



30 August 2019

Nick Westerlink
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

By email: TPBreview@treasury.gov.au

Dear Mr Westerlink

TPB REVIEW SUBMISSION

ICAEW (the Institute of Chartered Accountants in England and Wales) welcomes the opportunity to make a submission to the Tax Practitioners Board review.

About ICAEW

ICAEW is a world-leading professional body established in the UK under a Royal Charter to serve the public interest. In pursuit of its vision of a world of strong economies, ICAEW works with governments, regulators and businesses and it leads, connects, supports and regulates more than 153,000 chartered accountant members in over 160 countries, of whom over 3,000 are based in Australia. ICAEW members work in all types of private and public organisations, including public practice firms, and are trained to provide clarity and rigour and apply the highest professional, technical and ethical standards.

Since 2014 ICAEW has been accredited by the Australian Tax Practitioners Board as a recognised tax agent association.

Our comments are on the qualification and education requirements for tax agents (consultation point 5 in the discussion paper), other legislative measures and international benchmarking.

Qualification and experience requirements

ICAEW members who are highly qualified and experienced tax professionals migrating to Australia can find the tax agent registration process both difficult to understand and onerous.

The ACA is comparable to a UK Master's degree or a postgraduate diploma. UK NARIC (the UK government's agency for the recognition and comparison of international qualifications and skills) completed an independent review of the academic level of ICAEW CFAB and the ACA. The review was to determine how the qualifications compare to the national education system using benchmarks such as the Regulated Qualifications Framework (RQF). UK NARIC concluded that ICAEW CFAB was comparable to RQF Level 4 (first year university) and the ACA was comparable to RQF Level 7 (UK Master's degree/postgraduate diploma standard).

ICAEW's ACA qualification has been assessed by the relevant Australian assessing bodies to be the equivalent of an Australian Bachelor's degree - that it is a degree in accounting would seem

intuitive but is not explicitly stated. For TPB to seek to reassess our ACA qualification for each applicant individually is not an efficient use of TPB resources, and can deter our members from applying. It would seem preferable to recognise that fully qualified Chartered Accountants belonging to organisations such as CA ANZ and ICAEW meet the educational requirement automatically. This is consistent with the suggestion in the discussion paper at point 11.13 that TPB be allowed to approve programs of professional associations.

Various professional accountancy organisations already review each other's qualifications on a regular basis to assess whether members are eligible for reciprocal membership programs (or for credit for certain courses). It may be possible to draw on the outcomes of this work rather than TPB starting the process of approving professional associations' programs from scratch.

We agree that the experience requirements should be updated, that TPB should be given more flexibility to determine the relevant experience requirements, and that it should be able to update the requirements as the tax profession evolves.

Special circumstances, such as maternity leave, are listed in the discussion paper in 5.5.3. We support the proposal on special circumstances, and believe the list should be extended to include applicants with experience gained overseas.

If more flexibility for special circumstances is to be granted, then we suggest that guidance and examples for applicants as to what might be acceptable, and how their case will be assessed, would enable these registrations to be processed more efficiently.

Other legislative measures

We have read the submission made by Mr Richard Stokes on other legislative measures that could be implemented. ICAEW does not have 500 registered tax agents and TPB has historically exercised its discretion to allow ICAEW to remain registered. We agree with Mr Stokes' comments and his recommendation that this requirement be dropped. Our opinion is that the threshold could act as a barrier to consumer protection in the increasingly globalised community we are all part of. If it is retained appropriate recognition should be given to bodies of standing such as ICAEW.

International benchmarking

We note that some submissions suggest benchmarking against regulatory regimes internationally (not necessarily restricted to tax practitioners). We support this suggestion. If it would be helpful we would be very happy to explain the detail of the UK regulatory regimes and provide examples of how they apply in practice.

Yours sincerely



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