



**Association of Taxation and Management Accountants**

ABN 32 002 876 208

17<sup>th</sup> March 2004

**Dr. Kathleen Dermody**  
Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
The Senate  
Parliament House  
Canberra ACT 2600



Fax No: 61 2 6277 5719

There are 3 pages in this fax Including this one.

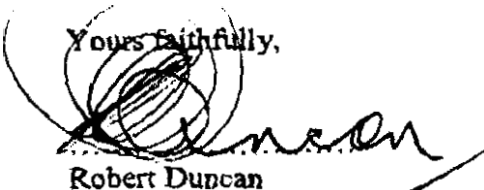
Dear Dr. Dermody,

**Re: ATMA and FSRA**

Attached is a copy of *the* letter sent to the Treasurer on 12\* February 2004 following his announcement regarding accountants and SMSF's.

As indicated I am willing to talk part in discussions with members of the working party on FSRA and consider that the ATMA should be represented as are the other accounting bodies.

Yours faithfully,

  
Robert Duncan  
President ATMA.

*The Small Business Professionals*

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**Association of Taxation and Management Accountants**

ABN 32 002 876 208

12<sup>th</sup> February 2004

**The Hon Peter Costello MP**  
Treasurer  
**Room MG. 47**  
Parliament House  
Canberra ACT 2601

**Dear Treasurer,**

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I refer to your Press Release made yesterday re Recognised Accountants and the **FSRA**.

The **Press** Release is misleading in that many accountants **now** believe that they can provide advice in superannuation to **their** clients without **the need** of an **FSRA** licence.

My understanding is that following **this announcement** recognised accountants **can** provide advice on **the establishment** of and exit **from** a Self Managed Super Fund **without** the need of a licence. This addresses **one** of the problems identified **by** all accounting bodies, including **the ATMA** that under **the** provisions of **7.1.29** of the **FSRA** that accountants needed to hold a licence to provide advice **the establishment of** a self managed super fund.

The announcement **now** clarifies **the** position on the establishment of a **SMSF** and is **to be** applauded.

**Once** established **the** next question is that of **the** provision of advice relating to the investment of **monies** into specific financial products. Clearly **any accountant** providing such advice **would** need to hold **the** appropriate licence **under** the provisions of **PS146**. **Although your** Press release states **this** fact there is **some** confusion in **the market** regarding this point and it **needs to** be further clarified..

However, **in the** previous round of amendments to the **FSRA** and to the specified **7.1.29** the definition of recognised accountant **was** amended **and** the **named** bodies **were** deleted. **This** latest announcement reinserts the original definition and **the ATMA** is specifically excluded. Perhaps **this** is **our own** fault by not taking a more active role in the **FSRA** negotiations, as did **the** other accounting bodies.

In any event to **exclude** ATMA **members** from Section 7.1.29 is a **gross** miscarriage of justice **and** is discriminatory in nature. Section 7.1.29 **should be** amended to include

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"members and fellows of **the Association of Taxation and Management Accountants** who are entitled to use the post-noms "MTMA" or "FTMA", and are subject to and comply with **ATMA's** continuing professional **education** requirements."

The following reasons indicate why **ATMA members** should be included in the named association in the definition of "Recognised Accountant".

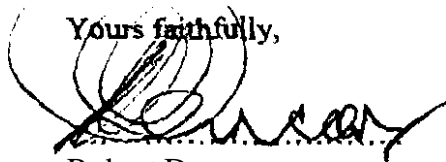
- **The needs** of the public are not adequately met by **the** present inclusions in the legislation: a member of **the** public may reasonably expect an accountant to perform these duties. However, where **the accountant is an ATMA member and not a member of one of the named bodies** he/she is unauthorised.
- The exclusion of members of the ATMA **infers** discrimination within the accountancy profession in that a situation of professional **embarrassment and limitation is created** for **ATMA members** when requested to provide advice to their clients regarding **the establishment of or exit from a SMSF.**
- **Since the focus of the ATMA is on suburban, country and small business practitioners, the majority of our members are readily available** in the community and have offices in **local business** areas which are highly accessible for **the general public.**

The **ATMA** is one of the **5 Recognised Professional Associations** for the purposes of Section 251L of the Income **Tax Act. Also ATMA Members and Fellows are named** in the **SIS Act** as able to audit self managed superannuation **funds.**

The ATMA is **20 years old next year** and plays an active role on working parties with **the ATO and Treasury** and is **represented** on the working party for **the New Regulation of the Tax Profession.** It is **only** reasonable that **ATMA members** are able to compete fairly **with** members of **other professional bodies of accountants** and be able to provide advice to their clients **on the establishment of and exit from a SMSF** without the need **to be licenced under the provisions of the FSRA.**

Further as the **ATO** is using **the** expression "Recognised Professional Association" would it **not** be appropriate if this expression **was used** for the requirements of **FSRA** as well.?

Yours faithfully,



Robert Duncan  
President ATMA