



Australian Government



**TAX
PRACTITIONERS
BOARD**

Understanding the TPB's enhanced sanctions framework

Presented by:

Peter de Cure AM, 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, waters and community. We pay our respect to their cultures, and Elders past, present and future.'

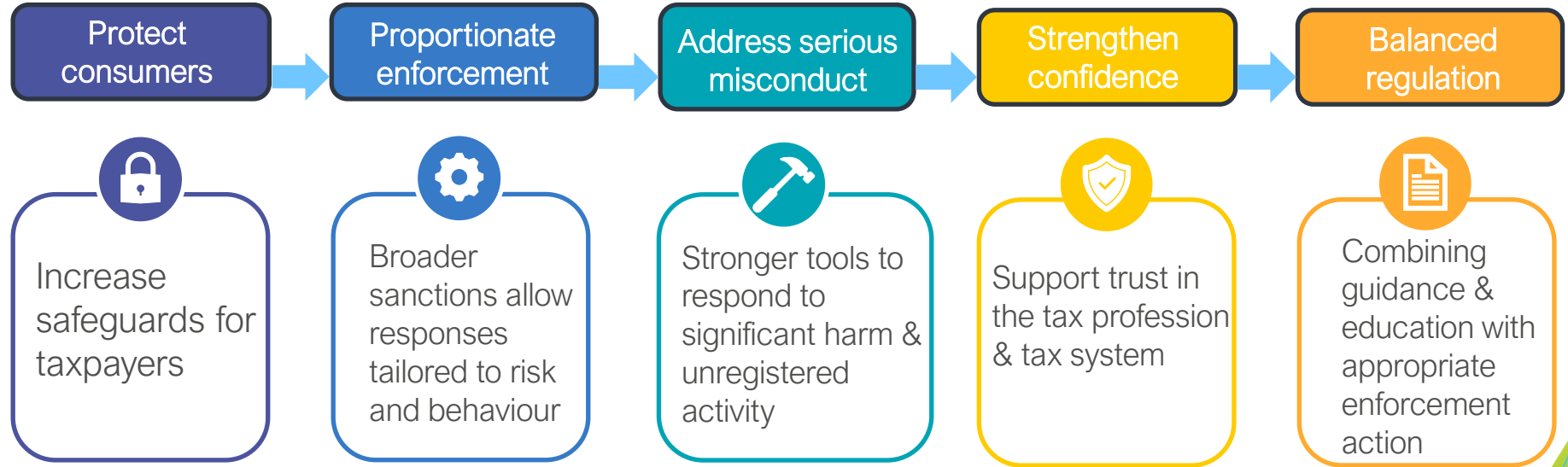
Access the presentation slides: tpb.gov.au/webinar-resources-hub

What we will cover today



- ✓ Reform objectives
- ✓ Reform background
- ✓ Summary of new sanctions
- ✓ Our unregistered preparers strategy
- ✓ New criminal penalties for unregistered entities
- ✓ New civil penalties
- ✓ Increased maximum civil penalty amounts
- ✓ Infringement notices
- ✓ Enforceable undertakings
- ✓ Interim suspensions
- ✓ Contingent suspension
- ✓ Extension of non-application (banning) period on termination
- ✓ Our 2026 compliance priorities

Reform objectives



Reform background



Timeline	Policy and law design activity
March 2019	The Government announced an independent review into the effectiveness of the Tax Practitioners Board and the Tax Agent Services Act 2009 (the James Review).
November 2020	The Final report of the James Review and the Government's Response to the review was released, containing recommendations in relation to the TPB's sanctions regime.
August 2023	The Government announced a broader package of reforms aimed at addressing tax practitioner misconduct and strengthening confidence in the tax profession and tax system.
March 2025	An announcement by the Government in 2025-26 Federal Budget that it would strengthen the sanctions available to the TPB.
September 2026	The Treasury Laws Amendment (Strengthening Accountability for Tax Adviser Misconduct and Other Measures) Act 2026 was enacted, integrating the new sanctions into the TPB's regulatory framework.

Summary of changes



New criminal penalties for unregistered entities



New civil penalties



Increased maximum civil penalty amounts



Infringement notices



Enforceable undertakings



Interim suspensions

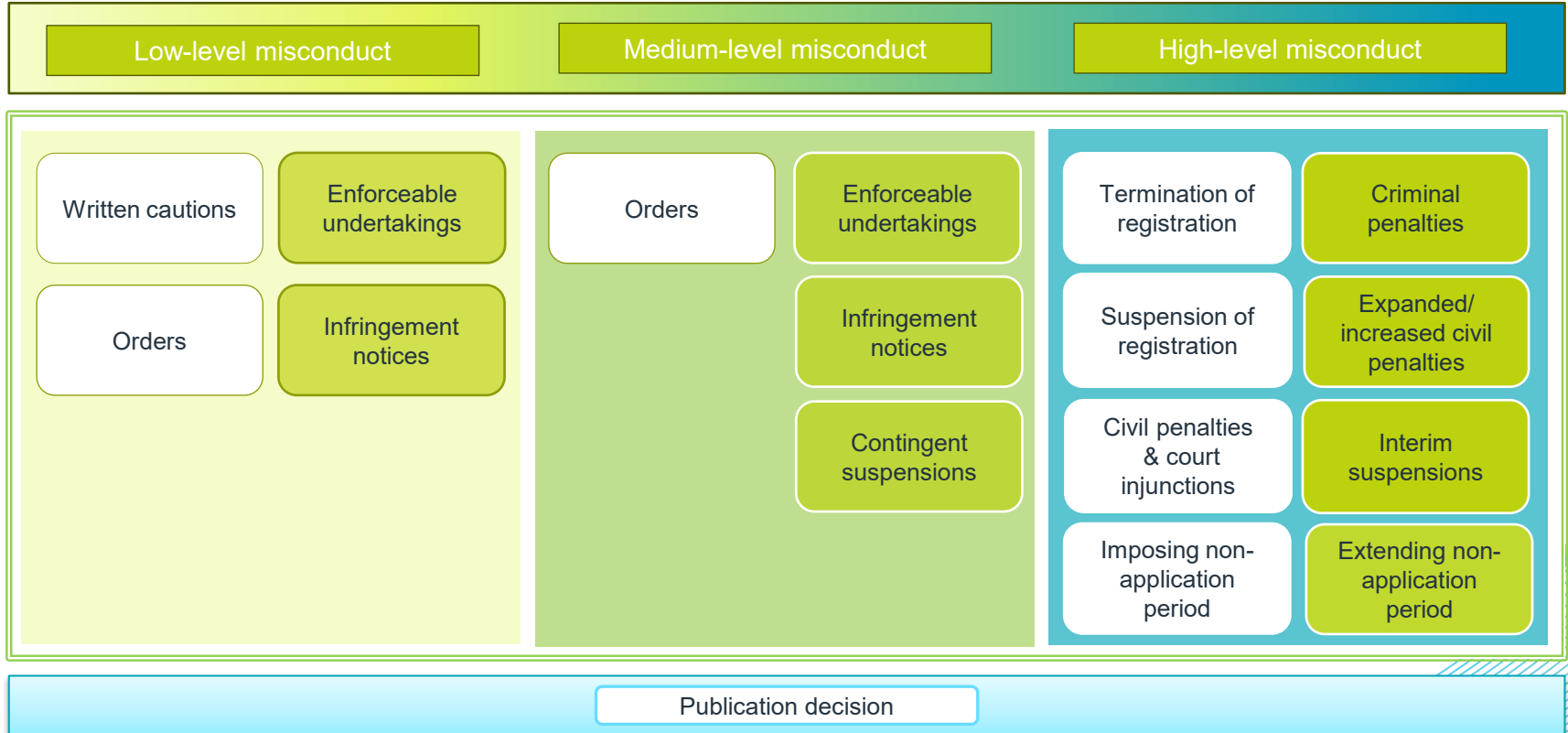


Contingent suspension



Extension of non-application (banning) period on termination

How proposed sanctions fit into current regime



Unregistered preparers strategy

Case study 1



Unregistered tax preparer receives 12 months jail

- Jessa Dabalos was sentenced to 12 months' jail for criminality and contempt of court, for acting as an unregistered preparer in breach of a permanent injunction.
- She prepared and lodged tax returns while not registered, providing bad tax advice to hundreds of clients.
- The Court previously found 531 breaches, imposed a \$230,000 penalty and a permanent injunction to prevent further misconduct.
- She continued her misconduct on 365 occasions, acting in contempt.

Case study 2



Federal court imposes highest civil penalty of \$1.8M in a TPB matter

- Jayden Van Dyke committed 3,300 separate contraventions of the TASA, when lodging income tax returns, for a fee, while unregistered.
- The Federal Court imposed a \$1.8M penalty and restrained him from providing tax agent services.
- The Federal Court found his conduct was deliberate and was undertaken for financial gain of \$1,600,000.

Our approach to unregistered preparers



- the use of data analytics to conduct risk profiling,
- information obtained from the community received via lodged complaints
- investigations to authenticate our intelligence
- compliance actions based on the nature of the misconduct
- a targeted approach to dealing with unregistered preparers, and
- strong collaboration with co-regulators.

New criminal penalties for unregistered entities



- Criminal penalties apply to unregistered entities that engage in the following misconduct:
 - providing tax agent or BAS services for a fee or other reward
 - advertising tax agent or BAS services
 - representing they are a registered tax agent or BAS agent.
- Consistent with the civil penalty regime, exceptions will apply to certain services provided by legal practitioners, customs brokers and voluntary services.
- The maximum penalty that can be imposed for each criminal offence will be 40 months imprisonment or 200 penalty units (or both). The value of a penalty unit is \$364 as at 1 October 2026.

New civil penalties



New civil penalties have been introduced into the TASA for the following contraventions:

Type of entity	Conduct	Civil penalty provision
Registered tax practitioners	Each breach of the Code of Professional Conduct (Code) or Code Determination	Section 50-31
Unregistered entity	Making of false or misleading statements to TPB or Australian Taxation Office (ATO)	Section 50-21

New civil penalties



These penalties apply in addition to the current civil penalties:

Type of entity	Conduct	Civil penalty provision
Registered tax practitioners	Making false or misleading statements to ATO	Section 50-20
	Employing or using the services of deregistered entities in certain circumstances	Section 50-25
	Signing a declaration or statement for a taxpayer prepared by an entity that is not registered or working under their supervision and control	Section 50-30
Unregistered entity	Providing tax agent services or BAS services for a fee or other reward	Section 50-5
	Advertising tax agent services or BAS services	Section 50-10
	Representing they are a registered tax agent or BAS agent	Section 50-15

Increased maximum penalty amounts

Maximum civil penalty amount that can be imposed by the Federal Court for a contravention of any of the civil penalty provisions in the TASA (including the new civil penalties) has increased:

Type of entity	New maximum penalty	Previous maximum penalty
Individual (other than a significant global entity)	2,500 penalty units	250 penalty units
Body corporate (other than a significant global entity)	50,000 penalty units	1,250 penalty units
*Significant global entities	50,000 penalty units	Same as an individual or body corporate

*A significant global entity (SGE) generally refers to a body corporate, partnership or trust that has an annual global income of \$1 billion or more.

Issue infringement notices



Under the new sanctions regime the TPB is now able to issue infringement notices to a:

- registered tax practitioner – if we are satisfied, after conducting an investigation, that they have failed to comply with one of the prescribed provisions in the Code
- registered tax practitioner or unregistered entity – if we believe on reasonable grounds that they have contravened one of the other prescribed civil penalty provisions in the TASA.

Infringement notices

Infringement notice provisions for registered tax practitioners, cover:

Section 50-30

Signing of certain declarations/statements

Code item 2

Complying with taxation laws in the conduct of your personal affairs

Code item 3

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

Code item 6

Disclosing client information without permission

Code item 8

Maintaining the knowledge/skills relevant to the services you provide

Section 50-31

Breach of Code – due to failure to comply with:



Code item 12

Advising client of rights and obligations

Code item 13

Maintaining professional indemnity insurance

Code item 14

Responding to Board requests and directions

Code item 17

Maintaining confidentiality with Government, keeping proper client records & clients informed

Infringement notices



Infringement notice provisions for unregistered entities, cover:

Section 50-5

Providing tax agent services for a fee or other reward

Section 50-10

Advertising tax agent services

Section 50-15

Representing that you are a registered tax practitioner

Section 50-17

Providing tax (financial) advice services

Section 50-18

Advertising tax (financial services) if not registered or qualified

Infringement notices

An infringement notice must be issued within the following timeframes:

- registered tax practitioner – 12 months of the date of the contravention
- unregistered entity – 2 years of the date of the alleged contravention.

The maximum penalty payable is the lesser of:

- 12 penalty units if the entity is an individual, or 60 penalty units if the entity is a body corporate (including a significant global entity); and
- one-fifth of the maximum penalty that a court could impose for the contravention or alleged contravention.

Enforceable undertakings



We can enter into enforceable undertakings (EUs) with registered tax practitioners and unregistered entities.

An EU is a written agreement between us and a registered tax practitioner or unregistered entity, in which they voluntarily agree to comply with certain terms relating to compliance with the TASA.

We may accept an EU from an entity to:

- take specified action – in order to comply with a provision of the TASA
- refrain from taking specified action – in order to comply with a provision of the TASA, or
- take specified action – to help ensure that they do not contravene, or are unlikely to contravene, a provision of the TASA.

Enforceable undertakings



- We can only accept an enforceable undertaking in relation to a failure to comply with the Code if we have conducted an investigation and made a finding that there has been a breach.
- Once accepted by us the enforceable undertaking is legally binding and enforceable. If an enforceable undertaking is not complied with, we can apply to the Federal court for an order, including enforcement of compliance and financial penalties.

Interim suspensions

We can immediately suspend a tax practitioner's registration for up to 90 days, without having to commence or finalise an investigation, if we are satisfied on reasonable grounds that both the following criteria are met:

Condition 1	Condition 2
The registered tax practitioner has engaged in conduct that may constitute: • an offence against a taxation law, OR • contravention of a civil penalty provision in a taxation law.	Having regard to the conduct: • there is or may be a significant risk that one or more clients will suffer material loss or damage if the tax practitioner's registration is not suspended, OR • it is in the public interest to suspend the tax practitioner's registration because there is or may be a significant risk to the revenue of the Commonwealth, integrity of the tax system or integrity of the tax profession.

Scenario 1 – Interim Suspension on registration



- John Smith is a registered tax practitioner.
- TPB becomes aware Mr Smith has been charged by a law enforcement agency with an offence against a taxation law.
- Alleged conduct is directly relevant to the provision of tax practitioner services and raises concerns about his ongoing fitness and propriety to remain registered.
- TPB is satisfied on reasonable grounds that the conduct may constitute an offence against a taxation law and there is significant risk of harm if he continues providing tax practitioner services during the investigation and court proceedings.
- TPB concerned that clients may suffer financial loss and that confidence in the tax profession could be undermined if the conduct continues.

Contingent suspension

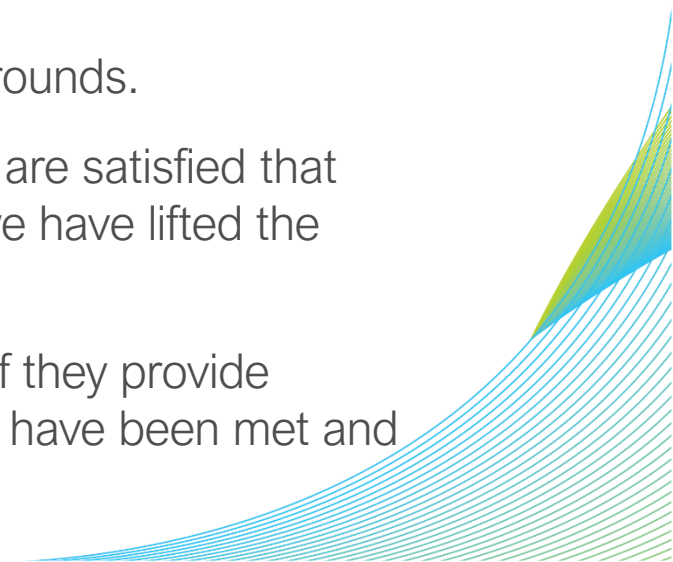
We can suspend a tax practitioner's registration if:

- an event affecting their continued registration occurs
- they cease to meet one of the registration eligibility requirements for tax agents and BAS agents, or
- they breach a condition of their registration.

Alternative to us terminating registration on the same grounds.

The tax practitioner's registration is suspended until we are satisfied that they have remedied the relevant non-compliance and we have lifted the suspension.

A tax practitioner can apply to us to lift the suspension if they provide evidence that the actions required to lift the suspension have been met and any documentation we require.



Scenario 2 – Contingent Suspension on registration



- ABC Tax Solutions Pty Ltd (ABC Tax) is a registered tax practitioner company.
- As a registered tax agent, ABC Tax must maintain Professional Indemnity (PI) insurance that meets the TPB's requirements and notify the TPB of any changes to its PI arrangements.
- An automated system check of TPB records flagged that ABC Tax's PI policy had expired, and no new details had been provided.
- ABC Tax did not respond to any TPB communications and did not provide any evidence that it held compliant PI.
- The TPB had reasonable grounds to believe that ABC Tax may not have a current PI policy.
- To protect consumers, the TPB imposed a contingent suspension on ABC Tax's registration.
- Shortly after the suspension took effect, ABC Tax obtained and provided evidence of a new PI policy through TPB My Profile and requested that the suspension be lifted.
- After confirming that ABC Tax held a valid PI policy, the suspension was lifted.

Extension of the maximum non-application or banning period on termination



- If we have made a decision to terminate the registration of a tax practitioner, we have a discretionary power to determine a specified period during which the tax practitioner cannot apply for registration.
- The maximum period we can determine that a tax practitioner cannot apply for registration after being terminated by us has been extended from 5 to 10 years.
- This extended period may only be applied where the termination of registration occurs on or after 1 October 2026 (and relates to contact that also occurs on or after this date)

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As a result of the 5 to 10 year increase, changes have been made to the 'disqualified entity' provisions in the TASA.

Our 2026 compliance priorities

Our 2026 compliance priorities



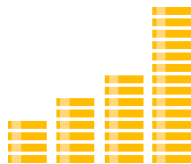
Avoiding paying
tax debt



Illegal phoenix
activities



Shifting profits to
low-tax jurisdictions



Hiding income or assets
in secrecy havens



Misusing R&D
concessions



Shadow economy
activities



Overclaiming work-
related expenses



Exploiting vulnerable
Australians



Failing to meet personal
tax obligations



Questions

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