

From 1 March 2010 changes came into force about who is allowed to offer BAS services. This was part of the changeover to the new federal Tax Practitioners Board, which also affected who could become tax agents.

Under the new changes, safe-harbour for penalties and interest may be available to taxpayers who use registered BAS agents in certain circumstances.

As tax agents, we also have new requirements under the changed legislation. This means that if your accounts are not prepared by a registered BAS agent we have to verify a lot more of your source data, which may result in increased costs to you.

When we receive your work, we may ask you for information about your bookkeeper and their registration status.

WHO CAN PROVIDE BAS SERVICES UNDER THE OLD REGIME?

Under the old regime only certain entities can provide BAS services, those were:

- A member (except a student member or retired member) of a recognised professional association.
- A bookkeeper working under the direction of a registered tax agent.
- Where a BAS service relates to PAYG withholding — a person who provides payroll services to an employer.

WHO WILL NEED TO REGISTER TO PROVIDE BAS SERVICES UNDER THE NEW TAX AGENT SERVICES REGULATORY REGIME?

An entity providing BAS services for a fee or other reward is required to register under the new regime in order to provide those services. The definition of BAS service is slightly broader than its definition in the old regime and therefore it is expected that the entities allowed to provide BAS services under the old regime as well as other entities providing other service 'caught' by the new definition will need to register in order to provide their services for a fee or other reward.

WHO IS NOT REQUIRED TO REGISTER UNDER THE NEW REGIME?

Employees - Employees of an entity providing a BAS service are not required to register under the new regime. Employees are providing an employment service for a wage/salary and therefore are not providing a BAS service.

Providing service for free – if no payment or reward (including contras) is received for the service then there is no requirement to register

LIST OF INDICATIVE BAS SERVICES

| Service | BAS service | Not a tax agent service or BAS service |
|---|-------------|--|
| Installing computer accounting software without determining default GST and other codes tailored to the client | | X |
| Installing computer accounting software and determining default GST and other codes tailored to the client | X | |
| Coding tax invoices and transferring data onto a computer program for clients | X | |
| Reconciling BAS provision data entry to ascertain the figures to be included on a client's activity statement | X | |
| Filling in the activity statement on behalf of an entity or instructing the entity which figures to include | X | |
| Coding tax invoices and transferring data onto a computer program for clients under the instruction and supervision of a registered BAS agent | | X |
| General training (e.g. classroom) in relation to the use of computerised accounting software, not related to particular fact situations | | X |
| Preparing bank reconciliations | | X |
| Entering data | | X |
| Ascertaining the withholding obligations for the employees' of your clients. This includes the preparation of payment summaries. | | X |

Source – Tax practitioners Board website

http://www.tpb.gov.au/TPB/BAS_agents/Overview/TPB/BAS_agents/BAS_agent_overview.aspx

