



THE TAX INSTITUTE

28 June 2021

Ms Madalene Sarvos
Acting Senior Policy & Legislation Advisor
Tax Practitioners Board
GPO Box 1620
SYDNEY NSW 2001

By email: tpbsubmissions@tpb.gov.au

Dear Madalene,

Supervisory arrangements under the *Tax Agent Services Act 2009*

The Tax Institute welcomes the opportunity to make a submission in response to the Tax Practitioners Board's (TPB) Exposure Draft Information Sheet [TPB\(I\) D46/2021 Supervisory arrangements under the Tax Agent Services Act 2009 \(TASA\) \(Exposure Draft\)](#) issued on 31 May 2021.

We have engaged with our National Technical Committees in the development of our submission and note that we have received no negative feedback in relation to the Exposure Draft. Accordingly, our submission seeks to commend the TPB on the consultation process it has undertaken to enhance the guidance provided on supervisory arrangements. We also recommend an amendment to an example within the Exposure Draft for the TPB's consideration in the finalised document.

The Tax Institute is the leading forum for the tax community in Australia. We are committed to shaping the future of the tax profession and the continuous improvement of the tax system for the benefit of all. In this regard, The Tax Institute seeks to influence tax and revenue policy at the highest level with a view to achieving a better Australian tax system for all. Please refer to **Appendix A** for more about The Tax Institute.

Our comments

The Tax Institute considers that the Exposure Draft provides appropriate and reasonable information to assist entities in understanding the TPB's approach to supervisory arrangements under the TASA and the Code of Professional Conduct.

Consultation process

The Tax Institute commends the TPB on the process to date that it has undertaken to consult with stakeholders on the supervisory arrangements. We are grateful to have had the opportunity to engage with the TPB in this regard.

The Tax Institute considers that the present version of the Exposure Draft is appropriate and helpful to tax practitioners. In particular, we support the acknowledgement of contemporary business structures and operations specifically the emergence of remote working arrangements.

Recommendations

Notwithstanding the above, The Tax Institute recommends an amendment to Example 1 under Paragraph 21 of the Exposure Draft relating to 'Determining the sufficient number' to reflect the circumstances contemplated by Paragraph 21.

Accordingly, we propose the following amendment (as emphasised):

“Example 1

AAA Pty Ltd is a registered tax agent company. The company employs Tom, a registered tax agent, and three additional employees who are new to the industry and are not currently registered with the TPB. AAA Pty Ltd provides tax agent services to around 50 clients, including government agencies.

*As part of its registration application, AAA Pty Ltd nominated Tom as the supervising agent for the company. AAA Pty Ltd did not seek Tom’s prior written informed consent before nominating Tom as its supervising agent. **There was no specific existing documentation in place which obviated the need for Tom’s prior informed written consent.***

As AAA Pty Ltd has not received Tom’s prior informed consent, AAA Pty Ltd is not meeting its ongoing registration requirement to have a sufficient number of registered individual tax agents to provide tax agent services to a competent standard and to carry out supervisory arrangements on behalf of the company.”

We look forward to the release of the final Exposure Draft by the TPB including any further developments arising from the consultation process, where appropriate.

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If you would like to discuss any of the above, please contact Michelle Ma, Associate Tax Counsel, Tax Policy & Advocacy, on (02) 8223 0084.

Yours faithfully,



Peter Godber

President

APPENDIX A

About The Tax Institute

The Tax Institute is the leading forum for the tax community in Australia. We are committed to representing our members, shaping the future of the tax profession and continuous improvement of the tax system for the benefit of all, through the advancement of knowledge, member support and advocacy.

Our membership of more than 11,000 includes tax professionals from commerce and industry, academia, government and public practice throughout Australia. Our tax community reach extends to over 40,000 Australian business leaders, tax professionals, government employees and students through the provision of specialist, practical and accurate knowledge and learning.

We are committed to propelling members onto the global stage, with over 7,000 of our members holding the Chartered Tax Adviser designation which represents the internationally recognised mark of expertise.

The Tax Institute was established in 1943 with the aim of improving the position of tax agents, tax law and administration. More than seven decades later, our values, friendships and members' unselfish desire to learn from each other are central to our success.

Australia's tax system has evolved, and The Tax Institute has become increasingly respected, dynamic and responsive, having contributed to shaping the changes that benefit our members and taxpayers today. We are known for our committed volunteers and the altruistic sharing of knowledge. Members are actively involved, ensuring that the technical products and services on offer meet the varied needs of Australia's tax professionals.