



14 September 2022

Tax Practitioners Board  
GPO Box 1620  
Sydney NSW 2001

*By email to: [tpbsubmissions@tpb.gov.au](mailto:tpbsubmissions@tpb.gov.au)*

Dear Sir/Madam,

**Exposure Draft – What is a BAS service?**

On behalf of the Institute of Public Accountants I submit our comments on Exposure draft *TPB(I) D47/2022 What is a BAS service?*

Given the changing regulatory environment, it is good practice to review this guidance to ensure it remains contemporaneous and fit for purpose. It is an important gateway as it provides guidance to determine if an entity is providing a BAS service, and therefore should consider the need to register with the TPB. We therefore welcome the opportunity to provide feedback and make the following comments for consideration.

**The role of digital Service Providers (DSP)**

We have mentioned this in our submission to *Exposure Draft TPB(I) D48/2022 What is a Tax Agent Service?* but are also mentioning this here as an emerging issue which is gathering pace, is the role of DSP's and whether they fall within the scope of providing tax or BAS agent services. With the advent of AI and technological developments, it is arguable that users of DSP's are relying on automated processes to generate information which is then lodged as part of the entity's reporting obligations to the ATO. The ATO have recently embodied the concept of DSP's providing seamless reporting without much human interaction as part of their future vision.

**What is a BAS service?**

This might be out of scope but item 5.1.ii discusses 'advising an entity about liabilities, obligations or entitlements'. This task is made difficult for practitioners offering BAS services, as amounts are offset to the ATO activity integrated account and it is not always transparent as to whether the transaction/s relate to company or personal tax refunds or sometimes even SGC refunds.



## **BAS provision**

Item 7 discusses items that are not BAS services. We would recommend that this section be written to be more contemporary, as software developments, such as, cloud software, bank feeds and One Ledger have made some of the tasks listed, redundant.

## **Services relating to the superannuation guarantee charge and other services**

This item might also be out of scope, but item 9 mentions that BAS Agents can be 'an authorised contact for the SG and SGC account'. This task would be made easier if BAS Agents had access to the client's SGC statements through online services.

## **Elements of a BAS agent service**

Element 2 discusses a BAS Agent's authority to act for an entity being 'much more restricted than a registered tax agent's authority and is limited to dealing with the Commissioner in relation to a BAS provision'. Whilst this might be out of scope also, our view is that it is the access to information in relation to a client's liabilities that is restricted and not so much the BAS Agent's authority to interact with the Commissioner in relation to a BAS provision.

## **When will a client be reasonably expected to rely on a service**

This discussion would benefit from additional clarification as to whether this is to apply only to BAS services or more broadly to all services provided by a BAS Agent.

This section discusses 'whether the service is provided as part of a formal consultation or merely during the course of a casual conversation/engagement'. It would be beneficial if this was expanded on, and could benefit from the inclusion of examples of where things could go wrong in the context of having a 'casual conversation/engagement'.

## **List of indicative BAS services – Appendix A**

Whilst the list of examples of BAS services is not meant to be exhaustive, we make the comments in relation to the list as follows:

- Item 1 – suggest additional wording that 'Income statements refers to the finalisation of Single Touch Payroll that creates an income statement for an individual'.
- Item 14 – could be consolidated under Item 1 as it refers to the same tasks



- This item might also be out of scope, but item 20 – discusses ‘accessing these accounts in the ATO’s online services for BAS agents’. Our understanding is that BAS Agents do not currently have access to that information. However, BAS Agents are able to upload an SGC surcharge statement through Practice Mail.
- Item 31 – discusses ‘providing non-tax advice relating to salary sacrificing arrangements and salary packaging’. This would benefit from some additional clarification as this is a service that is generally not restricted to Tax Agents only.

If you would like to discuss our comments, please do not hesitate to contact me.

Yours sincerely

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