**Appendix: Your Tax Rights and Our Responsibilities**

Dear Client,

This section explains your rights and responsibilities under tax law, and what you can expect from us as your tax agent.

**Your Rights and Responsibilities as a Taxpayer**

Australia uses a "self-assessment" tax system. This means when we lodge your tax return, the ATO (Australian Taxation Office) initially accepts what's on it. However, they can review or audit your return later within certain time limits.

**What You Must Do:**

* **Follow Tax Laws:** You are responsible for following tax laws. If you don't, the ATO can impose fines, interest charges, or even take legal action.
* **Keep Records:** You must keep accurate records of your income and expenses. For deductions like work-related expenses, you'll need receipts, invoices, and sometimes logbooks (for cars) or travel diaries. You must keep these records for five years. Not keeping proper records can lead to denied deductions, penalties, and interest.
* **Provide Complete and Accurate Information:** You must give us truthful, complete, and accurate records promptly. If you can't, we might not be able to prepare your return because tax agents are legally bound to act ethically and cannot use insufficient or incorrect information.
* **Cash Payments:** If you are paid in cash, make sure you have a reliable way to record your earnings. If the ATO believes you haven't declared all your income and you can't prove your earnings, they might assess you for more tax, penalties, and interest.

**Your Rights:**

* **ATO Amendments:** While the ATO can change an assessment if they find an error, for most individuals, they have two years to do so after you receive your original assessment. (There's no time limit for fraud or evasion cases.) If you find an error yourself, telling the ATO voluntarily can lead to lower penalties.
* **Private Binding Rulings:** If there's a unclear tax issue, you can ask the ATO for a "Private Binding Ruling." This is their official view on how a specific tax law applies to your situation.
* **Objecting to an Assessment:** If you disagree with an ATO assessment, you have the right to object (usually within two years of receiving the original assessment, or longer for amended assessments). If you're still not satisfied, you can have the matter reviewed by the Administrative Review Tribunal or Federal Court.
* **Burden of Proof:** In any tax dispute in court, it's generally up to *you* to prove that the ATO's assessment is wrong.
* **Safe Harbour Protection:** If you use a registered tax agent like us, you might be protected from ATO penalties for errors, as long as you provide us with **all relevant, truthful, complete, and accurate tax information by the requested deadline.** You would still pay any correct tax and interest, but not the penalties.

**Our Responsibilities as Your Tax Agent**

As a registered tax agent, we must follow a strict Code of Professional Conduct set by the Tax Practitioners Board (TPB). This means we must:

* Act lawfully, in your best interests, with honesty and integrity.
* Follow ethical standards.
* Manage any conflicts of interest.
* Carefully understand your financial situation and apply tax laws correctly.
* Keep your information confidential unless legally required to share it.
* Provide competent services.
* Not hinder the administration of tax laws.
* Inform you of your tax rights and obligations (as explained above).
* Account for any money or property we hold on your behalf.
* **Not** make false or misleading statements to the TPB or ATO. If we realize a statement we made was incorrect, we must advise you to correct it. If you don't, we may have to withdraw from our engagement and, in some cases, notify the ATO or TPB.
* Keep proper records of the tax services we provide.
* Keep you informed so you can make good decisions.

**What Happens if We Don't Meet Our Obligations:**

If a registered tax agent fails to meet their obligations:

* Their registration can be suspended or cancelled.
* They might receive warnings or orders (like needing more education or supervision).
* They could face fines from the Federal Court.

**What This Means for You if Your Agent Fails You:**

* Your tax affairs might be incorrect.
* You might face ATO inquiries or audits.
* You might incur penalties and interest for tax shortfalls.
* You may have legal options to challenge decisions.

In cases of fraud, criminal penalties could apply