

LEGISLATION TO FACILITATE TRANSITION TO THE NEW TAX AGENT SERVICES REGIME PASSED BY PARLIAMENT

The Assistant Treasurer, Senator Nick Sherry, today welcomed the passage through Parliament of the final Bill of the of the new tax agent services regime.

"The passage of this Bill represents another significant step towards the commencement of the new regulatory regime for the provision of tax agent services," Senator Sherry said.

"The Rudd Government is committed to the introduction of this new regulatory regime which is in line with today's modern tax and commercial environment."

The Tax Agent Services (Transitional Provisions and Consequential Amendments) Bill contains the provisions that will facilitate a smooth transition from the old to the new regime.

In particular, the Bill will:

- allow tax agents and nominees registered under the current law to continue to provide their services with little disruption when the new regime commences;
- provide a transitional period in which those providing Business Activity Statement (BAS) services for a fee can seek registration without necessarily meeting the qualification or relevant experience requirements. This recognises that such entities will be required to register for the first time;
- introduce two new safe harbour provisions that will, in particular circumstances, exempt taxpayers from certain administrative penalties where they engage a tax agent or BAS agent and provide all relevant information to that agent.

The Assistant Treasurer also confirmed that the Tax Agent Services Regulations, which contain the registration requirements for tax agents and BAS agents, will be made shortly.

Last week the Assistant Treasurer announced the composition of the inaugural Tax Practitioners Board, which will oversee the regulation of the new regime. The Tax Practitioners Board website can be found at www.tpb.gov.au.

The Bill will become law following Royal Assent with the new regime set to commence on a proclamation date to be announced in the coming weeks.

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