

update

25 June 2007

Tax Update: Reforms to registration and regulation of tax practitioners

The Minister for Revenue and Assistant Treasurer, Peter Dutton released the draft Tax Laws Amendment (Tax Agent Services) Bill 2007 and associated draft regulations and explanatory materials for public consultation and comment on 7 May 2007.

The draft Bill and regulations give effect to reforms to the registration and regulation of tax practitioners announced by the Government in press release no. AT/014 issued by the then Minister for Revenue and Assistant Treasurer, Senator Rod Kemp on 6 April 1998 and press release no. 016 issued by Peter Dutton on 9 May 2006.

The draft Bill and regulations will improve the framework for the registration and regulation of tax practitioners, which has benefits for both the providers of tax agent services and the consumers of such services. Tax practitioners will benefit from appropriate, but flexible, regulation, while taxpayers utilising the services of tax practitioners will also be afforded greater certainty and protection. Also, the standard and accessibility of services provided by tax practitioners will be enhanced.

The key elements of the exposure draft Bill and regulations are:

- the establishment of a national Tax Practitioners Board, replacing the existing state-based boards
- a legislated Code of Professional Conduct that governs the provision of tax agent services
- a wider range of disciplinary sanctions which may be imposed by the Board
- a civil penalty for certain significant misconduct by tax practitioners
- registration and regulation of persons who meet certain minimum educational and relevant experience requirements, as well as the “fit and proper” person test, and who are in the business of providing Business Activity Statement (BAS) services, as BAS service providers
- a “safe harbour” for taxpayers from tax shortfall penalties for making false or misleading statements, where a taxpayer demonstrates that they have taken
- reasonable care by engaging a registered tax practitioner and providing the tax practitioner with all relevant taxation information

Not all bookkeepers will be required to register. Only bookkeepers in the business of providing a BAS service for a fee will have to register. There will be a two year transition period during which practitioners providing a BAS service legally under the current law will not be required to register under the new law.

The scope of registration also includes entities in the business of providing BAS services due to their importance to taxpayers and the role they play in the tax system.

Registered BAS service providers will be governed in the same way as tax agents, but will be limited to providing services relating to BAS provisions in the tax laws. Tax agents, BAS service providers and the nominees of tax agents and BAS service providers will be collectively referred to as tax practitioners.

The government is now seeking submissions from interested parties on the provisions of the draft Bill, regulations and associated explanatory materials.

For more information

For more information, please contact:

- Arthur Athanasiou, Partner and Accredited Tax Law Specialist on 03 9321 7892
aga@rigbycooke.com.au
- Graham Candy, Senior Consultant on 03 9321 7890
gcandy@rigbycooke.com.au
- James Shattock, Lawyer on 03 9321 7890
jshattock@rigbycooke.com.au

To unsubscribe from this publication

If you do not wish to receive publications of this type from us in the future, please notify us by one of the following methods:

- Send an email to marketing@rigbycooke.com.au
- Send a fax message to "Attention: Rigby Cooke Marketing" on fax number +61 3 9321 7900
- Send a letter to "Attention: Rigby Cooke Marketing", GPO Box 4767UU, Melbourne Vic 3001

Your request to remove you as a subscriber should include the word "unsubscribe" and your full email address to allow us to correctly identify your removal from our lists.

Reprint Permission

Articles in this publication may be reproduced in whole or in part, provided that appropriate recognition is given to the author and the firm, and prior approval is obtained. To obtain approval, please contact Rigby Cooke on +61 3 9321 7852 or email marketing@rigbycooke.com.au.

Disclaimer

This publication contains comments of a general nature only and is provided as an information service. It is not intended to be relied upon, nor is it a substitute for specific professional advice. No responsibility can be accepted by Rigby Cooke Lawyers or the authors for loss occasioned to any person doing anything as a result of any material in this publication.

rigbycooke | lawyers

Level 13, 469 La Trobe Street
Melbourne Vic 3000
T 61 3 9321 7888
F 61 3 9321 7900

www.rigbycooke.com.au