



Australian Government



TAX
PRACTITIONERS
BOARD

False or misleading statements – shaping our guidance

Presented by
Peter de Cure, TPB Chair

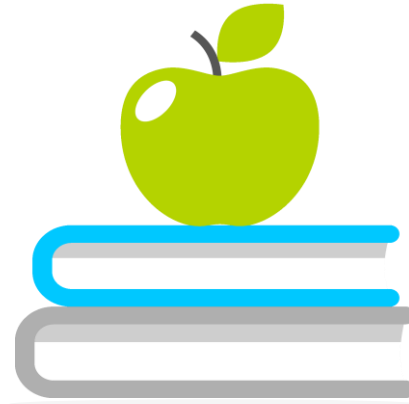
Welcome

'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
- ✓ False or misleading statements
- ✓ Panel and Q&A



New legislation



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



1. Upholding and promoting the ethical standards of the tax profession (s10)
2. False or misleading statements (s15)
3. Conflicts of interest in activities undertaken for government (s20)
4. Maintaining confidentiality in dealings with government (s25)
5. Keeping of proper client records (s30)
6. Ensuring tax agent services provided on your behalf are provided competently (s35)
7. Quality management systems (s40)
8. Keeping your clients informed (s45)



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.



False or misleading statements – section 15

False or misleading statements (s15)

Where a tax practitioner knows, or ought reasonably to know, a *statement is false or misleading in a material particular*, or omits something that makes the statement misleading, they **must not**:

(1)

Make the statement to the Board or Commissioner

(2)

Prepare the statement that is likely to be made to the Board or Commissioner

(3)

Permit or direct someone else to make or prepare such a statement

False or misleading statements (s15)

Where the obligation has been breached and the tax practitioner has reasonable grounds to believe the false or misleading nature of the statement resulted from a failure to take reasonable care, recklessness or intentional disregard of a tax law, (within a reasonable period) they must take certain reasonable steps

(1)

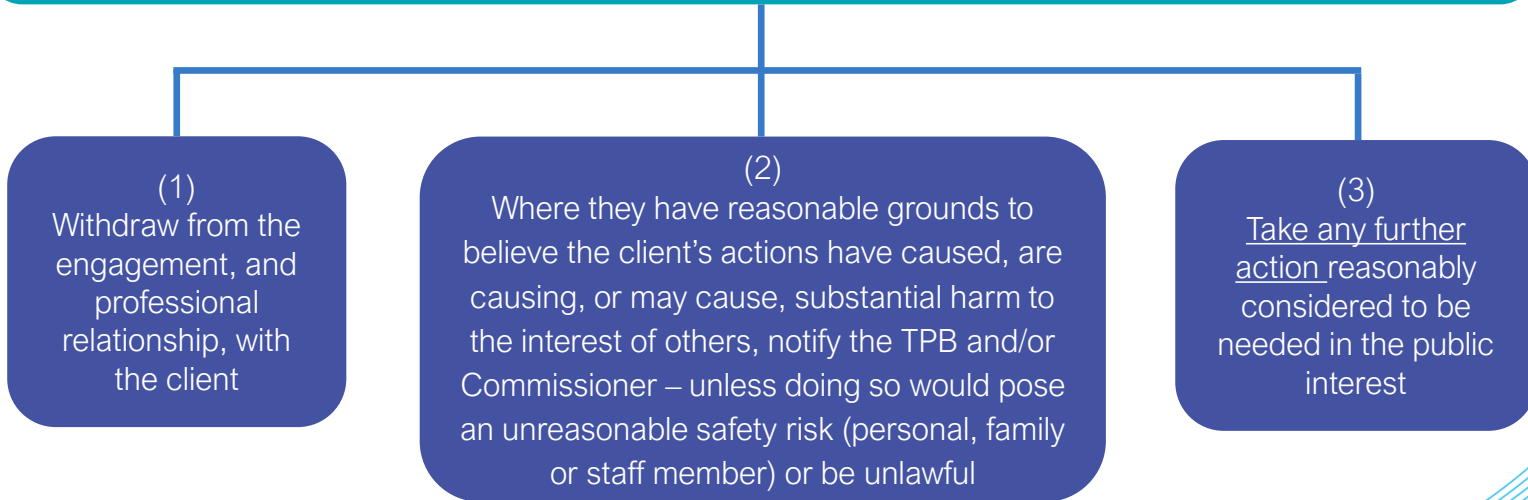
Where the statement relates to the tax practitioner's own affairs, correct the statement

(2)

Where the statement relates to a client, the tax practitioner must advise the client the statement should be corrected and the possible consequences for not correcting it

False or misleading statements (s15)

If after a reasonable period after the client has been advised and the tax practitioner is not reasonably satisfied that the client has corrected the statement or explained the basis for the statement, the tax practitioner must:



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