

8 April 2014

Tax Practitioners Board  
PO Box 126  
HURSTVILLE BC NSW 1481

Email: [tpbsubmissions@tpb.gov.au](mailto:tpbsubmissions@tpb.gov.au)

Dear Mr Taylor

**Exposure draft TPB (EP) D5/2014 - Proposed continuing professional education policy requirements for tax (financial) advisers**

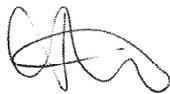
CPA Australia and the Institute of Chartered Accountants Australia ("the Institute") welcome the opportunity to comment on the Exposure draft TPB (EP) D5/2014 - Proposed continuing professional education policy requirements for tax (financial) advisers.

CPA Australia and the Institute represent over 200,000 professional accountants in Australia. Our members work in diverse roles across public practice, commerce, industry, government and academia throughout Australia and internationally. Specifically members of the accounting profession are increasingly becoming involved more widely in financial services related advisory and service roles.

We strongly support the Tax Practitioner Board's (TPB) view that it is imperative a registered tax (financial) adviser's knowledge and skills adapts and improves as the law, society and their individual practice change. This will assist in ensuring the provision of quality tax (financial) advice services and as a consequence help promote consumer protection.

If you have any questions regarding this submission, please do not hesitate to contact either Keddie Waller (CPA Australia) at [keddie.waller@cpaaustralia.com.au](mailto:keddie.waller@cpaaustralia.com.au) or Hugh Elvy (the Institute) at [hugh.elvy@charteredaccountants.com.au](mailto:hugh.elvy@charteredaccountants.com.au).

Yours sincerely



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Representatives of the Australian Accounting Profession



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1. **Do you agree that tax (financial) advisers should be required to complete a minimum of 60 hours of relevant CPE per triennium? If you do not agree, please give reasons and also your views as to the number of hours that should be required.**

We fully agree that tax (financial) advisers should be required to complete a minimum of 60 hours of relevant CPE per triennium, given that tax is an integral component of financial advice.

We note that TASA not only reinforces the view that it is essential for registered tax (financial) advisers to maintain their knowledge and skills throughout their professional life, but also reinforces the need to complete more significant CPE during periods of legislative change and changes to an individual's circumstances.

2. **Do you agree that tax (financial) advisers should be required to complete a minimum of six hours of relevant CPE in any given year? If you do not agree, please give reasons and also your views as to the number of hours that should be required.**

The completion of ongoing CPE is necessary to ensure that a tax (financial) adviser maintains the currency and relevance of their knowledge and skills in order to provide competent, current and timely services to clients.

Accordingly, we fully agree that it is appropriate that a minimum of six hours of relevant CPE be completed in any given year.

3. **Do you agree that the TPB should accept the following activities for the purposes of CPE? Are there any additional activities that you consider should be accepted?**

- a. **seminars, workshops, webinars, courses and lectures**
- b. **structured conferences and discussion groups (including those completed by telephone or video conference)**
- c. **tertiary courses provided by universities, registered training organisations (RTOs), other registered higher education institutions or other approved course providers (including distance learning)**
- d. **other educational activities, provided by an appropriate organisation**
- e. **research, writing and presentation by the registered tax (financial) adviser of technical publications or structured training**
- f. **peer review of research and writing submitted for publication or presentation in structured training**
- g. **computer/internet-assisted courses, audiotape or videotape packages**
- h. **attendance at structured in-house training on tax related subjects by persons or organisations with suitable qualifications and/or practical experience in the subject area covered**
- i. **attendance at appropriate ATO seminars and presentations**
- j. **relevant CPE activities provided to members and non-members by a relevant recognised association**
- k. **a unit of study or other CPE activity on the TASA, including the Code.**

We agree that the listed activities should be accepted by the TPB for the purposes of CPE.

In particular, we also support the following principles when assessing whether an activity should constitute relevant CPE:

- the CPE must be relevant to the tax (financial) advice services that the tax (financial) adviser provides and the development of their relevant personal knowledge and skills
- the completion of the primary course used for the purposes of gaining initial registration should not constitute a CPE activity
- not more than 25 per cent of CPE should be completed through relevant technical or professional reading
- the provision of a tax (financial) advice service should not constitute a CPE activity; and
- the CPE activities completed must be provided by persons or organisations with suitable qualifications and/or practical experience in the subject area.

In addition we support the TPB's view that the issued guidance should not be prescriptive in setting specific topics that CPE activities should cover. Further we support the TPB's position that registered tax (financial) advisers should exercise their professional judgment in selecting relevant CPE activities to be completed.

Of note in Example 4, the TPB acknowledges that Nick can claim the full 2 hour seminar as relevant CPE, despite the seminar only including 15 minutes of discussion on the taxation implications, and covering topics other than taxation.

We support this practical and flexible approach by the TPB. However, we consider that it is important that the TPB take a consistent approach in this regard for tax agents and BAS agents. We recommend that the TPB amend its guidance on CPE requirements for tax agents and BAS agents by including a relevant example to this effect in Explanatory Paper TPB(EP) 04/2012 - Continuing professional education policy requirements for registered tax and BAS agents from 30 June 2013.

**Recommendation:**

**The TPB amend its guidance on CPE requirements for tax agents and BAS agents by including an example similar to example 4 in this exposure draft in, Explanatory Paper TPB(EP) 04/2012 - Continuing professional education policy requirements for registered tax and BAS agents from 30 June 2013.**

**4. What transitional arrangements, if any, should there be in relation to the CPE renewal of registration requirement for tax (financial) advisers?**

We do not believe there is a need to implement CPE transitional arrangements, rather the ongoing requirements should be integrated into a tax (financial) advisers ASIC RG 146 annual training plan.

We also believe there would be value in the TPB providing guidance on appropriate CPE requirements for financial advisers who are not registered but operate under the sufficient numbers framework.