

ALERT

29 AUGUST 2013

Financial advisers to prepare for registration with the Tax Practitioners Board

From 1 July 2014, financial advisers should be registered with the Tax Practitioners Board (**TPB**) in order to provide tax advice in connection with offering financial product advice. Financial advisers who are registered with the TPB will be referred to as 'tax (financial) advisers'.

Financial advisers are currently exempt from the requirement to be registered under the *Tax Agent Services Act 2009* (Cth) when providing basic tax advice that is ancillary to their professional activities as Australian Financial Services Licence (**AFSL**) licensees (or authorised representatives of an AFSL licensee). This exemption from the tax agent services regime has been extended and will now end on 30 June 2014.

Under the new regulatory regime, financial advisers will be required to satisfy similar educational requirements to those that currently apply to registered tax agents. In June 2013, the government released the 'proposed registration requirements for registered tax

(financial) advisers' Discussion Paper. In this alert, we outline the anticipated education and experience requirements for registration as a 'tax (financial) adviser'.

Education and experience requirements

The education and experience requirements broadly require 'tax (financial) advisers' to:

- (a) continue to satisfy their AFSL obligations; and
- (b) have an 'appropriate breadth of tax knowledge' that recognises the reduced scope of the tax advice that is likely to be given.

Unlike tax agents, financial advisers will not be required to undertake a course in basic accounting principles. Tax (financial) advisers may demonstrate an appropriate level of tax knowledge by complying with one of four pathways (see Table 1 overleaf).



Table 1: Proposed education and experience requirements

	Option 1: Tertiary qualifications	Option 2: Diploma or higher award	Option 3: Work experience	Option 4: Membership of a professional association
Primary qualification	Degree or post-graduate award in a relevant discipline from an Australian tertiary institution or from a course approved by the TPB	Diploma (or higher) in a relevant discipline awarded from a registered training organisation or equivalent institution	N/A	Applicant is a voting member of a recognised tax (financial) advice association
Board approved course in Australian taxation law	Required	Required	Required	Required
Board approved course in commercial law	Required	Required	Required	Required
Relevant experience	Equivalent of 12 months' full-time experience in the last 5 years	Equivalent of 18 months' full-time experience in the last 5 years	Equivalent of 3 years' full-time experience in the last 5 years	Equivalent of 18 months' full-time experience in the last 5 years

Exceptions

Financial advisers who only provide 'factual' tax-related information (including 'calculator' services) will be deemed not to be providing 'tax advice' and will not be required to be registered with the TPB.

Consequences for non-compliance

Financial advisers who provide substantive tax advice and who are not registered with the TPB may be liable for civil penalties.

Further information

Further details regarding the proposed education and experience requirements can be found [here](#).

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