2023 Client substantiation checklist

# REQUIRED CLIENT RECORDS

**Delete either “Individual income tax returns” list or “Sole traders, companies, trusts and partnerships” list as appropriate**

## Individual income tax returns

|  |  |
| --- | --- |
| Name of taxpayer: |  |
| Address: |  |
| Contact number: |  |

The Tax Practitioners Board (TPB) has released a Practice Note (PN) to provide practical guidance and assistance to registered tax practitioners in relation to verifying client identities. For full details on the Proof of identity requirements for client verification of the Tax Practitioners Board visit: [here](https://www.tpb.gov.au/tpb-practice-note-tpbpn-52022-proof-identity-requirements-client-verification)

|  |  |  |
| --- | --- | --- |
| Client identity records required – minimum requirements\* | Information AvailableY/N | Information Sighted / ProvidedY/N |
| An individual seeking to engage you, and you are a registered tax practitioner with the Tax Practitioners Board (TPB), you will need to see information showing the individual’s full name and either a residential address or date of birth on: * An original or certified copy of a primary photographic identification document,

Or on both of:* an original or certified copy of a primary non-photographic identification document; and
* an original or certified copy of a secondary identification document.
 |  |  |
|  |  |  |
| An individual representative seeking to engage you on behalf of an individual client, and you are a registered tax practitioner with the TPB, you will need to see information showing:* Both the individual representative and the individual client’s full names and either the residential addresses or dates of birth on an original or certified copy of a primary photographic identification document,

Or both of the following:* an original or certified copy of a primary non-photographic identification document; and
* an original or certified copy of a secondary identification document,

AND * The authority of the individual for the representative to engage you on behalf of the individual client. This is a legal document demonstrating the authority of the individual representative to engage the registered tax practitioner on behalf of the individual client, including in relation to parental, guardianship or power of attorney representation.
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\* Members should consider privacy, record keeping and cyber security and understand their obligations as to sighting information in relation to proof of identity.

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| --- | --- | --- |
| Client records required | Information Available Y/N or N/A |  Information Sighted / ProvidedY/N |
| Bank account name, number and BSB (if new client or if account details have changed) |  |  |
| Bank statements (including any issued by a building society or credit union) |  |  |
| Car expenses details (including logbook and invoices if required) |  |  |
| CGT statement (or details of any asset sales during the year including dates of acquisition and disposal, cost base items and capital proceeds) |  |  |
| Copies of contract notes relating to the disposal of CGT assets including shares and units |  |  |
| Copies of invoices for rental expenses (e.g. advertising costs, body corporate fees, borrowing expenses, capital works (including any quantity surveyor’s depreciation report), cleaning costs, depreciation schedule, gardening and maintenance expenses, insurance, interest, land tax, legal fees, postage, rates, stationery and security costs) |  |  |
| Copies of invoices referable to costs /expenses associated with holding vacant land |  |  |
| Distributions from unit trusts |  |  |
| Dividend statements (including any dividend reinvestment plan or share buyback details) |  |  |
| Insurance policies (including any income protection insurance premiums) |  |  |
| Managed funds statements |  |  |
| Notice of intention to claim personal superannuation contributions (if applicable) |  |  |
| Partnership distribution statement |  |  |
| Private health insurance statement (note Private health insurers no longer have to provide a statement) |  |  |
| Receipts and invoices for work-related expenses (e.g. union fees, subscriptions, protective clothing, safety boots, employer uniforms, tools of trade, self-education costs) and information regarding the number of hours worked from home |  |  |
| Rental statements (including any agent’s commission and details of the date the property was rented during the income year) |  |  |
| Statement of eligible termination payments (or any rollover payment notification) |  |  |
| Statement of Government social security pensions or allowance income streams |  |  |
| Statement of income received in respect of life insurance policies and friendly society bonds |  |  |
| Record of hours worked from home  |  |  |
| Record of work-related expenses and their work related percentage  |  |  |
| Trust distribution statements |  |  |

Sole traders, companies, trusts and partnerships

|  |  |
| --- | --- |
| Name of taxpayer: |  |
| Address: |  |
| Contact number: |  |

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| --- | --- | --- |
| Client identity records required – minimum requirements\* | Information Available Y/N | Information sighted/ProvidedY/N |
| If your client is a non individual seeking to engage you and you are a registered tax practitioner with the Tax Practitioners Board (TPB) you will need to sight:* documents of the individual who is acting as agent for the client. Being, the full name and either a residential address or date of birth as disclosed on either one primary identity document containing a photo ID, or two secondary identification documents without a photo ID.
* The legal authority to act by the individual on behalf of the entity.
* You will also need to sight the entity’s full legal name and either the Australian Business Number, the Australian Company Number or any other identifier to ascertain the legitimacy of the non-individual’s identity.
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\* Members should consider privacy, record keeping and cyber security and understand their obligations as to sighting information in relation to proof of identity.

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| --- | --- | --- |
| Client records required – business clients | Information Available Y/N or N/A | Information Sighted / ProvidedY/N |
| **GENERAL INFORMATION** |
| Accounting information, including any trial balance, profit & loss and balance sheet (if applicable) |  |  |
| Accrued expenses (e.g. audit fees and bonuses) and unearned revenue |  |  |
| Asset register detailing depreciating assets bought and sold or scrapped during the year and any other capital assets purchased during the year |  |  |
| Bank statements |  |  |
| Cashbook (if maintained) |  |  |
| CGT register (if maintained) |  |  |
| Cheque butts and deposit books (if maintained) |  |  |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of invoices for fees paid to registered tax agent or auditor (if another firm provided services) |  |  |
| Copies of invoices or documentation for material amounts or which relate to extraordinary transactions |  |  |
| Copies of sell notes and settlement statements for shares purchased and sold (including original contract notes and settlement statements, if possible) |  |  |
| Copies of sell notes for units in managed funds purchased and sold (including original purchase notes, if possible) |  |  |
| Details of any investments purchased during the year |  |  |
| Details of any leases entered into and terminated during the year |  |  |
| Details of provision for long service leave, annual leave or any other provision or reserve |  |  |
| Details of work-in-progress |  |  |
| Distribution statements, annual tax statements and capital gains statements from managed funds |  |  |
| Dividend statements |  |  |
| Documentation relating to acquisition or disposal of CGT assets (e.g. purchase contracts and sale contracts)  |  |  |
| Listing of trade creditors with amounts owing |  |  |
| Listing of trade debtors with amounts outstanding |  |  |
| Rental statements |  |  |
| Statements from lenders detailing the opening and closing balances of existing loans during the financial year (and any repayments made) |  |  |
| Details of government grants received during the year |  |  |

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| Client records required – business clients | Information Available Y/N or N/A | Information Sighted / ProvidedY/N |
| **ADDITIONAL INFORMATION – COMPANY [Delete if not applicable]** |
| Auditor’s report (if applicable) |  |  |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of company meetings |  |  |
| Details of any changes in shareholdings, including the issue of new shares |  |  |
| Details of any share buybacks or share cancellations |  |  |
| Loans, payments, debt forgiveness, or use of assets given to shareholders or associates of the shareholders, if private company |  |  |
| Transfer Pricing documentation (if applicable)  |  |  |
| Significant Global Entity assessment  |  |  |
| **ADDITIONAL INFORMATION – TRUST [Delete if not applicable]** |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of trust meetings, in particular trustee resolutions or minutes |  |  |
| Copy of trust deed or any amendments during year, if not already supplied |  |  |
| Details of any units redeemed or issued during the year (for a unit trust) |  |  |
| Details of any unpaid present entitlements to beneficiaries or associate private companies |  |  |
| Details of any elections (e.g. family trust election, interposed entity election)  |  |  |
| If a closely held trust, any relevant notices (e.g. tax file number (TFN) report, trustee beneficiary (TB) statement) |  |  |
| **ADDITIONAL INFORMATION – PARTNERSHIP [Delete if not applicable]** |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of partnership meetings |  |  |
| Copy of partnership agreement |  |  |
| If the partnership was restructured during the year, please provide details |  |  |

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