

Preparing for some new compliance rules

TASA obligations begin July 1, 2025

The Federal government recently introduced new Tax Agent Services Act (TASA) rules to raise the bar on professionalism and protect clients across the tax and accounting sector. After uncovering gaps in documentation, client verification, and advice standards, these reforms are designed to tighten accountability and ensure tax practitioners operate with greater care, transparency, and trust.

Preparing for TASA compliance and future AML/CTF reforms

Introduction

From 1 July 2025, accounting firms like Indigo Financial with 100 or fewer employees will need to comply with new record-keeping standards introduced under the Tax Agent Services (Code of Professional Conduct) Determination 2024. These obligations build on existing professional conduct rules, with a clear focus on documentation, transparency, and risk management. Larger firms are already operating under these rules since 1 January 2025.

The following summary outlines the key areas we are preparing for internally to meet these standards confidently and efficiently.

1. Client record-keeping expectations

We must ensure that all tax services we deliver are documented clearly and comprehensively. Specifically:

- **Language of record:** All records must be in English or readily convertible to English.
- **Retention:** Documents must be kept for a minimum of 5 years after a service is completed.
- **Content standards:** Each record must describe the scope, nature, and outcome of the service, cite any reference material used, and capture all correspondence, instructions, and reasoning—especially for complex advice.

2. Minimum documentation requirements

The Tax Practitioners Board has outlined specific categories of records that we must maintain. These include:

- **Client identity details** – Name, contact details, DOB, employment and banking information.
- **Engagement documents** – Formal engagement letters or agreements outlining our terms.
- **Identity verification** – Notes confirming identity checks (but not storage of ID documents).
- **Authorisations** – Consent documentation for any sharing of client data.
- **Service evidence** – Files showing how advice was developed, decisions made, and communications with clients and third parties.

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3. Data security and confidentiality

We are required to maintain and regularly review internal controls that protect sensitive client data. This includes:

- Implementing appropriate IT systems and internal procedures.
- Ensuring we comply with all relevant privacy regulations, including the *Privacy Act and Tax File Number Rule 2015*.

4. Working with clients on mutual obligations

While Indigo Financial will meet its own compliance duties, clients must still fulfil their tax record-keeping responsibilities independently. We'll work collaboratively to ensure roles are clear and duplication is avoided, especially when it comes to record storage and document access.

Looking ahead: AML/CTF obligations from 1 July 2026

From July 2026, under the federal government's Tranche 2 AML/CTF reforms, accounting firms like ours will fall within the regulated sector. This change will impose a new layer of compliance, especially in high-risk services such as advisory, company setup, and financial transaction management.

Key future responsibilities will include:

- Client identity verification protocols
- Ongoing due diligence and monitoring of client behaviours
- Record retention for AML/CTF actions and transactions for 7 years

Indigo Financial are already reviewing and strengthening our processes to integrate these obligations seamlessly into our existing workflows.

Final note

These compliance updates represent more than a regulatory shift—they reinforce the integrity and professionalism expected of trusted advisors. At Indigo Financial, we're proactively aligning our systems and client engagement models to meet these standards with confidence and clarity, and ensure that any implications for your individual or business accounting needs is minimised.

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