



Australian Government



TAX
PRACTITIONERS
BOARD

Keeping clients informed and keeping proper client records

Presented by
Peter de Cure, TPB Chair

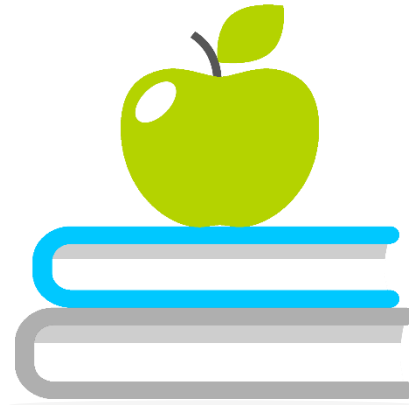
Welcome

'In the spirit of reconciliation, I respectfully acknowledge the Traditional Owners and Custodians of Country throughout Australia and their continuing connection to land, waters and community. I would like to pay my respect to them and their cultures, and Elders past and present'.

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

What we will cover today

- ✓ Government reform
- ✓ New Code obligations
- ✓ Transitional arrangements
- ✓ Our consultation process
- ✓ Keeping clients informed and keeping proper records
- ✓ Panel and Q&A



New legislation

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 modernity.

Government reform



- The additional obligations are built on existing principles of the Code.
- They aim to strengthen integrity and accountability.
- You are likely already complying with these new obligations. If not, you will have time to adjust and meet best practice.
- We'll implement these changes in a pragmatic and practical fashion.

Background



- A 2019 independent review recommended a legislative instrument power to supplement the Code.
- On 6 August 2023, the government announced a significant package of reforms, including a provision for the Minister to create new obligations under a legislative instrument.
- The provision allows the Minister to act quickly to expand the Code if there is a new or emerging issue.
- Eight additional Code obligations have now supplemented the Code to reinforce high professional and ethical standards.

New Code obligations



- Upholding and promoting the ethical standards of the tax profession.
- Requirements relating to false or misleading statements.
- Managing conflicts of interest when undertaking activities for government and maintaining confidentiality in dealings with government
- Obligation to keep proper client records of tax agent services

provided.

- Supervision, competency and quality management under the *Tax Agent Services Act 2009*.
- Keeping your clients informed.



The obligations align with the existing 5 key principles in the Code and leverage material of other existing bodies, such as the APES Board.

Transitional approach



- On 8 October, the government amended the Determination to clarify the intent and scope of the new obligations.
- The new Code obligations commence on:
 - 1 July 2025 – for tax practitioners with 100 or less employees as at 31 July 2024, including new tax practitioners (with 100 or less employees) that register between 1 August 2024 and 30 June 2025 inclusive; and
 - 1 January 2025 – for any other tax practitioners.

Consultation



Public consultation

- We've released our draft information sheets for public consultation, with the aim to finalise in December.
- Provide your feedback to help shape the final guidance.
- Feedback should be emailed to us by **21 November** at tpbsubmissions@tpb.gov.au.
- We'll consider all feedback before we finalise our guidance.



Keeping proper client records (s30)

Keeping proper client records (s30)

A tax practitioner must keep records that correctly record the tax agent services they have provided to all current and former clients. The records must:

(1)

Be in English (easily convertible to English)

(2)

Retained for at least 5 years after the service has been provided

(3)

Include all relevant information considered

Examples of records that must be kept



- Client details
- Letters of engagement
- File notes relating to POI (**don't keep copies of IDs**)
- Client permissions (including consent to disclose client information)
- Records explaining essential parts of the tax or BAS agent service
- Key communications and records of discussions, including with third parties, like the ATO
- Tax invoices
- Records evidencing the receipt and handling of money or property held in trust

Case study 1



- Lisa is an employee of Ace Accounts – she is not a tax or BAS agent.
- She prepares tax returns and BAS for clients on behalf of Ace Accounts.
- Michael her supervising agent, is responsible for ensuring Ace Accounts keep records that correctly record the services provided on their behalf to each client and former client.
- All records must be in English, be kept for at least 5 years, show the nature, scope and outcome of the services provided and reference all relevant information considered in the provision of the services.

Keeping clients informed (s45)



Keeping client informed (s45)

A tax practitioner must advise all current and prospective clients:

(1)
The Board maintains a Register, and how they can access and search it

(2)
How to make a complaint and the TPB's complaints process

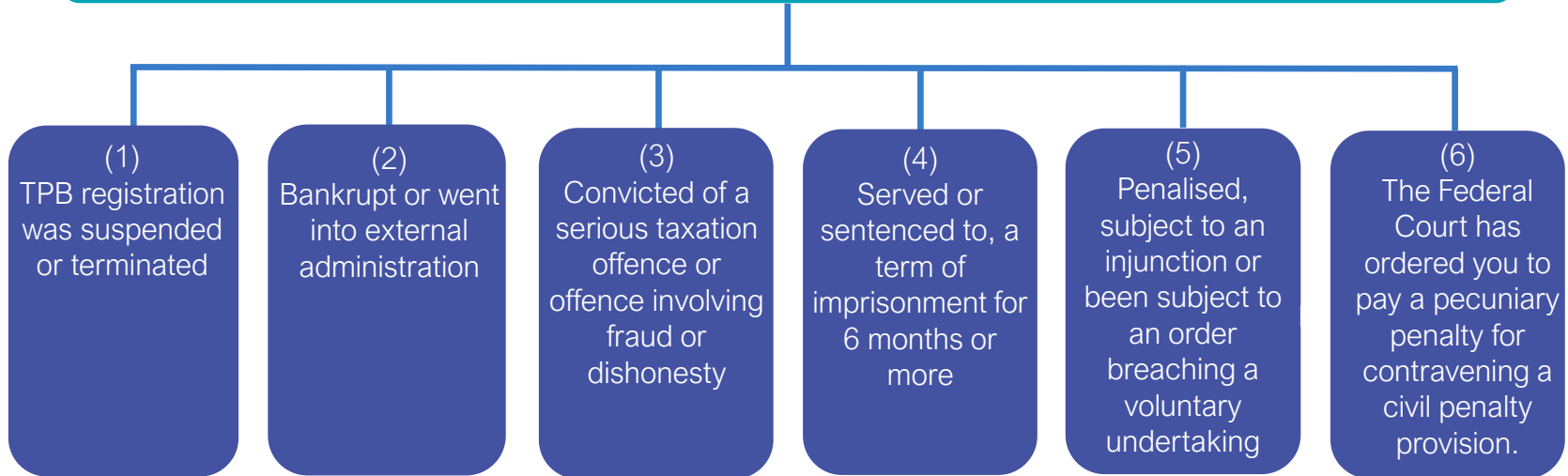
(3)
The rights, responsibilities and obligations

(4)
The obligations they have to the tax practitioner

(5)
Certain events that have occurred in the last 5 years

Prescribed events

Certain events that have occurred in the last 5 years



The Determination, also requires tax practitioners to advise all current and prospective clients if they are subject to conditions.

Reasonable amount of detail



- We expect tax practitioners to provide a reasonable amount of detail about the relevant matter, so clients are fully informed.
- Information that may be disclosed includes:
 - date the relevant matter occurred
 - description of the relevant matter
 - if the relevant matter is ongoing
 - if the tax practitioner intends to provide another update about the relevant matter.

How and when to keep clients informed

- You must keep all current and prospective clients informed in writing, in a prominent, clear and unambiguous way.
- Generally, we would expect you to take all reasonable steps to advise your clients of relevant matters **as soon as practicable**.



Case study 2



- Eric a registered tax agent, is found to have breached Code item 7 and is suspended for 6 months.
- Eric is required to clearly inform all current and prospective clients of being suspended no later than 30 days after the Determination applied to him.
- Eric chooses to conceal his prior suspension from his clients.
- Eric has failed to comply with the Determination and as a result, he has breached the TASA.
- The TPB may also find that Eric is not a fit and proper person to be registered as a tax agent.

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Monday to Friday 9 am to 5 pm
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