



Australian Government



Australian
**Small Business and
Family Enterprise**
Ombudsman

10 June 2021

Mr Ken Kua
Acting Director, Individuals & Intermediaries
Australian Taxation Office
PO Box 9990
Canberra ACT 2601

via email: TaxPractitionerConsultations@ato.gov.au

Dear Mr Kua

Transition to strengthening client verification

Registered tax agents and BAS agents provide critical compliance and advice services to Australia's small business community. Around 90% of small businesses use a registered tax professional to help them comply with their income tax obligations.¹

We appreciate that strong client verification helps to protect tax practitioners, their clients and Australia's tax and superannuation systems from the costs and consequences of identity theft and fraud. However, the new client verification standard outlined in the consultation paper provides benefits to the Government but at a cost to small business tax and BAS agents. It requires them to contract with a commercial Gateway Service Provider to access digital verification services (Source DVS) that may not be required for their future new client or client representatives.

We suggest instead, the ATO should provide direct and free access to the Governments digital verification service, in addition to the Source ATO option.

In addition, we strongly encourage the ATO to consider the impact of the Director ID regime due to be established this year, which also requires proof of identity. The ATO could consider how registered tax and BAS agents can minimise duplication of processes and cost to comply with the new client verification standard.

Thank you for the opportunity to comment. If you would like to discuss this matter further, please contact Ms Louise Stuart-Watt on 02 8234 2623 or at louise.stuart-watt@asbfeo.gov.au.

Yours sincerely

The Hon. Bruce Billson
Australian Small Business and Family Enterprise Ombudsman

¹ <https://www.ato.gov.au/Media-centre/Media-releases/ATO-reveals-almost-90--of-income-tax-paid-by-small-business-is-paid-voluntarily/>