



Australian Government



TAX
PRACTITIONERS
BOARD

Know your obligations

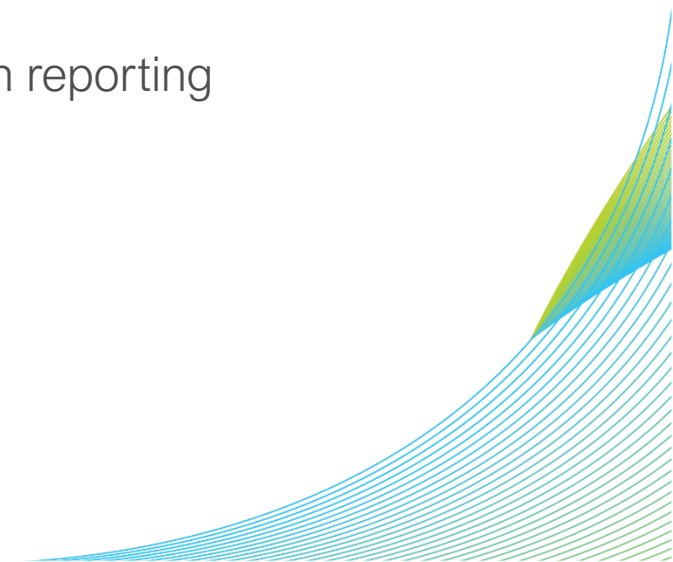
Presented by: Peter de Cure, TPB Chair

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
 - ✓ Breach reporting
 - ✓ Q&A
- 
- A decorative graphic in the bottom right corner consisting of numerous thin, curved lines in shades of blue and green, creating a sense of motion or a stylized wave.

Community reliance on registered tax practitioners

2022-23 financial year

Individual lodgements

62%

Individual income tax returns lodged by tax practitioners

9.7 million

Individual income tax returns lodged by tax practitioners



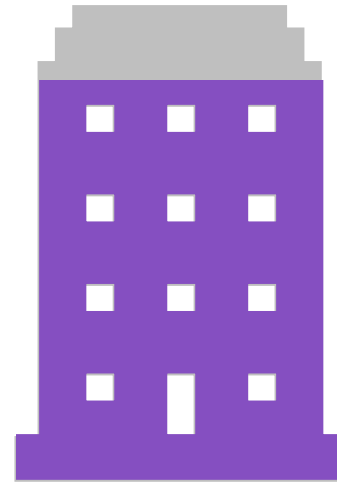
Business lodgements

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

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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

Strengthen our
regulatory
practice



Pillar 2

Support registered
tax practitioner
compliance and
integrity



Pillar 3

Consult and
collaborate



Pillar 4

Future ready

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. Each director of a company or partnership tax practitioner.
- C. Each partner of a company or 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.



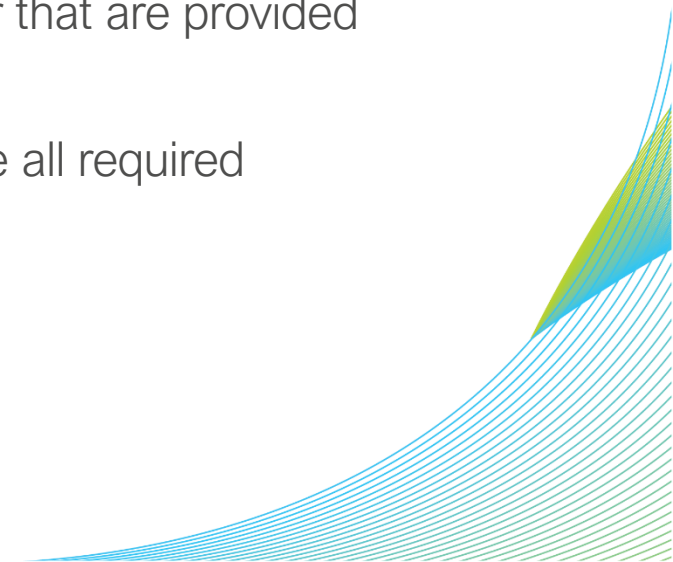
Taking reasonable care

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 Master Software training session.
- 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



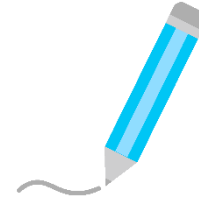
Termination



Suspension



Order



Written
caution

Case study 1



- An individual tax agent and their company (of which they were sole director) breached multiple Code items.
- The director was found to no longer be fit and proper or to met the registration requirement that they hold PI insurance.
- The company tax agent also did not hold PI insurance, was under external administration and its sole director had ceased to be a fit and proper person.
- The individual tax agent, and the company had their registration terminated with a 5-year ban from re-applying.

Case study 2

A BAS agent demonstrated a lack of integrity and a disregard for her professional obligations under the Code when she failed to:

- act honestly and with integrity
- notify us of a change in her circumstances within 30 days of the day the event occurred
- account for money received on behalf of her employer, who was also her client, transferring funds without authorisation for her personal benefit
- maintain professional indemnity insurance.

Case study 3



- After investigating allegations that Ms Yan Qun Ke continued to offer tax agent services after her tax agent registration ended, we filed an application with the Federal Court.
- Ms Ke provided tax agent services, while unregistered in exchange for payment.
- Unregistered preparers pose serious risks to clients and the broader community.
- Addressing the issue of unregistered preparers is one of our enduring compliance priorities and is critical to maintaining community trust and confidence.

Objective of breach reporting



- Breach reporting was introduced to improve the conduct of tax practitioners in providing tax agent and BAS services.
- The focus of the reporting regime is on identifying, managing and targeting risk of non-compliance to:
 - improve the conduct of tax practitioners in providing services
 - enhance the protection of clients; and
 - increase community confidence in the integrity of the system that regulates those services and the tax industry.
- The expanded regime seeks to uphold and enhance professional and ethical standards across the sector.

Reasonable grounds to believe

Consider relevant factors

Solid foundation or basis for the belief
(conclusive proof not required)

Supported by facts and evidence

Verified or corroborated (as required)

Would a reasonable person in the same position and circumstances form the belief?
(objective test)

What is a 'significant breach'?



A 'significant breach of the Code' is a breach that:

- ✓ constitutes an indictable offence, or an offence involving dishonesty under an Australian law
- ✓ results, or is likely to result, in material loss or damage to another entity (including the Commonwealth)
- ✓ is otherwise significant
- ✓ is of a kind prescribed by the Tax Agent Services Regulations 2022.



Questions

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