

The BAS Agent Laws – Choices for Bookkeepers

ABN BAS will be a BAS Agent, providing technical support, training and resources to BAS Agents and review and lodgement services to Non-BAS Agents. Membership of ABN BAS is complimentary and automatic to all Australian Bookkeepers Network (ABN) members.

To understand what your choices are under the new BAS Agent laws, it is necessary to work through two key questions. This Facts Sheet is designed to guide you through these two questions and, having done so, will explain your next steps and how ABN BAS can assist you.

Question 1 - Will you be providing BAS Services for a fee?

A “BAS service” as defined by the *Tax agent Services Act 2009* is a very wide term.

In practice, unless you were confining your bookkeeping services to mere data entry and bank reconciliations, or unless you are an employee, you are likely to be providing “BAS Services for a fee”.

The Tax Practitioners Board Website contains a [Fact Sheet](#) describing what a BAS Service is. It also includes an Appendix giving examples of what is and isn't included.



Yes, I will be providing BAS Services for a fee.

Please move on to Question 2.



No, I will not be providing BAS Services for a fee.

The BAS Agent Laws will not affect your business if you do not provide BAS Services for a fee.

However, you should be very sure of this position. The BAS Agent laws provide for penalties of up to \$27,500 per offence, and prohibit:

- providing a BAS service for a fee while not being registered to provide that service;
- advertising that you can provide a BAS service while not being registered; or
- representing yourself as a BAS agent when, in fact, you are not a registered BAS agent.

Question 2 - Do you plan to become a BAS Agent in your own right?

If you have decided that you want to become a BAS Agent in your own right, there are a number of paths you can take, each of will impact upon the timing of your registration.

Ultimately, however, you will need to be willing to:

1. Meet the [Registration Requirements](#) as follows:
 - you must be a fit and proper person;
 - you must have been awarded at least a Certificate IV Financial Services (Accounting) or a Certificate IV Financial Services (Bookkeeping) from a registered training organisation or an equivalent institution that required the successful completion of a course in basic GST/BAS taxation principles;
 - you must have undertaken at least 1400 hours of relevant experience in the preceding 3 years (or 1000 hours if you are a member of a Recognised Professional Association which refers to one of the seven major accounting bodies)
2. Comply with the [Code of Professional Conduct](#) which, among other things, requires that you maintain Professional Indemnity Insurance to a level required by the Board;

3. Accept that if the Board investigates you and finds you have failed to comply with the Code, they may impose [Sanctions](#), which could include giving you a written caution, ordering you to take specified actions, or suspending or terminating your registration.
4. Accept that there is an additional risk exposure as a result of the fee paying client's reliance being placed on you. This risk exposure stems from losses that may be suffered by third parties due to your negligence, error, failure or mistake. Third parties could include clients, lenders, investors or creditors.

The decision as to whether to become a BAS Agent in one's own right is a personal one.

Some bookkeepers will be willing and able to be BAS Agents.

Some bookkeepers may be **unwilling** to become BAS Agents as ...

- they do not wish to undergo large changes in their business as they expect to change career or retire in the coming years;
- their bookkeeping business is not large enough to warrant the investment of time and money;
- they do not want to undergo study in order to attain a Certificate IV Financial Services (Accounting) or Certificate IV Financial Services (Bookkeeping);
- they do not wish to accept the additional liability and client reliance that comes with being a BAS Agent;
- they would rather not incur the additional and ongoing costs associated with being a BAS Agent such as registration, insurance and continuing professional development;
- they do not wish to be governed by the Code of Professional Conduct;
- they do not wish to be accountable for their actions to the National Tax Practitioners Board.

Some bookkeepers may be **unable** to become BAS Agents as ...

- they do not meet the necessary number of hours of experience, due to their part-time status or the fact that they are new to the industry;
- their bookkeeping experience may not be of the kind required by the legislation (i.e. substantially involved in BAS Services);
- they may be unable to meet the "fit and proper" person criterion;
- they may not meet the conditions for transitional relief, and thus face the prospect of discontinuing their BAS services at the instant that the new regime commences.



Yes, I plan to become a BAS Agent, what are my options?

Transitional arrangements will allow for the registration of certain individuals and entities as BAS Agents under the new regulatory regime.

There are three ways in which you may obtain registration as a BAS Agent during this time. The Tax Practitioners Board Website contains a [Fact Sheet](#) outlining these options. This Fact Sheet is still only conceptual as the forms and processes that will underpin it do not yet exist.

ABN Members who were making use of the BAS Wizard Partner Program prior to commencement of the new law will be well placed to avail themselves of the Transitional arrangements. However, such bookkeepers will then be immediately subject to the Code of Professional Conduct and should thus be sure that they wish to become BAS Agents in their own right.

The BAS Agent realm will offer an exciting pathway that many full-time, professional bookkeepers will embrace. But it will not be without its challenges. Clients who engage BAS Agents are reliant on the services and advice that they receive. This imposes both responsibility and liability on the BAS Agent and with that, significant pressure to ensure that the advice provided is correct. ABN BAS can play an important role in this regard.

For further information on the benefits of ABN BAS to BAS Agents, read our Fact Sheet "[What ABN offers for BAS Agents](#)".

**No, I do not plan to become a BAS Agent, what are my options?**

If you are not a BAS Agent, you will be faced with three options.

The **first option** is to cease providing bookkeeping services that amount to “BAS Services”. However, given how broadly BAS Services are defined by the Act, this will be difficult. It would require that your services be confined to mere data entry and bank reconciliations.

The **second option** is that once you have performed your bookkeeping services, you require that your client visit their tax agent to have your work reviewed and the BAS lodged. This shifts the client’s reliance to the tax agent. However, this may not appeal to many clients, firstly because they would prefer you offered the complete service, and secondly due to the higher costs imposed by tax agents.

The **third option** is that once you have performed your bookkeeping services, you require that your client visit another bookkeeper who has the status of BAS Agent to have their work reviewed and the BAS lodged. This shifts the client’s reliance to the BAS Agent. However, this may not appeal to many clients as they would prefer you offered the complete service, rather than them having to deal with another party to have their BAS prepared. Furthermore, as a bookkeeper, you may not feel comfortable relinquishing part-ownership of your client to another bookkeeping firm.

ABN BAS presents an attractive alternative to the above options.

With ABN BAS, it is not necessary for you to relinquish control of your client to a competing bookkeeping firm. Instead, ABN BAS – as a BAS Agent in its own right – can review and lodge the BAS for your client.

This enables you to retain the control of the client relationship and pay a per-BAS lodgement fee to ABN BAS, which you can either on-charge or mark-up to your client.

Under the ABN BAS model, the client’s reliance in the legal sense shifts to ABN BAS as the lodging party. This means that you, as the underlying bookkeeper, are no longer providing a “BAS Service” and therefore do not need to register as a BAS Agent. Importantly, however, it means that you can continue to enable BAS services for your clients and thereby not disrupt your business model.

For further information on the benefits of ABN BAS to Non-BAS Agents, read our Fact Sheet “[What ABN offers for Non-BAS Agents](#)”.