

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

13 – 14 February 2013

Question: AET 57

Topic: Tax Agent Services Act

Hansard Page: Page 80, 14 February 2013

Senator CORMANN asked:

Senator CORMANN: Given the change, only applies to accountants that are members of a joint accounting body, how does that fit with the Minister Shorten's statement on 28 November 2012 when he said:

The regulations will also benefit thousands of small businesses by creating a significant opportunity for up to 10,000 accountants and the estimated 18,000 financial advisers who wish to grow and diversify their business. How does this change benefit 18,000 financial advisers?

Ms Sim: This change brings into the licensing regime people that were not previously within the licensing regime. How would it benefit the other advisers? It creates a limited licensing class so it would allow someone who has not got a financial services licence to apply for this limited license.

Mr Murphy: You can meet the eligibility requirement of this limited license. You do not have to be an accountant.

Senator CORMANN: So how long will the accountants have to transition into the licensing regime?

Mr Murphy: I think it goes for three years, from July 2013 to July 2016.

Senator CORMANN: When would the accountants have to start complying with all of the ASIC requirements?

Mr Murphy: The new license applies from 1 July 2013 and then there is this transition period which can run for the three-year period.

Ms Sim: Ultimately, they need to come into the regime by 30 June 2016. They are being eased into the licensing regime.

Senator CORMANN: Eased into the licensing regime. Given that we are talking about easing, on the flip side there have to be some changes to the Tax Agent Services Act, which I think were announced last Friday, were they?

Ms Sim: That is handled by our colleagues in Revenue Group, but I believe yes.

Senator CORMANN: Hang on. So you are not responsible for the extension of the Tax Agent Services Act to financial planners? This is the flip side of what you are doing.

Ms Sim: Yes, that is the flip side. Our Revenue Group colleagues are responsible for that part of it, so we have been liaising with them to make sure that there is consistency. But that is being handled by our Revenue Group colleagues.

Senator CORMANN: So you look after tax agents that want to be financial advisers.

Ms Sim: They are handled by us, yes.

Senator CORMANN: But financial advisers that want to do—

Ms Sim: Because the Revenue Group has responsibility for the tax agents board.

Senator CORMANN: So you are not able to tell me when that is supposed to come into force?

Senator Wong: I am sure you can ask that in two hours.

Senator CORMANN: Revenue Group has a lot on, as you know.

Senator Wong: There is no conspiracy. We can take it on notice.

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Answer:

The extension of the *Tax Agent Services Act* to financial planners is supposed to come into force from 1 July 2013.