



## e-News

Monday, 25th March 2024

Newsletter No 135

# Client-Agent-Linking - Issues & Challenges



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[CAL has been operational since 13 November 2023](#) to prevent identity fraud by ensuring clients authorize agents for tax record access. Previously, agents could connect to a client's account using just an ABN, but with ABN data easily accessible online, this became unsafe. Despite the good intentions behind CAL, it has introduced practical challenges for both clients and agents, who find it less than perfect, causing frustration and issues.

### Issues and Challenges for Clients

- CAL requires setting up myGovID and Relationship Authorisation Manager (RAM), which some clients struggle with, compounded by limited ATO support. Some

clients have never even heard of myGovID or RAM!

- The process is complex and involves several steps: creating a myGovID, linking ABN in RAM, logging into OSB, nominating an agent, and notifying them.
- Complex financial structures like trusts or self-managed super funds add difficulty.
- The technological expertise required for CAL is quite high and some clients who are not tech-savvy may struggle as a result.
- Strong proof of identification, like a passport, is needed for myGovID, which not everyone possesses (or wants).
- Clients must ensure their ABR details are current before initiating CAL, adding time and frustration.
- Clients can't receive agent assistance to set up CAL for security reasons, which is problematic for the less tech-savvy.
- Seeking ATO help for CAL setup can be time-consuming.
- Failure to complete CAL means clients can't use agents for tax lodgements, risking penalties and forcing them to attempt self-lodgement, which is risky for those with complex tax situations.
- Clients unable to complete CAL might be stuck with their current agent, even if the relationship has deteriorated.

### **Issues and Challenges for Agents**

- BAS agents lose access to clients in OSFA when a tax agent uses an ABN instead of a TFN as an identifier, necessitating re-linking through CAL. This is very frustrating for both BAS agents and their clients.
- Using an ABN as an identifier prevents tax agents from seeing the income tax account option, requiring clients to redo CAL. Again, this frustrates clients and is not a great way to begin a business relationship with agents.
- BAS agents are losing business as clients stay with tax agents to avoid enduring multiple CAL processes.
- Agents find CAL time-consuming and are hesitant to take on new clients due to the cumbersome process. This is hindering practice growth and success.
- The complexity of CAL deters clients from seeking agent services, affecting agent business growth and client tax management.
- After linking to an agent, clients must inform them, but failure to do so within 28 days resets CAL, signalling the need for an improved alternative notification system.

The release of CAL without ample testing has resulted in these issues for agents and clients. Until improvements are made, there's a risk of negative impacts on the tax industry, prompting calls for its suspension and a review by the ATO.

## **In Other Bookkeeping\_BAS News...**

**Free business training:** Are you interested in learning more about business planning, finances, record keeping/registration, tax and super management? You can access 21 free courses on this online learning platform called "[Essentials to Strengthen your Small Business.](#)"

**[Can I Claim the GST on That](#) page updated:** Some new items have been added to this list including whether GST applies when you pay for goods using digital currency and GST on compression socks.

**Changes to unpaid parental leave entitlements:** Read about how leave entitlements have changed recently [here](#).

**Next BAS due date:** The next quarterly BAS for **January to March 2024**, is due by **28th April 2024** if electing to receive and lodge by paper and not an active STP reporter. If, however, you have elected to receive and lodge electronically, this BAS is due by **26th May 2024**.

**Next Super due date:** The Q3 2023-24 super guarantee contributions are due by **28th April 2024**. I advise that you lodge and pay at least a week before this date to ensure payments are received by super funds by this date. Paying on the 28th of April is too late and you will need to lodge a super guarantee charge statement as a result.

**Your Online Services - you will Control who has Access from 13 Nov:** If you engage a new agent, change to a new agent, or need to make changes to what your agent is authorised to do for you, you will need to go through the Agent nomination process. [Read more here for further details.](#)

**Closing loopholes reforms - the Fair Work Act has changed:** Find out what has changed and when in this [downloadable guide](#).

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