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Mr Nick Westerink  
Secretariat - Treasury  
Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent  
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By email: [tpbreview@treasury.gov.au](mailto:tpbreview@treasury.gov.au)

Dear Mr Westerink

### **AFA Submission – Review of the Tax Practitioners Board Discussion Paper**

The Association of Financial Advisers Limited (**AFA**) has served the financial advice industry for over 70 years. Our objective is to achieve *Great Advice for More Australians* and we do this through:

- advocating for appropriate policy settings for financial advice
- enforcing a Code of Ethical Conduct
- investing in consumer-based research
- developing professional development pathways for financial advisers
- connecting key stakeholders within the financial advice community
- educating consumers around the importance of financial advice

The Board of the AFA is elected by the Membership and all Directors are currently practicing financial advisers. This ensures that the policy positions taken by the AFA are framed with practical, workable outcomes in mind, but are also aligned to achieving our vision of having the quality of relationships shared between advisers and their clients understood and valued throughout society. This will play a vital role in helping Australians reach their potential through building, managing and protecting their wealth.

#### **Introduction**

The AFA is pleased to provide a submission in response to the Review of the Tax Practitioners Board Discussion Paper. It is our view that this paper rightly raises some very important questions about the future of the TPB, TASA and TASR. We are particularly interested in the discussion with respect to addressing the regulatory duplication that applies to financial advisers. We appreciate the important place this issue has taken in the discussion paper and the strong commitment to find a solution.

The application of the Tax Agent Services Act (TASA) and Tax Practitioners Board (TPB) regime to tax (financial) advisers is very different to the application to other tax practitioners, in that the advice they provide to their clients is not directly related to the submission of tax returns. It is also the case

that some tax (financial) advisers provide very little tax advice in the services that they provide to their clients and are therefore unsure why they are subject to registration with and regulation by the TPB.

Financial advisers are also subject to oversight by the Australian Securities and Investments Commission (ASIC) and accountable to the rules of a range of regulators, such as ASIC, the Financial Advisers Standards and Ethics Authority (FASEA), AUSTRAC, the Office of the Australian Information Commissioner (OAIC) and the ATO (with respect to Self-Managed Superannuation Funds).

Much has changed in the financial advice sector since the 1 July 2014 commencement date for inclusion in the TASA and TPB regime. Firstly, from March 2015 all financial advisers were required to be registered with ASIC on the Financial Adviser Register. Also, in 2017, the Financial Advisers Standards and Ethics Authority was established, which has since created a new education standard for financial advisers that will be progressively introduced over time.

The AFA is a recognised tax (financial) adviser association, and many of our members are registered with the TPB under registration option 304, which takes into account experience and membership of a professional association.

Financial advisers, as either Australian Financial Services Licensees (AFSLs) or through their AFSL, are subject to mandatory membership of the Australian Financial Complaints Authority (AFCA). AFCA provides a very consumer friendly complaint framework, where it is free to make a complaint and the decisions of AFCA are binding on the AFSLs. AFCA considers complaints which refer to tax matters, including any loss that may have arisen as a result of inaccurate or inappropriate tax advice. It is therefore much less likely that financial advice clients will approach the TPB with respect to complaints about the financial advice that they have received.

We acknowledge the need for change to de-duplicate the regulatory oversight of financial advisers and strongly support the consideration of this issue as part of this exercise.

### Response to the Consultation Points raised in the Discussion Paper

#### Consultation points

- 2.1 We invite submissions on our preliminary views.
- 2.2 Could the sharing of information between the TPB and other Government agencies also be improved?

**2.1 -** We strongly endorse the statement that regulators should not unnecessarily impede the efficient operation of regulated entities. It is certainly the view, amongst the financial advice population, that this is not presently the case, although this is predominantly expressed with respect to other regulators and the actual requirement to be registered with the TPB.

**2.2 –** We support the proposal for better sharing of information between the TPB and other Government agencies. Whilst this is currently predominantly done by an MOU, we believe that a legislative solution would provide greater certainty.

### Consultation points

3.1 We invite submissions on our preliminary views regarding the level of independence the TPB should have from the ATO.

The AFA recognises that the issue of independence is important for a number of stakeholders, including tax agents who are preparing tax returns on behalf of clients and representing their clients with the ATO. The issue of the TPB's independence from the ATO is less important for financial advisers, as they are not doing tax returns or representing their clients with the ATO. We, nonetheless, accept that independence and the perception of independence is important. We support the four observations listed in paragraph 3.20 of the discussion paper, which in our view set out a sensible framework for the positioning of the TPB. We are also very conscious that the issue of independence is a trade-off, where a close alignment with the ATO delivers significant cost and efficiency benefits. The cost of running the TPB is a very important consideration as this needs to be passed on to tax practitioners and therefore ultimately paid for by clients.

We support the following alterations:

- Making the Chair of the TPB the relevant accountable authority.
- Having a separate and specific budget for the TPB.
- Making the CEO of the TPB a statutory position to provide increased independence.
- Enabling the TPB to both recruit directly (even if this means they go onto the ATO payroll) and to second staff from the ATO.

We agree with the thinking about the importance of maintaining a close working relationship with the ATO, which is one benefit of being co-located.

It is our view that there would be benefits in taking actions to increase the level of independence, however we would not like to see this happen at the expense of a material increase in the costs of the TPB.

### Consultation points

3.2 We invite submissions on our preliminary views regarding membership of the Board.

In looking at the composition of the TPB Board, it might be useful to reflect on best practice in the corporate sector, where the Board typically prepares and maintains a skills matrix, based upon the expertise and experience that the Board requires to effectively perform their role. This skills matrix may change over time, as the external and internal environment changes and new strategies and issues emerge. We would suggest that this skills matrix could be something prepared by the Board and then endorsed by the accountable Minister. In this way, the recruitment of directors would reflect addressing any gaps in the skills of the current Board.

We note the discussion with respect to the inclusion of a consumer representative on the Board. It might be that an understanding of consumer issues is one of the elements included in the skills matrix. This is a supportable approach. Simply selecting someone because they have a consumer body background, in the absence of the provision of other skills, is in our view, the wrong way to approach this. Neither do we necessarily see the need to appoint someone from the ATO to the Board.

**Consultation point**

3.3 We invite submissions on our preliminary views regarding whether the object of the *TASA* as stated at section 2-5 should be amended? If so how?

The AFA agrees that it is appropriate to review the object of the *TASA*, and that this has evolved since it was first drafted. It no longer appears appropriate to include objects that have already been achieved, such as establishing the Board and introducing a Code of Professional Conduct.

We are conscious that there has been some debate as to whether the TPB should play a role in terms of the integrity of the tax system. Unfortunately, ‘the integrity of the tax system’ has not been defined as part of this process. We are concerned that this may be too broad a concept, which could imply that the TPB would take on a broader role than is intended. Integrity of the tax system implies a level of interest and focus upon the adequacy of the taxation legislation. This is not a role that we think is applicable for the TPB. We believe that it is more appropriate to talk about the TPB in terms of the integrity of the tax profession.

**Consultation point**

4.1 We invite submissions on our preliminary views regarding community awareness of the TPB.

Our views with respect to community awareness of the TPB comes from the perspective of financial advisers, where we have firstly questioned the ongoing role of the TPB as an active regulator. We also question the need for increased consumer awareness, in the case of financial advisers, as the primary place for complaints is firstly the licensee, but secondly AFCA. In this context, promoting the TPB as a point of complaint may actually cause confusion for the clients of financial advisers. With respect to tax practitioners other than financial advisers, we do see the benefit in efforts to promote community awareness of the TPB, where the TPB is an important channel for complaints.

**Consultation points**

4.2 We invite submissions on our preliminary views regarding the public register.

4.3 Does there need to be greater visibility over firm governance arrangements and the use of supervisory agents, so that it is clear to the TPB and the public who is accountable for the delivery of tax agent services?

4.4 What sort of governance rules should tax practitioner firms be subject to?

4.2 – The AFA favours registration at the individual level, although noting that this is not the case for larger entities where the ‘sufficient numbers’ model is often followed. If the focus was on individual registration, then details on the governance structures of firms might be less important.

The ASIC Financial Adviser Register (FAR) will, from 2020, keep a record of any disciplinary action taken against financial advisers. We would therefore see grounds to take a similar approach with the TPB register.

4.3 – We are not aware of the reasons behind seeking greater visibility of the governance structure of firms, although we are also not sure whether the TPB register is the best mechanism to achieve this. The ASIC Financial Adviser Register does include a field for who an AFSL is controlled by.



4.4 – We do not have a view on the governance rules that should apply to tax practitioner firms, although we make the point that ASIC requires AFSL applicants to demonstrate a range of factors as part of the application process, including experience and financial resources.

#### Consultation points

- 5.1 We invite submissions on our preliminary views.
- 5.2 Is the period of time required for relevant experience appropriate? Should they be increased or decreased?
- 5.3 Should the TPB be given the flexibility to determine what, and how much time is required, for experience to be relevant.
- 5.4 Are the eligibility requirements for a company or partnership to become registered appropriate?
- 5.5 Should the registration period be converted to an annual period (rather than every three years)?
- 5.6 Should the primary educational qualification requirement for a tax agent be increased to a degree level qualification?
- 5.7 Should the primary educational qualification for a BAS agent be increased to a diploma level qualification?

5.1 – The AFA believes that the current approach with respect to experience, is too rigid and there is not enough flexibility in the system. We agree that it is appropriate to periodically review the education requirements for tax practitioners, however any fundamental changes need to be implemented in a pragmatic way, allowing the industry and individual practitioners to transition over a reasonable period of time where this is appropriate.

5.2 – In responding to this question, it is important to note that the financial advice sector has been subject to significant change with the introduction of new education standards and a professional year requirement. All new financial advisers from the beginning of 2019 will be required to have an approved degree, pass an exam and complete a 12 month professional year. The completion of these requirements should qualify an adviser to operate, and if financial advisers are to continue to come under the TPB regime, then we consider that the 12 month professional year program should represent sufficient experience.

In terms of existing advisers who are members of a professional association, it is our view that six years full time out of the last eight years is excessive. It also causes problems for financial advisers who have periods of absences such as for maternity leave, particularly if they return to work on a part time basis. This is an issue that we have seen a number of cases where the outcome is, in our view, unreasonable.

5.3 – In our view, the TPB should have some flexibility to deal with specific cases, including as might be the case, someone returning from a career break such as maternity leave. In a case where someone worked as a financial adviser for 10 years before taking maternity leave, however, took time off to have a couple of children and returned to work part time, they could be in the position where they no longer meet the experience criteria. This could be a situation where they have 12.5

years full time experience out of the last 15 years, yet no longer meet the standard. Surely this can be overcome by either changing the criteria or giving the TPB flexibility in this assessment?

5.4 – We do not have any feedback with respect to the eligibility requirements for a company or partnership.

5.5 – We do not believe that a case has been put forward for a change to an annual registration requirement, particularly in the context of the requirement for an annual declaration. We recognise the concern that a three year period might be too long, so we put forward the suggestion that it could be a two year registration period, but with no annual declaration requirement. Once again, we are giving consideration to the cost of the annual renewal exercise and consider a two year period a sensible balance.

5.6 – The AFA would support the introduction of a mandatory degree requirement for new tax agents. Whilst there was no grandfathering for financial advisers as part of the 2017 Professional Standard regime, we feel that this was not the correct approach and would support sensible grandfathering arrangements for existing tax agents.

5.7 – The AFA would support the introduction of a mandatory diploma level requirement for new BAS agents. Whilst there was no grandfathering for financial advisers as part of the 2017 Professional Standard regime, we feel that this was not the correct approach and would support sensible grandfathering arrangements for existing BAS agents.

#### Consultation points

5.8 We invite submissions on our preliminary views regarding tax intermediaries.

In supporting the removal of financial advisers from the TPB/TASA regulatory regime, we are acknowledging the need for greater flexibility in which roles are covered and which ones are not covered. It is recognised that as industries evolve, this will change over time and the system needs to include sufficient flexibility for the sensible treatment of new emerging fields. We caution the inclusion of fields where taxation advice is very peripheral and these situations would need to be addressed on a case by case basis.

Ultimately, client protection is important, and where sectors for whom tax advice is entirely peripheral, and there are other client protection mechanisms and complaint bodies, then we believe there should be the capacity to sensibly exclude them from this regime. We particularly note that lawyers (other than those lodging tax returns) are exempt from this regime, just as they are from other regimes. This exercise, to determine inclusion and exclusion, needs to be done on an equitable and sensible basis.

#### Consultation point

5.9 We invite submissions on our preliminary views regarding being a fit and proper person.

The AFA supports standardisation across sectors to simplify the approach and requirements. We would therefore support greater alignment between the fit and proper requirements for the TPB with those required by ASIC.

**Consultation points**

- 5.10 Should the eligibility criteria for registration be amended so that universities and not-for-profit organisations that run tax clinics are able to register?
- 5.11 Should the TPB be able to gazette for the purpose of advertising, instead of the Commissioner?

**5.10** – The AFA supports the establishment of tax clinics by universities, which provide good experience opportunities for students and access to tax advice for those who are less able to afford it. We note that university clinics are not required to be registered, as they are not charging a fee, however we would support them having the ability to seek registration if they choose to.

**5.11** – We agree that the power that currently sits with the Commissioner to approve advertising should be available to the TPB.

**Consultation point**

- 6.1 We invite submissions on our preliminary views regarding making the Code a more dynamic instrument.

The AFA supports increased flexibility to update the Code, although we have concerns about how this might be done.

The financial advice sector has recently experienced the establishment of the FASEA Code of Ethics. This is a new very important code that was registered on 11 February 2019, and is due to come into force on 1 January 2020. Even now, with less than four months until it is due to start, we still have many serious concerns about how it will operate. FASEA were required to consult as part of finalising the Code of Ethics, however our experience was that they did not sufficiently take the feedback of the profession into account, and in the case of one standard, fundamentally changed it between the consultation version and the final version.

We are therefore concerned about the risks in having a statutory body set and amend codes of conduct without a greater level of oversight and consultation.

In our view, codes of conduct or ethics are best developed with the input and support of the community that is subject to the code. This delivers a better outcome, as there is the necessary buy-in on many levels.

Our feedback on this point is coloured by our own experience, and is not reflective of our views of the current board of the TPB. We would favour a solution where the Code of Professional Conduct remains in the law, however there is some flexibility for it to be adjusted over time by means of regulation, which would require the approval of the relevant Minister.

One area where we do have some concerns about the currency of the Code of Professional Practice is with respect to Item 6 on confidentiality. It is possible that this was developed in a less automated time, where the use of integrated systems was not such an important part of business. In a rapidly evolving business environment, it is problematic to expect tax practitioners to seek client approval each time before implementing new technology such as cloud computing or outsourced service providers. We have also had concerns about the TPB's expectations for positive client approval when an adviser is changing licensee or selling their business.

### Consultation points

- 6.2 We invite submissions on our preliminary views regarding LPP.
- 6.3 What barriers are there to the timely resolution of LPP claims and how might they be overcome?
- 6.4 If registered tax practitioners who are not lawyers were to be able to maintain a claim for LPP how should the Code of Professional Conduct operate?

The AFA does not have a view on the issue of legal professional privilege in the tax practitioner space and we have therefore chosen not to comment on this.

### Consultation points

- 7.1 We invite submissions on our preliminary views.
- 7.2 Should the TPB be able to demand information before formally commencing an investigation?

7.1 – The AFA is supportive of the TPB having access to a greater range of sanctions to address poor behaviour amongst the tax practitioner population.

The AFA is supportive of arrangements being available for the TPB to pursue an investigation into someone who has chosen to de-register themselves. We would agree that de-registering yourself should not be a means to avoid disciplinary action.

We support the addition of measures such as enforceable undertakings, interim suspensions and permanent bannings. We would also support longer term visibility of terminations beyond the 12 month mark. ASIC now have a policy of removing media releases involving serious matters such as bannings from the website after the 10 year anniversary.

7.2 – The AFA does not oppose the TPB having the ability to demand information before formally commencing an investigation. This is a power that the AFA has with our members and we would consider that it was reasonable for the TPB to also have this power.

### Consultation point

- 8.1 We invite submissions on our preliminary views.

The AFA would be supportive of additional measures being available to the TPB to deal with unregistered tax practitioners, through options such as infringement notices and enforceable undertakings. We would also be supportive of measures that might prevent the employment of practitioners who have been suspended or permanently banned. Although noting that these people still need to earn a living and dependent upon the circumstances could be employed in roles where there is no risk to clients.

The TPB should have the ability to publish lists of people and entities who have been subject to regulatory action as a result of operating without being registered.



In the financial advice sector, there are a range of controls that prevent people from operating without a licence or without being authorised, although these controls will never be foolproof.

#### Consultation points

- 9.1 We invite submissions on our preliminary views.
- 9.2 If an administrative penalty upon tax agents was introduced, what should be the necessary elements of such a penalty? What sort of information should be required to demonstrate recklessness or intentional disregard?

Our members, who are tax (financial) advisers, do not prepare tax returns and do not represent their clients with the ATO. Therefore, the issue of the safe harbour is not one that they face. We have therefore chosen not to comment on this issue.

#### Consultation points

- 10.1 We invite submissions on our preliminary views.
- 10.2 Are there any other suggestions to reduce the regulatory burden on TFAs whilst maintaining community confidence?

We strongly support the reviews identification of the issue of regulatory overlap or duplication for financial advisers and the commitment to address this issue.

Tax (financial) advisers are primarily regulated by ASIC, with respect to the provision of financial advice, although noting that FASEA also plays an important role. The tax element of that advice is much more peripheral, and for some, it is also quite infrequent. Going back to an earlier point made in this discussion paper, that regulators should not unnecessarily impede the efficient operation of regulated entities, it seems quite apparent that there is a need for simplification. We are not suggesting that financial advisers should not be held accountable to high standards with respect to their tax advice, to the extent that they provide it, but this can be done through the incorporation of taxation advice matters in the standards set by FASEA, and the oversight undertaken by ASIC.

We do not support the thinking about 'de minimis', as put forward by the TPB. In our view, as soon as there is an artificial boundary drawn on the basis of the extent of tax advice, then you add additional complexity, rather than simplification, and ultimately this does not work to the benefit of clients.

In terms of regulatory oversight of tax (financial) advisers, we see the following key components:

- Individual registration of all financial advisers (tax (financial) advisers).
- Setting standards for financial advisers.
- Development and enforcement of a Code of Professional Conduct/Code of Ethics.
- A disciplinary framework and regime.
- A complaints scheme for clients.

As we assess each of these, it is apparent that the most appropriate model is for financial advisers to be registered with ASIC, subject to the standards set by ASIC and FASEA, subject to the disciplinary models operated by ASIC and the new Code Monitoring bodies (although subject to the Royal

Commission recommendation on a single, central disciplinary body) and then bound by the complaints regime operated by the Australian Financial Complaints Authority.

As we assess this in detail, it is important to make the following points:

- The ASIC register is a register of all financial advisers at the individual level, whereas the TPB register does not include all financial advisers, due to the ‘sufficient numbers’ regime.
- FASEA and ASIC jointly play a role to set standards for financial advisers, and between them they cover the vast majority, if not all of an adviser’s operations, making them the clear primary choice for standard setting.
- The Government has in recent years sought to implement new disciplinary models for financial advisers and the Royal Commission has suggested that this should now take the form of a single, central disciplinary body. In this context, if we accept the premise of a single, central disciplinary body, then it would seem apparent that this new body would ultimately be the most appropriate, rather than the TPB.
- Client access to the Australian Financial Complaints Authority gives them access to an option where they can receive compensation for poor advice or services, and this is ultimately often their highest priority. In the medium term, we also see AFCA as being more active in identifying issues that need to be dealt with by a disciplinary body.

**10.1** – With the starting point of accepting the priority to reduce regulatory overlap, our preferred model is a version of Option 2, where ASIC would be the primary regulator, supported by FASEA and subject to what might eventuate in terms of a single, central disciplinary body. ASIC would maintain the financial adviser register and would set the standards for the provision of financial advice. FASEA would set the education and CPD requirements, along with the Code of Ethics. Where our proposal differs from Option 2, is that the TPB would continue to have a role as an adviser to both ASIC and particularly FASEA, to ensure that the education and CPD standards adequately incorporate taxation requirements and content. The detail behind the consultative role that the TPB would play needs to be worked out, however, ultimately, they need to retain a seat at the table and play a role to ensure that the standards are maintained at the required level.

We note the discussion about the accountants’ exemption, however resolving this issue presents a few fundamental complications, including advice documentation standards and the complaints framework. Requiring advisers who recommend SMSFs, to operate under an AFSL, means that they are required to be bound by an Internal Dispute Resolution and an External Dispute Resolution (AFCA) regime. If the accountants’ exemption was reintroduced, and limited licensing was disbanded, then accountants in this situation, would not be bound by membership of AFCA, which would be a reduction in the level of consumer protection. We do however recognise the imposition of the financial advisers Professional Standards regime on limited licence accountants and do believe that it is appropriate for the Government to give consideration to how this regime can be refined to better address the specific role that some specialists, such as limited licence accountants, play.

**10.2** – Whilst recognising the importance of the community confidence in the financial advice sector, we do not see there being any benefit in holding onto duplicate regulatory oversight models. There have been a series of recent reforms, including the Professional Standards (FASEA) regime, the establishment of AFCA and now further changes off the back of the Royal Commission recommendations, which will all contribute to an increase in community confidence. In practice, this is to a large extent an issue of perception, as there is a lot of research that demonstrates that the clients of financial advisers trust their adviser. The deficit in trust is largely in terms of people who don’t have an adviser, and are influenced by the media and other sources of information. An improvement in the broader community’s trust in the financial advice sector will take time, however all the building blocks are already in place or will be, over the next few years. We believe that the proposal set out above provides the right balance between de-duplication and community trust.

**Consultation points**

- 11.1 We invite submissions on our preliminary views.
- 11.2 What role should the TPB and professional associations have?
- 11.3 How can this role be better supported? What sort of information needs to be shared, and when?
- 11.4 Should the TPB recognise professional associations for the purpose of monitoring compliance with CPD requirements for their members?

The current arrangement, where the TPB recognises professional associations and thereby provides a registration pathway for members, has played an important role in the transition phase of the establishment of the TPB. In practice, in the financial advice space, there are many financial advisers who are registered through Item 304, which is the professional association membership option pathway. To a large extent, this has facilitated a level of grandfathering for experienced practitioners.

In the financial advice space, this grandfathering will be removed by the introduction of the degree equivalence requirement, however this will take a number of years to play out.

**11.1** – The AFA supports better information sharing between the TPB and professional associations and the continuation of strong working relationships to enable a united approach to achieving good outcomes with professionalism and the maintenance of consistent high standards. We do not necessarily see the connection between ceasing the role of the TPB in recognising professional associations and the ability for professional associations to perform a role as co-regulators. We further note the consideration of the broader application of a Code Monitoring Body scheme, however this is a significant issue and would require a level of detailed consideration.

**11.2** – The AFA continues to support the current model, although noting that over the next few years, with the decline in the relevance of the Item 304 registration pathway, that it is appropriate to review this model. We do understand that the thinking on this would mean that existing advisers would be grandfathered, and we would welcome further guidance on how this might work. We further note that the outcome, with respect to addressing regulatory overlap, as addressed in Chapter 10, may mean that this is no longer relevant for financial advisers.

**11.3** – The AFA supports an improved information sharing model, although noting that the sharing of information between the TPB and the AFA is currently better than what applies with other regulators. We have received a number of notices from the TPB, particularly with respect to issues that have emerged with the completion of the Annual Declaration process. Whilst most of what we have seen so far has been administrative issues, in the context of a serious issue, such as systemic poor advice or fraud, we would want to know about the matter early on in the process, rather than after the TPB had concluded their investigation.

**11.4** – Utilising the role of professional associations in monitoring compliance with CPD requirements is certainly one option. In the financial advice sector, the other important party in the oversight of CPD is the AFSL, who are required to keep records of CPD activity.

### Consultation points

- 12.1 We invite submissions on our preliminary views.
- 12.2 Should the review examine the definition of ‘tax agent service’ to flexibly encompass contemporary and future service delivery models not focused on a human providing services? What are some possible ways of defining ‘tax agent service’?
- 12.3 Should the scope of the TASA be reviewed so that it can effectively regulate globalised delivery of tax agent services in Australia?
- 12.4 Should the new disciplinary body recommended by Commissioner Hayne also include the TPB?
- 12.5 What other issues should be considered?

The AFA is conscious that emerging technologies have and are likely to continue to have a big impact upon the tax practitioner space, particularly with regard to the preparation of tax returns. This necessitates an ability for the TPB to operate with flexibility and to respond to changes in the marketplace. The changing dynamics of the technology used for tax returns is not something that the AFA has placed any focus upon, so we do not intend to provide further feedback in this area.

12.4 – The Royal Commission has recommended a single, central disciplinary body for financial advisers. It is expected that this body will only focus upon financial advisers and it is unlikely that the Government will want to expand the scope to include other tax practitioners. We would also make the point that the TPB is the single disciplinary body for tax agents and BAS agents and therefore there is presumably no need to create a separate entity to undertake this activity.

### Concluding Remarks

The AFA welcomes the review of the TPB and the TASA regime. This review has raised a number of important issues that need to be considered by Government. We support the exercise and look forward to the final report. We particularly recognise the focus upon the reduction in regulatory overlap for financial advisers and once again put forward our view that there is a very big opportunity to address this in a way where a focus upon tax can be maintained, yet the direct regulation by the TPB can be removed. We have put forward a solution that we believe is practical and will not result in any consumer detriment.

The AFA welcomes further consultation with the review and Treasury should clarification of anything in this submission be required. Please contact us on 02 9267 4003.

Yours sincerely,

**Phil Anderson**  
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Association of Financial Advisers Ltd