



9/07/2014

Mr. Gerry Antioch
General Manager
Tax System Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: taxagentservices@treasury.gov.au

Dear Mr. Antioch,

REGISTRATION REQUIREMENTS FOR TAX (FINANCIAL) ADVISERS

The SMSF Professionals' Association of Australia (SPAA) welcomes the opportunity to provide a submission regarding the draft regulations which detail registration requirements for tax (financial) advisers. SPAA supports the approach taken by the Government to bring tax (financial) advisers under regulation of the *Tax Agents Services Act 2009*.

We believe that the approach proposed in the draft regulations strikes an appropriate balance between requiring financial advisers to have undertaken relevant training in taxation and commercial law and recognising relevant professional experience providing tax advice that is integral to financial advice. The graduated approach of requiring more relevant work experience where an adviser has less formal qualifications is a sensible approach to allowing experienced advisers to register as tax (financial) advisers. We believe the different combinations of formal qualifications, professional association memberships, and, relevant work experience are appropriate and should provide consumers with confidence that a registered tax (financial) adviser has sufficient qualifications or experience to deliver quality tax (financial) advice.

In regards to the option for voting members of professional associations with six years relevant experience to be able to register as tax (financial) advisers without completing courses in Australian tax law and commercial law, SPAA believes that this approach is appropriate. We believe that six years providing tax (financial) advice is an appropriate time frame for advisers to have developed an adequate understanding of tax and commercial law to allow them to give advice in the character of tax (financial) advice. We acknowledge that this is less than the eight years' experience required for tax agent registration on a similar basis and believe

that this is appropriate as tax (financial) advisers give a more limited subset of tax advice. We also support this avenue for registration as it rewards advisers that are members of approved professional associations for taking action which improves their knowledge and professionalism.

We are pleased that the draft regulations give the Tax Practitioners Board (TPB) discretion in approving relevant experience that does not fit within the definition in draft item 305 of Schedule 2 of the Regulations. This should give the TPB flexibility to approve advisers that should be able to register on the basis of their experience but for some reason do not meet the requirements of the relevant experience definition. We would also encourage the TPB to provide guidance on how they would exercise discretion and also in relation to the definition of relevant experience more generally.

SPAA, supports the requirements for approval as a recognised tax (financial) adviser association being consistent with those for recognised tax agent associations. We also support draft item 304 in Schedule 2 which allows members of recognised tax agent associations (such as SPAA), to benefit from the professional association and relevant experience avenue for registration. This will save red-tape and duplication for organisations such as SPAA as we will not have to reapply to the TPB to become a recognised tax (financial) adviser association in addition to being a recognised tax agent association.

Further, we believe that the amendments to regulations which ensure services to be provided by an actuary under a law of the Commonwealth a State or Territory , are not a tax agent service are appropriate.

About SPAA

SPAA is the peak professional body representing the SMSF sector throughout Australia. SPAA represents professionals, irrespective of their personal membership and professional affiliations, who provide advice to individuals aspiring to higher levels of participation in the management of their superannuation savings. Membership of SPAA is principally accountants, auditors, lawyers, financial planners and other professionals such as actuaries.

SPAA is committed to raising the standard of professional advice and conduct in the SMSF sector by working proactively with Government and the industry. In doing so, SPAA has contributed to SMSF advisors providing a higher standard of advice to SMSF trustees. This in turn has enabled trustees to make more informed decisions addressing the adequacy, sustainability and longevity of their own retirement savings. SMSFs offer trustees greater control and flexibility and have become an integral part of the Australian Superannuation

landscape by providing significant and viable options for managers, business owners, executives and retail operators alike.

We would be happy to provide further information or to discuss any questions you may have about this submission with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Slattery', written in a cursive style.

Andrea Slattery

Managing Director/CEO

SMSF Professionals' Association of Australia Limited

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