



BAS AGENTS AND THE NEW TAX AGENT SERVICES REGIME

REGISTRATION

Who can provide BAS services under the old regime?

Under the old regime only certain entities can provide BAS services, those were:

- A member (except a student member or retired member) of a recognised professional association.
- A bookkeeper working under the direction of a registered tax agent.
- Where a BAS service relates to PAYG withholding — a person who provides payroll services to an employer.
- Where a BAS services relates to imports and exports to which an indirect tax law applies — a customs broker licensed under Part XI of the *Customs Act 1901*.

Who will need to register to provide BAS services under the new tax agent services regulatory regime?

An entity providing BAS services for a fee or other reward is required to register under the new regime in order to provide those services.

- The definition of BAS service is slightly broader than its definition in the old regime and therefore it is expected that the entities allowed to provide BAS services under the old regime as well as other entities providing other service 'caught' by the new definition will need to register in order to provide their services for a fee or other reward.

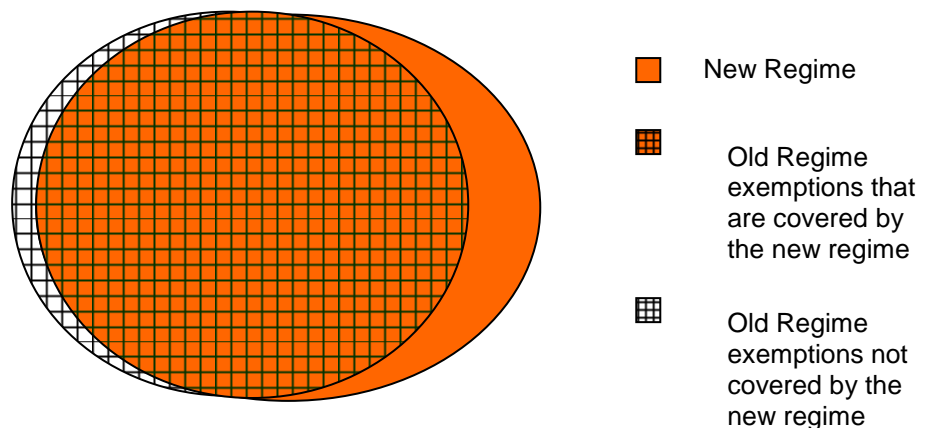


Figure not to scale.



Who is not required to register under the new regime?

Employees

Employees of an entity providing a BAS service are **not** required to register under the new regime. Employees are providing an employment service for a wage/salary and therefore are not providing a BAS service.

- Certain entities (companies and partnerships) that seek registration as a BAS agent under the new regime will need a sufficient number of people who are registered as tax agents or BAS agent and therefore the entity, seeking registration, may encourage its employees to be registered, however it is not a requirement.
- The sufficient number of people who are registered may include partners, directors, employees, contractors and staff provided under a service trust arrangement.

Customs brokers

By virtue of an exemption from a civil penalty provision in the *Tax Agent Services Act 2009*, Customs brokers licensed under Part XI of the *Customs Act 1901* can provide BAS services that relate to imports or exports to which an indirect tax law applies without registration as a BAS agent.

TRANSITIONAL PROVISIONS

How do the transitional provisions work?

Transitional Provision for prospective BAS agents (Item 5 of Schedule 2)

Who is transitioned?

- Entities that were providing BAS services under the old regime because they were legally allowed to do so (listed above and represented by the orange check-pattern in the figure above) are transitioned into the new regime.
- other entities who were not required to register under the old regime to provide the services they were providing, but will be required under the new regime to register to provide those same services (The area in the figure above coloured only orange), are also transitioned into the new regime.

How are they transitioned?

In order to be transitioned, the entities listed above will need to notify the Board within the first 6 months from commencement that they are such entities.

- Note: entities are not required to make an application to the Board for registration. These entities will therefore not need to pay an application lodgement fee.



How long is the transitional period for?

The entity will be taken to be a registered BAS agent for a period of 2 years beginning immediately after commencement of the new regime.

Special Rule for applications for registration as a BAS agent (Item 14 of Schedule 2)

What does the provision do?

If an entity applies for registration as a BAS agent within 3 years from commencement of the new regime and the only registration requirement the entity does not meet are the educational qualifications and relevant work experience that are required for registration, the entity is eligible for registration (and therefore the Board will grant registration) if:

- the Board is satisfied that the entity had been providing BAS services to a competent standard for a reasonable period before making the application.

How long to access this special rule?

The special rule applies to anyone who applies for registration within 3 years from commencement.

How long will an eligible entity be registered for?

If the entity only uses the special rule — they will be registered for a minimum of 3 years (like all other registrations).

If the entity uses the transitional provision (explained above) and then uses the special rule — they will be registered for a minimum of 12 months (The Board will use its discretion to determine a period once looking at the relevant information).

REGISTRATION REQUIREMENTS

What are the registration requirements for BAS agent?

Individuals

An individual, aged 18 years or more, is eligible for registration as a registered BAS agent if the Board is satisfied that:

- the individual is a fit and proper person; and
- the individual meets the educational qualifications and relevant experience requirements.



Educational qualifications and relevant experience requirements — Avenues for registration

To meet the educational qualifications and relevant experience requirements an individual can meet any of the following options.

1. Accounting Qualifications

An individual has:

- been awarded at least a Certificate IV Financial Services (Accounting) or a Certificate IV Financial Services (Bookkeeping) from a registered training organisation or an equivalent institution;
- successfully completed a course in basic GST/BAS taxation principles that is approved by the Board; and
- undertaken at least 1400 hours of relevant experience in the preceding 3 years.

2. Membership of professional association

An individual:

- has been awarded at least a Certificate IV Financial Services (Accounting) or a Certificate IV Financial Services (Bookkeeping) from a registered training organisation or an equivalent institution;
- has successfully completed a course in basic GST/BAS taxation principles that is approved by the Board;
- is a voting member of an Recognised BAS agent association or a recognised tax agent association; and
- has undertaken at least 1000 hours of relevant experience in the preceding 3 years.

Partnerships and Companies

The partners and directors will need to pass fit and proper person requirements and there are other requirement relating to external administration and conviction of serious taxation offence.

- In addition, the partnership or company will need to have a sufficient number of individuals, being registered tax agents or BAS agents, to provide BAS services to a competent standard, and to carry out supervisory arrangements.

NEED MORE INFORMATION?

Further information will be released as it becomes available on the Tax Practitioners Board's website at www.tpb.gov.au