



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **FNSACC601B Prepare and administer compliant tax returns for legal entities**

**Release: 1**

## FNSACC601B Prepare and administer compliant tax returns for legal entities

### Modification History

Release	Comments
Release 1	<p>This unit released with <i>FNS10 Financial Services Training Package v3.0</i></p> <p>Replaces FNSACC601A Unit reviewed and enhanced to reflect Tax Practitioners Board requirements. Name change to reflect the application of knowledge.</p>

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to identify taxation requirements for complex lodgements and returns, gather, analyse and process taxation related data to prepare taxation returns and lodgements, and review compliance.

**Note:** to provide tax practitioners services in Australia, tax agents must meet the requirements of and be registered with the Tax Practitioner's Board.

### Application of the Unit

This unit applies to accountants and tax specialists who prepare complex tax returns.

### Licensing/Regulatory Information

To provide tax practitioners services in Australia, tax agents must meet the requirements of and be registered with the Tax Practitioner's Board.

### Pre-Requisites

FNSACC502B Prepare legally compliant income tax returns for individuals

### Employability Skills Information

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</i>

## Elements and Performance Criteria

1. Identify taxation requirements for complex lodgements and returns	<p>1.1 Client taxation preparation requirements are determined</p> <p>1.2 <b>Organisational structure</b> of the taxation entity is identified</p> <p>1.3 <b>Taxation parameters</b> of the organisation are determined in accordance with legislation, regulation and Australian Taxation Office (ATO) rulings</p> <p>1.4 <b>Lodgement schedule</b> requirements are established</p>
2. Gather and analyse taxation related data	<p>2.1 <b>Accounting reports relevant to taxation requirements</b> are identified and collected</p> <p>2.2 Accounting information is analysed to determine relevant taxation elements</p> <p>2.3 Advice and guidance is sought to evaluate and moderate decision processes</p> <p>2.4 Determinations are confirmed with client</p>
3. Process data and prepare tax returns and lodgements	<p>3.1 Data is processed to comply with the relevant taxation format</p> <p>3.2 <b>Returns and lodgements</b> are prepared in accordance with ATO requirements</p> <p>3.3 Returns are discussed and agreed with clients and statutory requirements are confirmed</p>
4. Review taxation lodgement compliance	<p>4.1 Returns and lodgements are submitted for authorisation by an approved person within the stated deadlines</p> <p>4.2 <b>Taxation preparation procedures</b> are reviewed to determine their efficiency and effectiveness</p> <p>4.3 Recommendations arising from the taxation lodgement review are made to enable more efficient organisational structures and procedures for taxation purposes</p> <p>4.4 Tax office enquiries are responded to and taxation audit requirements met</p>

## Required Skills and Knowledge

*This section describes the skills and knowledge required for this unit.*

### Required skills

- communication skills to:
  - determine and confirm taxation preparation requirements and deal with clients
  - liaise with others, share information and provide advice and guidance
  - use language and concepts appropriate to cultural differences
- research skills to:
  - access and manage financial services information
  - access and interpret taxation legislation, regulation and precedent
  - identify any taxation related matters that have the potential to impact on client services
  - identify client related transactions that are relevant to taxation matters
- literacy skills to analyse information needs and prepare clear written advice, for clients and taxation lodgement documentation
- numeracy skills to perform financial calculations and analysis
- IT skills to develop and use integrated financial systems, spreadsheets and databases and internet information
- learning skills to maintain knowledge of changes to taxation legislation and requirements
- problem solving skills to:
  - apply statute, regulation and precedent to a client's circumstances
  - develop options to resolve client related taxation matters when they arise
- organisational skills, including the ability to plan and sequence work and correctly schedule taxation lodgements.

### Required knowledge

- ethical considerations for the handling of returns such as:
  - conflict of interest
  - confidentiality
  - disclosure requirements
- key elements of Australian taxation law, as it relates to taxation returns for companies, trusts, partnerships and sole traders including:
  - the rules and principles of Australian tax law including an understanding of the legal environment in which these principles operate
  - key aspects of the income tax law covering concepts of residence and source, related elements of international tax, assessable income, deductions, tax rebates/offsets and tax accounting
  - key aspects of taxes that extend the ordinary income tax base including relevant principles and application of the capital gains tax and fringe benefits tax rules
  - goods and services tax
  - taxation of individuals and basic entities including partnerships, trusts and companies
  - taxation aspects of superannuation law
  - administrative aspects of the taxes identified above including returns, tax collection and withholding mechanisms, assessments, obligations, rulings, penalties and audits

- rules addressing specific and general anti tax avoidance
- ethical and professional responsibilities of tax agents including obligations under the Tax Agent Services Act (TASA) and Tax Agent Services Regulations (TASR).

## Evidence Guide

*The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.*

<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"><li>• demonstrate knowledge and understanding of Australian taxation law such that it can be applied to taxation affairs</li><li>• access interpret and comply with information on relevant legislation, statutes, regulation and ATO rulings</li><li>• provide taxation advice having regard to the facts and relevant law</li><li>• develop organisational procedures to meet compliance requirements</li><li>• gather and verify data to calculate taxable income and review for compliance</li><li>• apply organisational policies and procedures and accounting principles and practices</li><li>• prepare tax returns for business entities</li></ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"><li>• competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment</li><li>• access to and the use of a range of common office equipment, technology, software and consumables</li><li>• access to an integrated financial software system and data</li></ul>
<b>Method of assessment</b>	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"><li>• evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency</li><li>• assessment requirements set by the Tax Practitioner's Board</li></ul>

	<ul style="list-style-type: none"><li>• verbal or written questioning on underpinning knowledge and skills</li><li>• setting and reviewing business taxation simulations</li><li>• evaluating samples of work</li><li>• conducting a summative assessment</li></ul>
<b>Guidance information for assessment</b>	<p>Where assessment of this unit is designed to meet regulatory requirements, users should refer to the appropriate regulator or current guidelines published on the IBSA website <a href="http://www.ibsa.org.au">www.ibsa.org.au</a> (under training packages/financial services)</p> <p>Note: The identification of the unit FNSACC502B Prepare legally compliant income tax returns for individuals as a pre-requisite does not require that it be certificated prior to this unit. This unit and its pre-requisite may be delivered and assessed together.</p>



## Range Statement

*The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.*

<b><i>Organisational structures</i></b> include:	<ul style="list-style-type: none"> <li>• companies</li> <li>• non-complex superannuation funds</li> <li>• partnerships</li> <li>• sole traders</li> <li>• trusts</li> </ul>
<b><i>Taxation parameters</i></b> may include:	<ul style="list-style-type: none"> <li>• cash or non-cash accounting</li> <li>• lodgement schedules</li> <li>• tables, calculations and schedules</li> <li>• tax rates</li> </ul>
<b><i>Legislation</i></b> includes:	<ul style="list-style-type: none"> <li>• Australian commercial law</li> <li>• Australian taxation law</li> <li>• consumer credit legislation</li> <li>• Financial Transactions Reports Act</li> <li>• Privacy Act</li> <li>• Sale of Goods Acts</li> <li>• Stamp Duties Act</li> <li>• other commercial and taxation legislation relevant to the service being delivered</li> </ul>
<b><i>Lodgement schedules</i></b> may include:	<ul style="list-style-type: none"> <li>• Fringe Benefits Tax (FBT)</li> <li>• fuel tax credits</li> <li>• Goods and Services Tax (GST) instalments</li> <li>• Luxury Car Tax</li> <li>• Pay-As-You-Go (PAYG) tax withheld</li> <li>• PAYG income tax instalments</li> <li>• payroll tax</li> <li>• wine equalisation tax</li> <li>• withholdings</li> </ul>
<b><i>Accounting reports relevant to taxation requirements</i></b> include:	<ul style="list-style-type: none"> <li>• capital expenditure</li> <li>• cash flow statements</li> <li>• depreciation schedules</li> <li>• financial expenses</li> <li>• payroll</li> <li>• statement of financial performance</li> </ul>

	<ul style="list-style-type: none"><li>• statement of financial position</li><li>• other reports that relate to assessable income and allowable deductions</li></ul>
<i>Returns and lodgements</i> may include:	<ul style="list-style-type: none"><li>• annual returns</li><li>• Business Activity Statement (BAS)</li><li>• Fringe Benefits Tax (FBT)</li><li>• payroll tax</li></ul>
<i>Taxation preparation procedures</i> include but are not limited to:	<ul style="list-style-type: none"><li>• accessing information related to:</li><li>• allowable deductions</li><li>• annuities</li><li>• assessable income</li><li>• capital allowances</li><li>• capital gains tax</li><li>• capital works</li><li>• compliance and penalties</li><li>• eligible termination payments (ETPs)</li><li>• exempt income</li><li>• foreign income</li><li>• inventory valuation</li><li>• levies and surcharges</li><li>• offsets/rebates</li><li>• small business entities</li><li>• superannuation</li><li>• taxable income</li><li>• tax payables and refunds</li></ul>

## Unit Sector(s)

Accounting