



Australian Government



TAX PRACTITIONERS BOARD

Regulating Australia's tax practitioners

Ian Taylor, Chair
Tax Practitioners Board

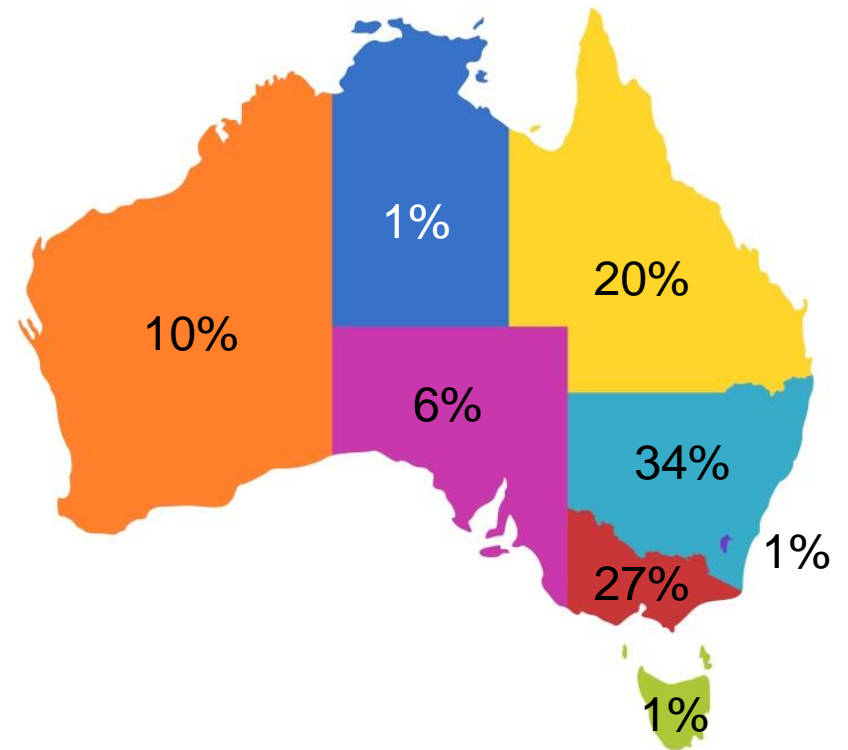
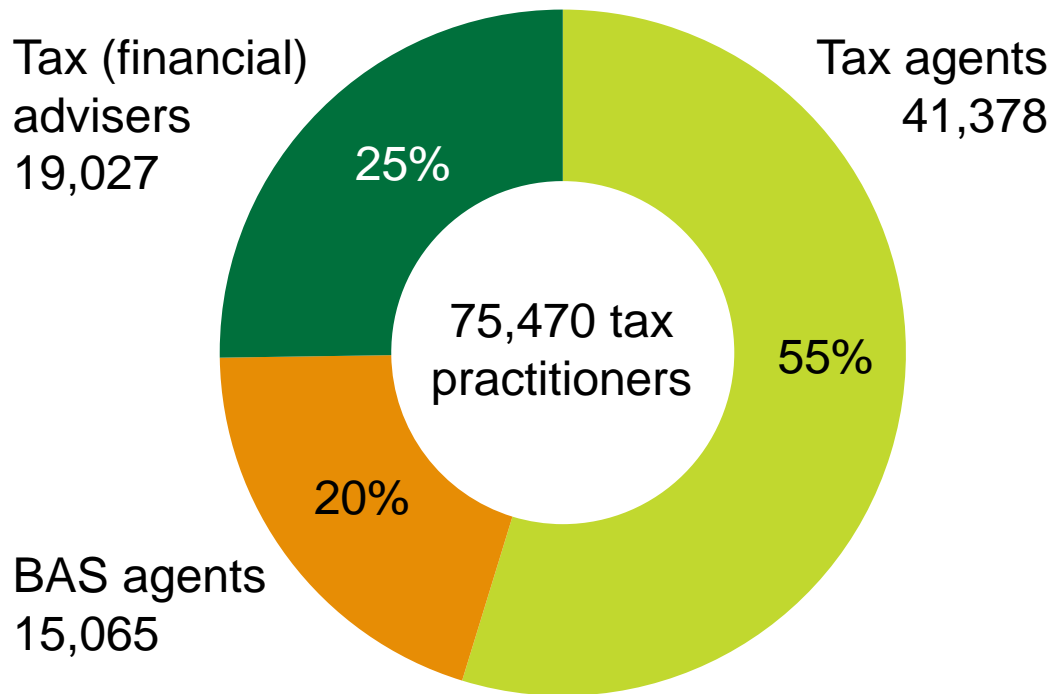


Overview of today's presentation

- **The tax practitioner community and the issues affecting them**
- **The regulatory framework**
- **Our compliance strategy and outcomes**
- **Future focus for the TPB**



Australia's tax practitioners





Issues affecting tax practitioners

- Automation and outsourcing of tax services.
- The “cloud” and privacy.
- Digital interaction and the risk of fraud.



Regulatory framework

Tax Agent Services Act 2009 (TASA):

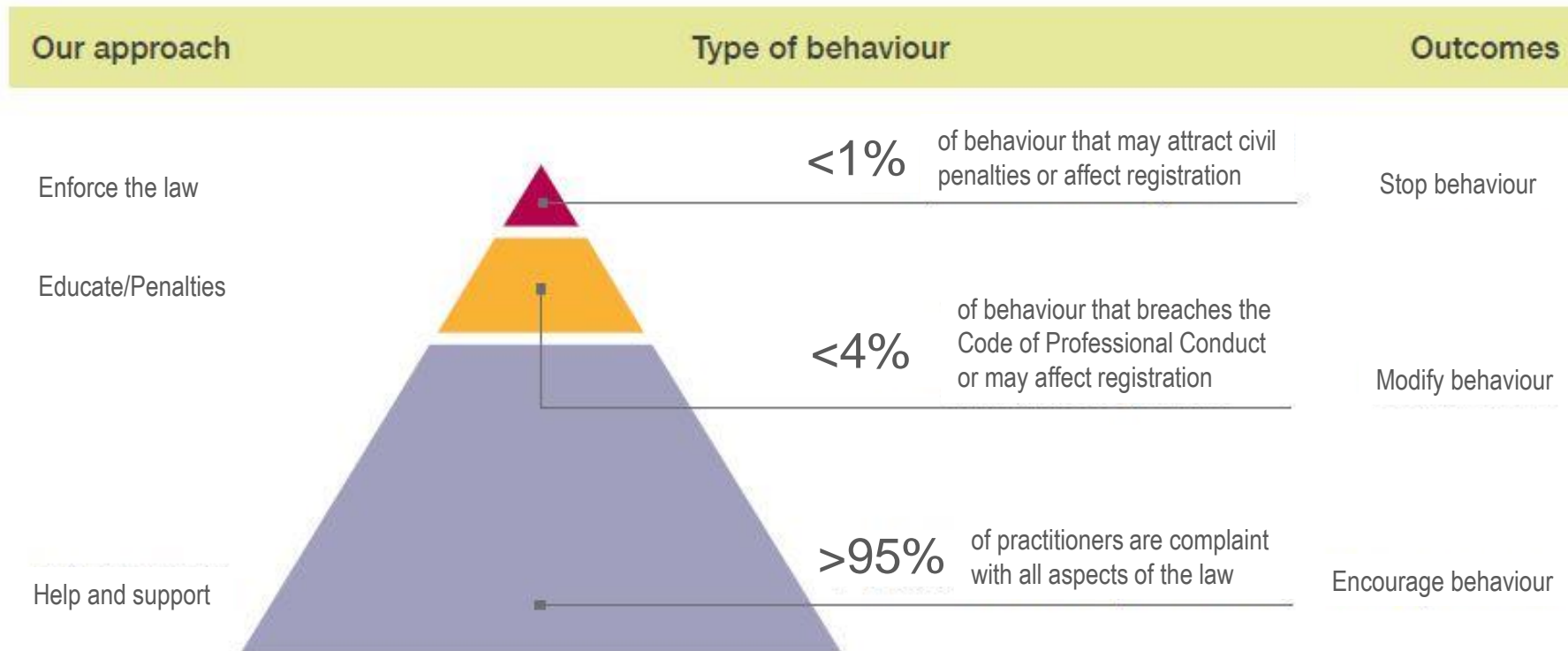
- **Part 3 – Code of Professional Conduct**
 - **Code item 5 – managing conflicts of interest**
 - **Code item 6 – confidentiality of client information**
 - **Code item 9 – reasonable care in ascertaining a client’s state of affairs**



TPB compliance strategy

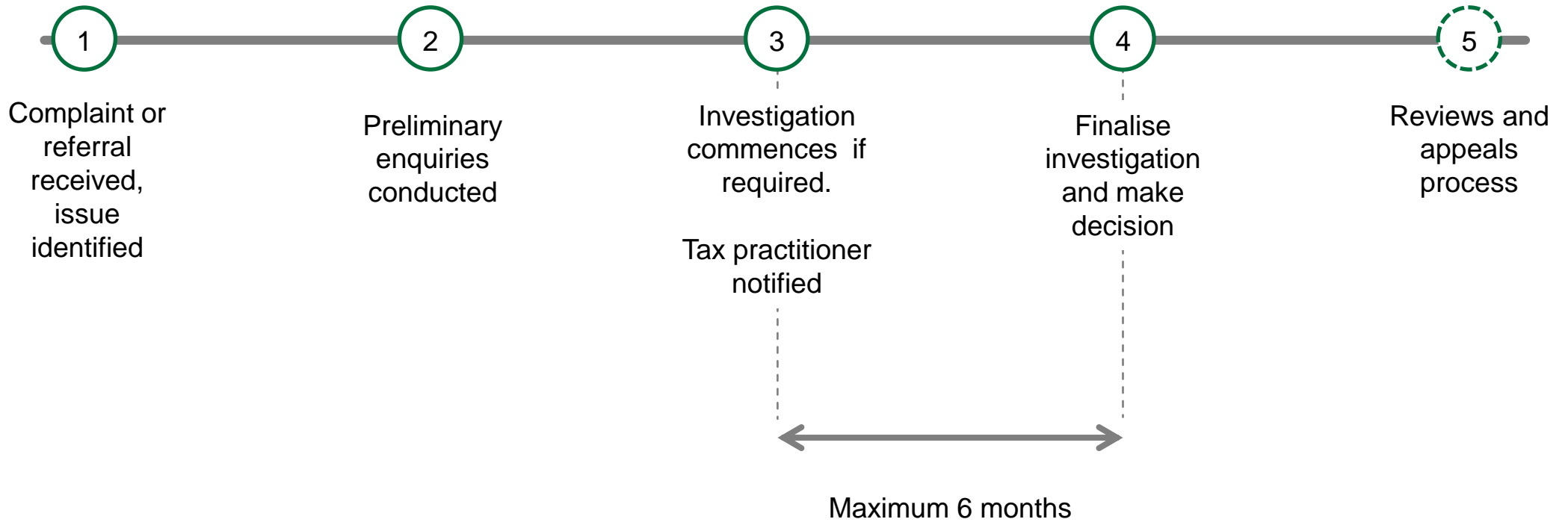
- **Risk-based – we focus on issues where there is greatest risk or harm to taxpayers and the community.**
- **Our aim is to:**
 - **provide strong support for tax practitioners who comply with the Code of Professional Conduct and other legislative requirements**
 - **take firm action against tax practitioners who do not comply**
 - **identify and take steps to address unregistered tax practitioner activity.**

Compliance triangle



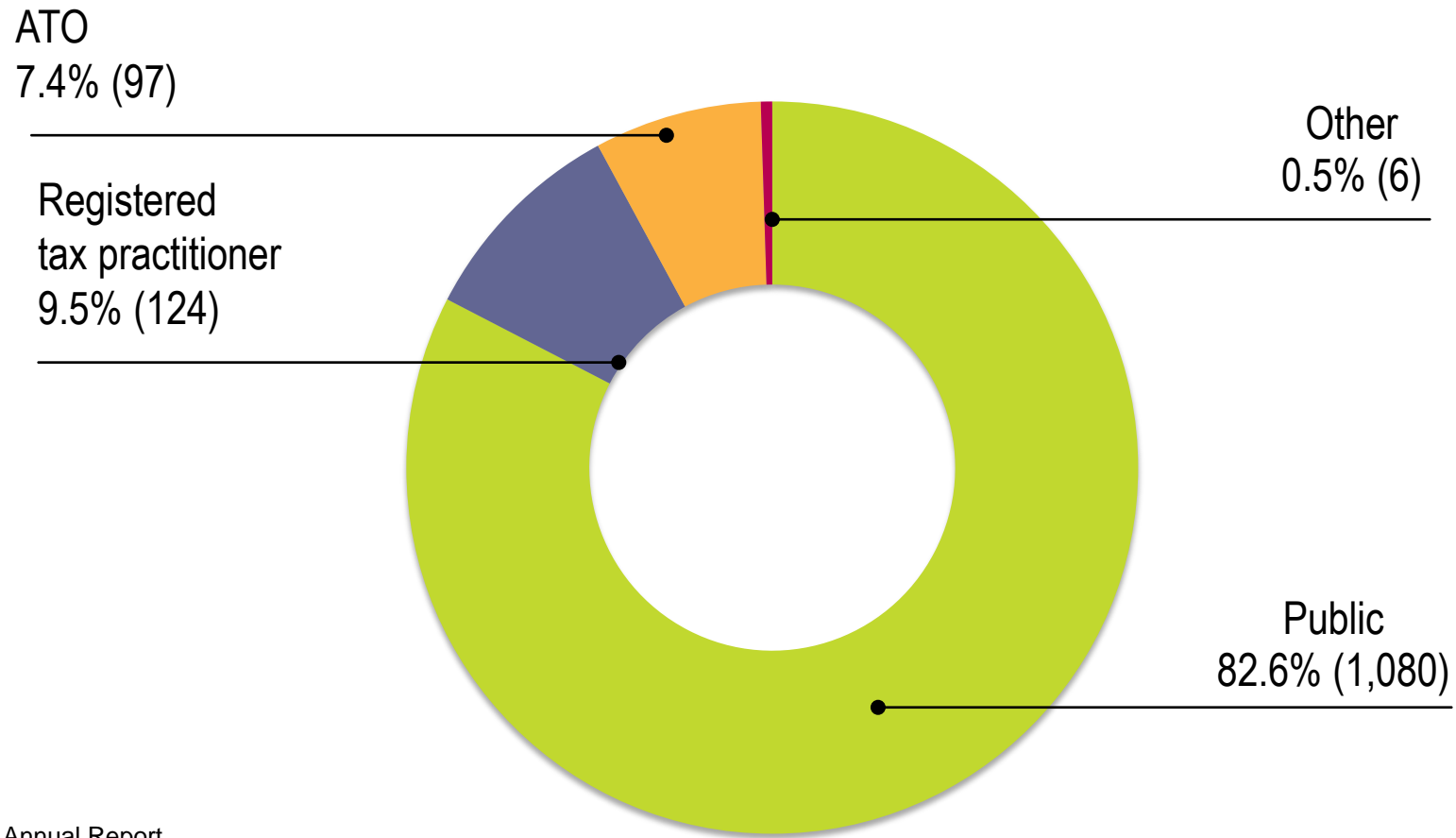


Compliance process





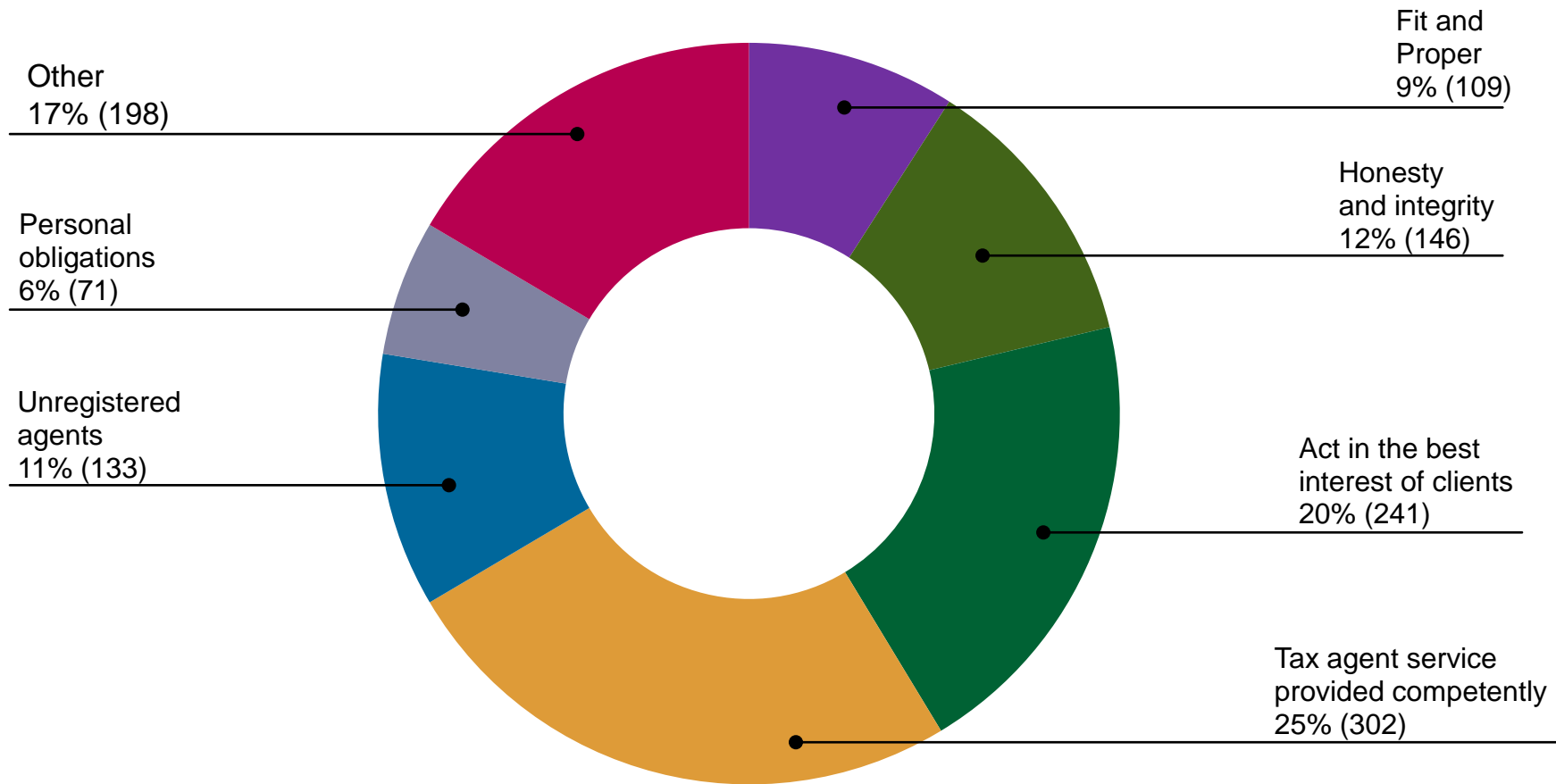
Source of complaints 2014-15



Source: TPB Annual Report
2014-15



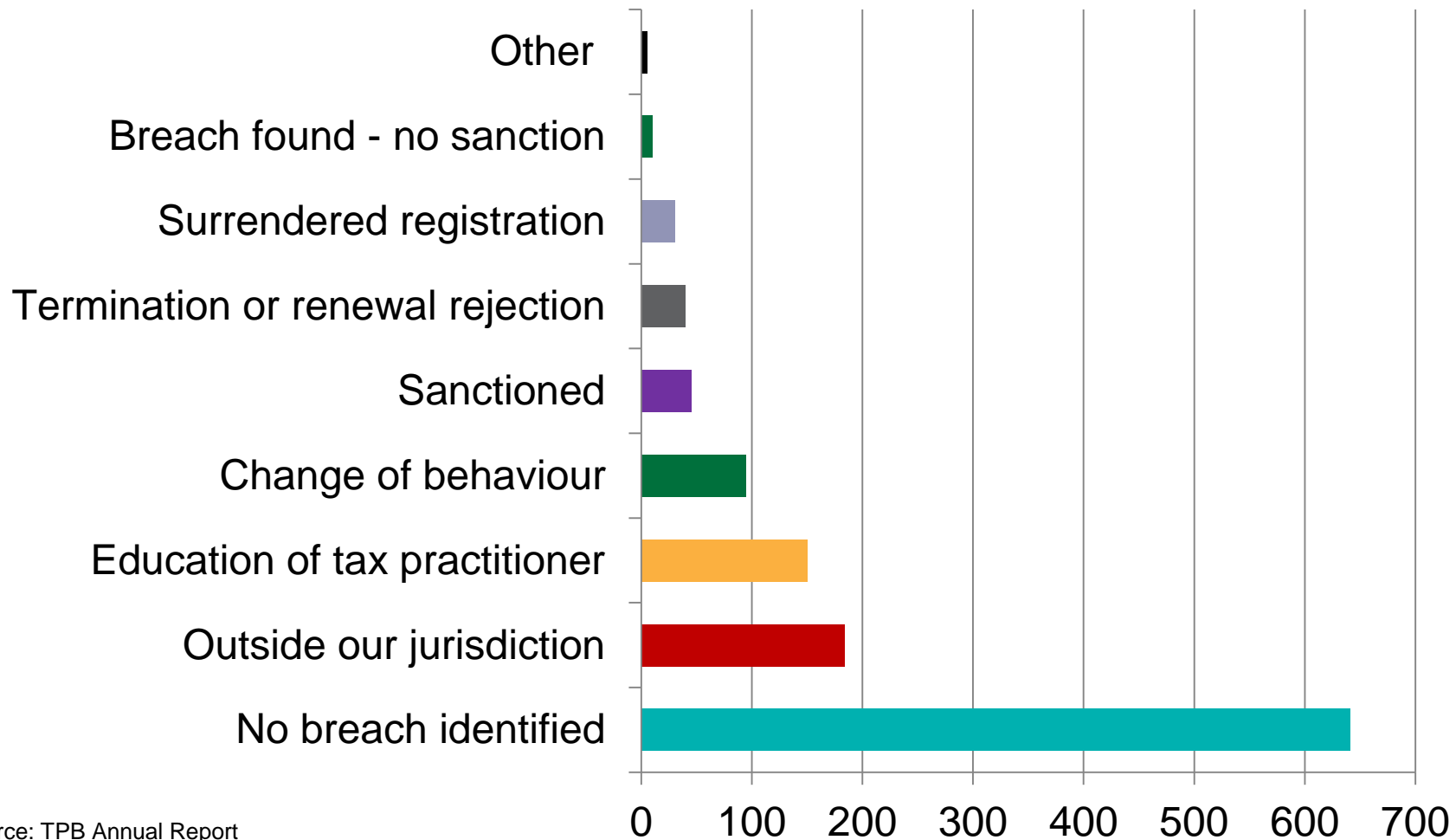
Compliance cases 2014-15



Source: TPB Annual Report
2014-15



Compliance outcomes 2014-15



Source: TPB Annual Report
2014-15



Case study 1 – unregistered agent

- In May 2015 the Federal Court of Australia ordered Mr Peter Kolya to pay a \$150,000 penalty and his company, HP Kolya Pty Ltd, to pay a \$750,000 penalty for providing tax agent services for a fee while unregistered.
- This is the largest penalty imposed for breaches of the TASA.



Case study 2 – agent made false claims

- In 2014-15 a tax agent prepared and lodged a BAS on behalf of their client, claiming input tax credits the client was not entitled to.
- ATO disallowed the claims and imposed penalties for recklessness.
- TPB suspended the agent for six months and issued orders for further study on goods and services tax, trust law and property law.

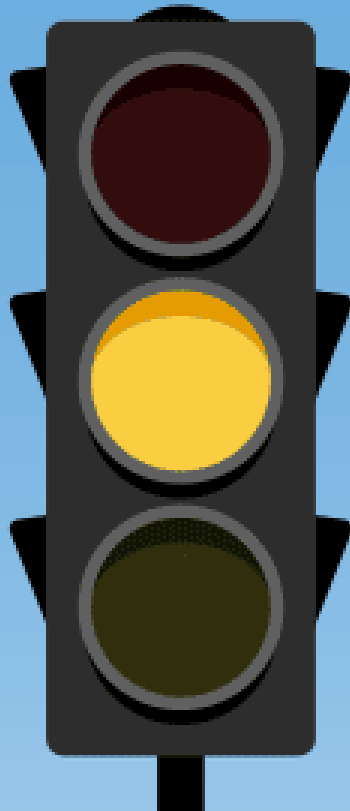


Case study 3 – agent not fit and proper

- Tax agent failed to comply with TPB orders to complete a course of education/training on the Code of Professional Conduct and comply with undertaking to bring their personal tax obligations up to date.
- In 2014-15 the AAT affirmed TPB decision to terminate a tax agent's registration on the grounds that they had ceased to meet the requirement to be a fit and proper person.



Maintaining integrity in the tax profession



**UNSURE IF YOUR
TAX OR BAS AGENT
IS REGISTERED?**



Maintaining integrity in the tax profession

- Raising public awareness of registered practitioners
- Educating tax practitioners about their obligations under the TASA, including the Code
- Encouraging reports of unregistered activity
- Taking action against unregistered activity



Tax agent
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Future focus for the TPB

- **New Board setting strategic direction for 2016-19.**
- **Improving online experience for tax practitioners.**
- **Provide guidance on emerging professional practice issues and obligations under the Code.**
- **Assisting entities to renew their tax (financial) adviser registration.**