

Cutting through the minefield - BAS Agent law starts 1 March, 2010 (February 19, 2010)



EXECUTIVE SUMMARY:

- 1) There is nothing to panic about until the Board provides further information.

1 MARCH 2010 is the start date and, arguably, you could be penalised from that date so

- 2) You can register under the transitional provisions TODAY
The Transitional Act allows you to provide BAS Services after 1 March 2010 if you were legal* before 1 March 2010 - simply notify them (refer to information and the Tax Practitioners Board links at www.icb.org.au/BAS_Agent) before the 1 September 2010 - you can keep doing BAS Work before you notify.

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or

- 3) The Act allows you to provide BAS Services once you have lodged an application to register if you qualify (see detail below)

THE DETAIL:

Start date?

1 March 2010 (ie only days away)

What does it mean?

You must have some status in accordance with the new law as of that date or soon after to keep providing BAS Services.

What status as of 1 March?

Based on known information from the law (the Acts, the Regulations, the Explanatory Memorandum) and the board (www.tpb.gov.au) as of today the "most" available status is to be a "transitional BAS Agent" under Sn5, Part2, Schedule2 of the Transitional Act.

What is a "Transitional BAS Agent"?

If you were legal (under direction of a registered tax agent in relation to your BAS work or a Member of an RPA or just providing Payroll services) then you are allowed to be a "Transitional BAS Agent".

To use this provision then you may provide BAS Services as from 1 March 2010 as long as you notify the board before 1 September 2010 that you are a "Transitional BAS Agent". Yes you can keep doing the work before you notify them.

There is **NO OTHER REQUIREMENT** to qualify as transitional other than to notify them that you were legal before 1 March 2010. It is possible the board will seek confirmation of a Tax Agent that was directing your work or your Accounting Association membership & compliance.

A Transitional BAS Agent is then "taken to be a registered BAS Agent" for up to two years, ie: you are subject to all the new laws about being a BAS Agent (the code of conduct etc)

How do I notify?

Refer to www.icb.org.au/BAS_Agent for an explanation on everything you need to know and have on hand when you fill in the online form that is available NOW at www.tpb.gov.au

When to notify?

Before 1 September 2010. The start date is 1 March 2010 however the Act allows a 6 month window before BAS Agents really need to do anything in terms of official registration or notification.



I WANT TO REGISTER IMMEDIATELY and not be "transitional"!

We envisage (hope) that the board will shortly issue forms to allow registration as of 1 March 2010. Nothing has been issued by the board to date that allows you to interact or register with them.

How do I qualify to be registered?

To qualify as a registered BAS Agent (based on known information in the Acts, the regulations, the Explanatory Memorandum and from the Board at www.tpb.gov.au) then:

OPTION A

Be qualified & experienced:

Together with other requirements ie Certificate IV in Financial Services etc., for these two means of registration being "Qualifications" the Act requires that you have "completed a course in basic GST/taxation principles that is approved by the Board".

No such course has been approved by the Board to our knowledge and public information as of today, nor is there a mechanism to do so.

So there is nothing you can do at this point to prove this "Qualification".

The experience requirement is stated as you must have 1400 hours relevant experience within 3 years, or as a voting member of a recognised association then the amount is 1000 hours. There are no recognised associations under the new law. ICB will be applying and based on known information should qualify as soon as the Board is able to process an application for recognition.

If this is the option you select then "Your to do list":

- a) Start drawing up a register of Relevant Experience to prove you have the hours (if the board does not issue a template by the 20th Feb - ICB will)
- b) Finish your Certificate IV in Financial Services
- c) As soon as we know what an approved course in GST/taxation principles is then ensure you have it. (keep an eye on www.icb.org.au)

OPTION B

Competent for Reasonable Period – (currently the workable option).

Therefore the only ability to be qualified is Sn 14, Part 3, schedule 2 of the Transitional Act which states that "The Board is satisfied that the entity (ie you) had been providing BAS Services to a competent standard for a reasonable period before making the application"

We continue to seek guidance from the Board as to what will be considered a "Reasonable Period" (ICB view is two years) and "Competent Standard".

During late February (**hopefully** the 20th) ICB will be providing you the ability to independently prove your competence. We will provide access and links to the knowledge that a BAS Agent is required to have and we will provide an assessment of that knowledge. We will submit this system to the board for their pre-approval and acceptance. We will issue you with a certificate of competence based on this system which you can submit to the Board as complying with this provision.

ICB is not currently convinced that the Certificate IV in Financial Services unit in relation to GST/BAS is satisfactory in its own right as the specifications of the unit do not cover all BAS Agent service areas adequately. Some trainers are doing a more comprehensive coverage of all areas very well but some are not.

Once you have applied, you are considered to be registered until the board tells you otherwise or the expiry of 6 months from application.

What do you need to do:

- a) Start drawing up a register to prove reasonable period. We can only use known information to date to indicate 1400 hours over 3 years of Relevant Experience to prove you have the reasonable period covered. (if the board do not issue a template by the 20th Feb - ICB will)

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b) Keep in touch as we release the knowledge base to you

What are BAS Services? See other publications available on this BAS Agent webpage - www.icb.org.au/BAS_Agent

THE **ONLY URGENT ACTION** required:

Notify the board as a Transitional BAS Agent.

or

Be prepared to register proving your competence for a reasonable period.

Please note, that while it appears the Board will not be requiring PI Insurance as of 1 March 2010, ICB does require it for all bookkeepers in practice.

Email us with any queries - admin@icb.org.au

FURTHER INFORMATION

ICB comprehensive BAS Agent advice at www.icb.org.au/BAS_Agent

Tax Practitioner Board information at www.tpb.gov.au

Attend the ICB national conferences during March 2010 - refer http://icb.org.au/members_area/latest_news/story366.htm

ICB - BAS Agent preparation team
19th February, 2010



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