



Media Release

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Agents to have Professional Indemnity Insurance from 1 July 2011

Dale Boucher, Chair of the Tax Practitioners Board, today announced that from 1 July 2011, registered BAS and tax agents will need to have professional indemnity insurance coverage.

Mr Boucher commented that 'The Board recognises professional indemnity insurance as an important and sensitive matter for agents. It is also an important protection for consumers. As such, the Board has made this one of its priority areas for consideration. While the Board has yet to undertake detailed research and consultations with stakeholders, the overall case for setting an insurance requirement is clear. The Board wants to give stakeholders as much notice as possible that coverage will be required from 1 July 2011. This will be a general requirement that will not apply until then and it is likely to be subject to exceptions.'

He continued, 'Over the next three months the Board will be consulting, through its Committee on Professional Indemnity Insurance, with stakeholders including the insurance industry to develop its approach on the insurance cover required by each agent segment. Agents will be given time to comply with the requirements. We anticipate publishing an exposure draft statement in four months time, with the details to be publicly announced in September 2010. Following this announcement, registered agents will be have adequate time to comply with the Board's requirements.'

Mr Boucher also said 'Given the importance of professional indemnity insurance, the Board also recognises that it will need to give consideration to the development of a legislative instrument in support of this requirement. This will be a formal Board Guideline and it will likely cover matters such as minimum levels of insurance cover for each class of agent, exemptions, and rather than list approved insurance providers, it may set out essential criteria to be met in relevant policies.'

Mr Boucher stated that 'On behalf of the Board, I will be making further timely announcements to ensure that agents and industry are kept informed. I would also like to stress that in the absence of formal insurance cover requirements being imposed by the Board, it is strongly advised agents who have them should maintain their current insurance policies.'

For information on the new regime go to the Tax Practitioners Board website www.tpb.gov.au or contact:

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