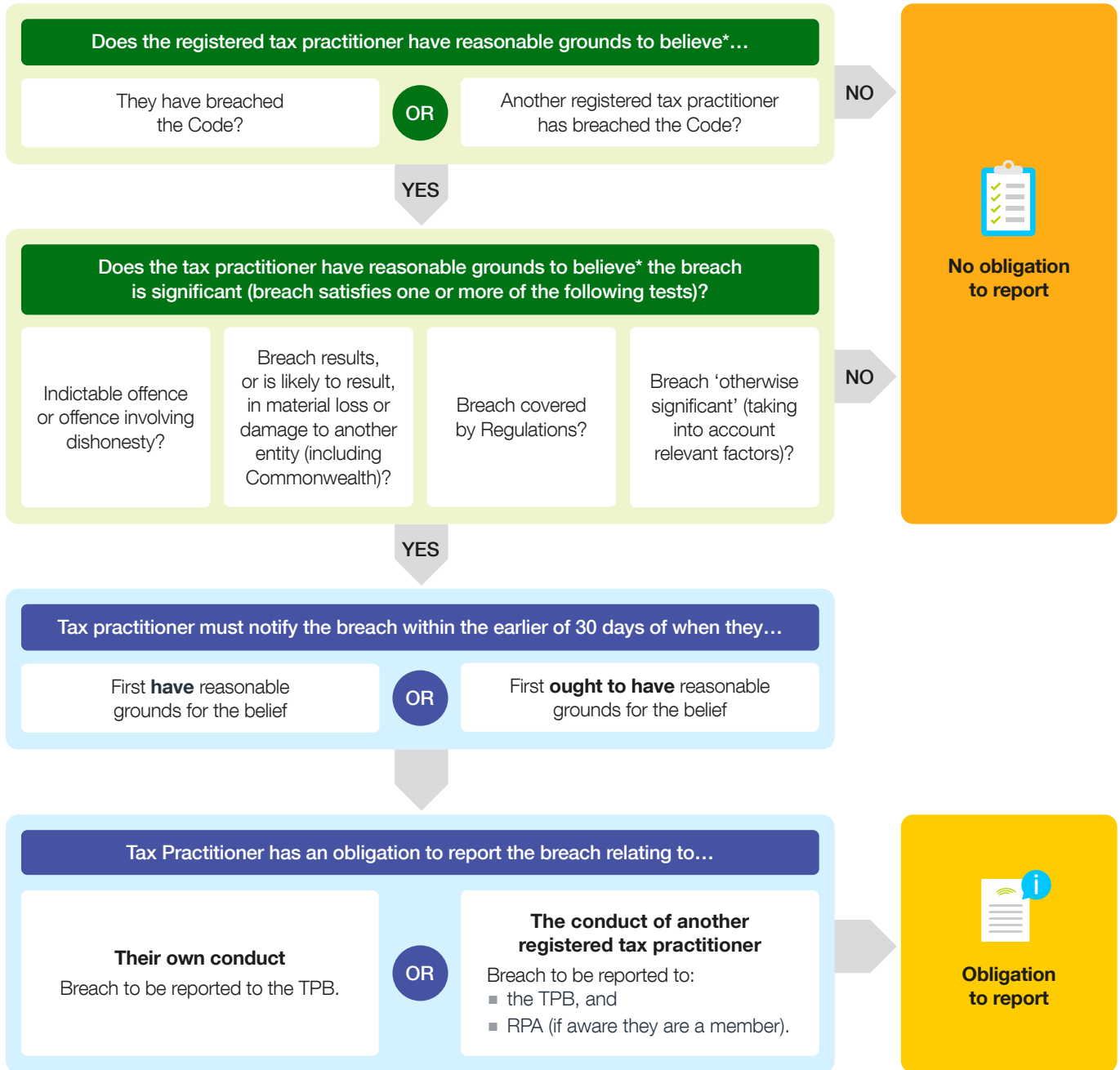
- breach [Code item 2](#) (requiring you to comply with the taxation laws in the conduct of your personal affairs); and
- commit an offence under the *Taxation Administration Act 1953*, which can carry serious criminal penalties.

You may also cease to meet the [fit and proper](#) registration requirement.

#### Further information

For more information, refer to [TPB\(I\) D53/2024 Breach reporting under the Tax Agent Services Act 2009](#).

# SUMMARY OF BREACH REPORTING OBLIGATIONS



\* 'Reasonable grounds to believe' requires a solid foundation or factual basis for the belief, supported by appropriate evidence.