

EXPLANATORY STATEMENT

Issued by authority of the Assistant Treasurer

Tax Agent Services Act 2009

Proclamation

Subsection 1-5(1) of the *Tax Agent Services Act 2009* (the Act) provides that Parts 2 to 5 of the Act commence on a day to be fixed by Proclamation. However, the Proclamation must not specify a day that occurs before the day on which the *Tax Agent Services (Transitional Provisions and Consequential Amendments) Act 2009* receives the Royal Assent.

Additionally, if any of the provisions in Parts 2 to 5 do not commence within nine months beginning on the day on which the *Tax Agent Services (Transitional Provisions and Consequential Amendments) Act 2009* (the Transitional Act) receives the Royal Assent, then those provisions commence on the first day after the end of that nine month period. Both the Act and the Transitional Act have received the Royal Assent.

The purpose of the Proclamation is to fix 1 March 2010 as the day on which Parts 2 to 5 of the Act commence. Subsection 1-5(1) of the Act also provides that section 60-95 to 70-20 and sections 70-50 and 70-55 of the Act commence at the same time as Parts 2 to 5.

The Act implements the new legislative regime for the provision of tax agent services, which involves the registration of tax agents and BAS agents. All the provisions of the Act, other than Parts 2 to 5, sections 60-95 to 70-20 and sections 70-50 and 70-55, commenced on 26 March 2009.

Parts 2 to 5 of the Act contain the eligibility requirements and process for registration as a tax agent or BAS agent, the legislative Code of Professional Conduct and the administrative sanctions applicable for failure by an agent to comply with the Code, the grounds and process for terminating an agent's registration, and the civil penalties applicable for certain conduct.

Sections 60-95 to 70-20 and sections 70-50 to 70-55 relate to investigations conducted by the Tax Practitioners Board (Board) (the Board responsible for the administration of the Act), public reporting obligations of the Board, and other miscellaneous provisions.

Given the extensive transitional provisions available to facilitate the smooth transition to the new tax agent services regime, the commencement date allows time for industry to make appropriate changes. The details of the new tax agent services regime were developed through an extensive consultation process, commencing in 1998, involving a wide variety of stakeholders.

The Proclamation is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.