

Exposure Draft

TPB Information Sheet

TPB(I) D62/2026

The use of Artificial Intelligence and the Code of Professional Conduct

Tax Practitioners Board exposure draft

The Tax Practitioners Board (TPB) has released this draft Information sheet (TPB(I) D62/2026) as an exposure draft to provide practical guidance to assist tax practitioners in understanding their obligations under the Code of Professional Conduct in relation to the use of artificial intelligence.

The TPB invites comments and submissions in relation to this draft TPB(I) within 28 days. The closing date for submissions is **20 April 2026**. The TPB will then consider any submissions before settling its position, undertaking any further consultation required and finalising the TPB(I).

Written submissions should be made via email at <mailto:tpbsubmissions@tpb.gov.au> or by mail to:

Tax Practitioners Board

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Disclaimer

This document is in draft form, and when finalised, will be intended as information only. While it seeks to provide practical assistance and explanation, it does not exhaust, prescribe or limit the scope of the TPB's powers in the *Tax Agent Services Act 2009* (TASA) or the *Tax Agent Services Regulations 2022* (TASR).

In addition, please note that the principles and examples in this draft TPB(I) do not constitute legal advice and do not create additional rights or legal obligations beyond those that are contained in the TASA or which may exist at law.

Document history

This draft TPB(I) was issued on 23 March 2026 and is based on the TASA as at the date of issue.

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Contents

Introduction	3
What is AI?	3
Key considerations when using AI.....	4
Further information.....	9

Use of Artificial Intelligence and the Code of Professional Conduct

Introduction

1. This Tax Practitioners Board (TPB) draft information sheet (TPB(I)) provides practical guidance and assistance to registered tax agents and BAS agents (collectively referred to as 'tax practitioners') in relation to the use of artificial intelligence (AI) while providing tax agent services. This TPB(I) is not intended to be a comprehensive guide on the use of AI and/or its capabilities. It is recognised that AI is an evolving and fast-growing technology. The purpose of the draft TPB(I) is merely to provide guidance to tax practitioners in relation to their statutory obligations under the *Tax Agent Services Act 2009* (TASA) when using AI in the provision of tax agent services.
2. In particular, the draft TPB(I) highlights key considerations under the Code of Professional Conduct (Code), as contained in section 30-10 of the TASA, and the Tax Agent Services (Code of Professional Conduct) Determination 2024 (Determination).
3. In this draft TPB(I), tax practitioners will find the following information:
 - what is AI (paragraphs 4 to 6)
 - key considerations when using AI (paragraphs 7 to 30)
 - where to find further information (paragraph 31).

What is AI?

4. AI broadly refers to the development of computer systems capable of performing tasks that typically require human intelligence.¹ Australia's National AI Plan² adopts the following definition of AI systems from the Organisation for Economic Co-operation and Development (OECD):

*a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment.*³

¹ Australian Signals Directorate's Australian Cyber Security Centre - [An introduction to artificial intelligence | Cyber.gov.au](#).

² [National AI Plan 2025](#)

³ This definition has been adopted by the Australian Government's Digital Transformation Agency and Australian Government Architecture - see [Artificial Intelligence \(AI\) | aga](#).

5. Subsets of AI include:
 - Machine learning – where computers learn how to tackle problems and discover solutions independently, often by using artificial neural networks
 - Deep learning – where computers leverage ‘deep’ neural networks to perform complex learning tasks, often requiring large amounts of text/image data
 - Generative AI - describes computers focusing on generating new, realistic content from unstructured inputs including text, images or audio.

6. While the AI landscape is fast evolving with new and emerging technological advancements, in the context of providing tax agent services, AI capability or functionality has been observed to include the following:
 - analysis, interpretation and auto-classification of transactions
 - providing insights and recommendations
 - chatbot functionality, including ability to provide tailored advice in response to specific questions
 - automatic identification of anomalies, errors, or misallocations in client account
 - research, interpretation and simplification of information from various sources, including translating information into different languages
 - auto-compiling of a tax form using third-party information⁴.

Key considerations when using AI

General considerations

7. The TPB recognises that AI tools, when used appropriately, provide a significant opportunity to increase productivity and deliver efficiencies for tax practitioners, the public and Australia.
8. While AI tools are useful and can deliver significant benefits, tax practitioners are still ultimately responsible for the tax agent services they provide to their clients.⁵ It is important for tax practitioners to understand the capabilities and limitations of AI tools, and ensure AI outputs are assessed and supplemented by professional judgement.

⁴ This does **not** include third-party pre-fill financial information included in a client’s tax return by the Australian Taxation Office.

⁵ In line with the Australian Government’s [National AI Plan 2025](#), organisations using AI are responsible for identifying and responding to AI harms and upholding best practice.

9. When using AI while providing tax agent services, tax practitioners should consider various factors depending on their own circumstances and also the nature of the AI being used. For example, tax practitioners may wish to consider the following general factors:
- the nature of the activity to be performed by the AI
 - how information is being stored and accessed
 - the expected use of, or extent of reliance on, the output of the AI
 - the competency and ability of the AI being used and the purposes for which it is being used
 - the processes in place for the tax practitioner to review the output of the AI tools before the output is used in professional practice
 - the appropriateness of the data inputs to the AI tool and decisions made by tax practitioners while using the AI tool.
10. In addition, while not binding on all tax practitioners, Accounting Professional and Ethical Standards Board (APESB) standard APES 110 Code of Ethics for Professional Accountants (including Independence Standards) provides guidance to clarify the expected behaviours of members when using technology.⁶
11. Further relevant guidance on general considerations regarding the use of AI may be available from TPB accredited recognised professional associations.

Code obligations

Competency

12. When using AI while providing tax agent services, tax practitioners remain accountable for the accuracy of information and advice they provide to their clients and need to ensure that services are provided to a competent standard.
13. There are several relevant obligations in the Code and Determination under the broad heading of 'competency', which are outlined in Table 1 below.

⁶ APES standards apply to registered tax practitioners who are members of Chartered Accountants Australia and New Zealand, CPA Australia or the Institute of Public Accountants.

Table 1 – Relevant TASA provisions regarding competency

Code item 7	You must ensure that a tax agent or BAS service that you provide, or that is provided on your behalf, is provided competently. ⁷
Code item 8	You must maintain knowledge and skills relevant to the tax agent or BAS services you provide. ⁸
Code item 9	You must take reasonable care in ascertaining a client's state of affairs, to the extent that ascertaining the state of those affairs is relevant to a statement you are making or a thing you are doing on behalf of the client. ⁹
Code item 10	You must take reasonable care to ensure the taxation laws are applied correctly. ¹⁰
Section 30 of the Determination	You must keep records that correctly record the tax agent services you have provided, or that are provided on your behalf, to each of your clients, including former clients. ¹¹
Section 35 of the Determination	You must ensure each entity providing tax agent services on your behalf maintains knowledge and skills relevant to the tax agent services the entity is providing. You must ensure each entity providing tax agent services on your behalf is appropriately supervised, having regard to knowledge and skills of the entity, the tax agent services being provided by the entity, and your system of quality management. ¹²
Section 40 of the Determination	You must establish and maintain a system of quality management, in relation to the provision of tax agent services by you, or on your behalf, which is designed to provide you with reasonable confidence that you are complying with the Code. You must document and enforce the policies and procedures of your system of quality management. ¹³

⁷ For further information on Code Item 7, see [TPB\(I\) 48/2024 Supervision, competency and quality management under the Tax Agent Services Act 2009](#).

⁸ For further information on Code Item 8, see [TPB\(I\) 48/2024 Supervision, competency and quality management under the Tax Agent Services Act 2009](#).

⁹ For further information on Code Item 9, see [TPB\(I\) 17/2013 Reasonable care to ascertain a client's state of affairs for tax and BAS agents](#).

¹⁰ For further information on Code Item 10, see [TPB\(I\) 18/2013 Reasonable care to ensure taxation laws are applied correctly for tax and BAS agents](#).

¹¹ For further information on section 30 of the Determination, see [TPB\(I\) 47/2024 Obligation to keep proper client records of tax agent services provided](#).

¹² For further information on section 35 of the Determination, see [TPB\(I\) 48/2024 Supervision, competency and quality management under the Tax Agent Services Act 2009](#).

¹³ For further information on section 40 of the Determination, see [TPB\(I\) 48/2024 Supervision, competency and quality management under the Tax Agent Services Act 2009](#).

14. AI models, particularly large language models (LLMs), can have complexity that is hard to interpret and understand and can be biased as AI cannot understand human psychology or other external factors that may be relevant.
15. Therefore, to comply with the competency requirements in the Code and Determination, tax practitioners must exercise their own professional judgement when advising clients and should not rely on AI output as a substitute for their own analysis of a client's circumstances.
16. Further, AI models may not always be accurate or factually correct and as such should inform, not substitute tax knowledge, experience or expertise. Tax practitioners should verify and review AI generated content for accuracy and should establish processes to understand and contest AI decisions/outputs. This will also assist tax practitioners to meet their obligations under section 40 of the Determination.
17. In relation to using AI while providing tax agent services, there is no set formula for determining what it means to take reasonable care. Rather, whether a tax practitioner has taken reasonable care in a given situation will depend on an examination of all the circumstances, including but not limited to:
 - the nature and scope of the tax agent services being provided¹⁴
 - whether the tax practitioner checks or reviews the output of the AI tool before purporting to rely on it
 - whether AI tools have been used for tasks which should be independently verified.
18. The standard of reasonable care generally requires a tax practitioner to act in a way consistent with how a competent and reasonable person, possessing the knowledge, skills, qualifications and experience of a tax practitioner, objectively determined, would act in the circumstances. This will ensure that the applicable technical and professional standards are met and that a client receives competent professional services.

Confidentiality

19. Another important obligation is in relation to confidentiality of client information. In particular, tax practitioners should be mindful of their obligations under Code item 6 which provides that a tax practitioner must not disclose any information relating to a client's affairs to a third party without the client's permission, unless there is a legal duty to do so.
20. For the purposes of the TASA, a third party is any entity other than the client and the tax practitioner.
21. It is only necessary that the information relates to the affairs of a client. Therefore, the information does not have to belong to the client, or have been directly provided by the client to the tax practitioner.

¹⁴ The requirement to take reasonable care relates to the circumstances to which the registered tax practitioner is providing a tax agent service to their client and is therefore subject to the agreed terms of the engagement with the client (which may arise from a variety of sources, such as an engagement letter or a statement of advice incorporating an 'authority to proceed').

22. In the context of AI in the provision of tax agent services, tax practitioners must obtain permission from each client prior to divulging client information to a third party (which can include entering client information into AI chatbots/copilots, depending on how these tools are configured and used). When obtaining this permission, it is recommended that the tax practitioner clearly inform the client about the proposed disclosure (including noting to whom and where the disclosure will be made, and where data will be stored).
23. The client permission may be by way of a signed letter of engagement,¹⁵ signed consent, or other communication such as a relevant 'fact find' and consent. A general authority consenting to disclosure to third parties may also be acceptable.
24. Tax practitioners should also complete appropriate review of commercial AI tools to ensure information will be kept secure and that the requirements of the *Privacy Act 1988* (Cth) (Privacy Act) are met.¹⁶
25. Where the client information involves tax file numbers (TFNs), additional obligations under the *Privacy (Tax File Number) Rule 2015* will apply. Tax practitioners should seek their own advice about whether the provisions of the *Privacy (Tax File Number) Rule 2015* apply to them, including in relation to the use of AI.
26. For further information about confidentiality, including in relation to 'third party', 'permission', 'legal duty' and outsourcing refer to the following TPB information products:
 - [TPB\(I\) 21/2014 Code of Professional Conduct – Confidentiality of client information](#)
 - [TPB \(PN\) 2/2018 Outsourcing and offshoring of tax services – Code of Professional Conduct considerations](#).

Other Code obligations

27. In addition to the obligations relating to competence and confidentiality, there are other obligations under the Code and Determination, including in relation to honesty and integrity, independence and other responsibilities.
28. Tax practitioners must exercise their professional judgement to ensure compliance with each of these professional and ethical standards when using AI in the provision of tax agent services.

Privacy Act

29. In addition to their obligations under the Code, tax practitioners should also be aware that the Privacy Act sets out a number of Australian Privacy Principles (APPs) which govern the use of, storage and disclosure of personal information. Some of these APPs may have a direct impact on the requirement to obtain consent from clients.¹⁷

¹⁵ For further information on letters of engagement, see [TPB\(PN\) 3/2019 Letters of engagement](#).

¹⁶ See paragraphs 29 to 30 for more information regarding requirements under the Privacy Act.

¹⁷ See APP 11 in Part 4 of Schedule 1 to the Privacy Act.

30. Tax practitioners should seek their own advice about whether the provisions of the Privacy Act apply to them, including in relation to the use of AI. Information about obligations under the Privacy Act is provided by the Privacy Commissioner and is accessible from the Office of Australian Information Commissioner's website at www.oaic.gov.au.¹⁸

Further information

31. Outlined below is a listing of reference material that may provide further guidance in relation to general considerations and issues to consider when using AI:

Agency	Information product	Purpose of document
Tax Practitioners Board	TPB Information Sheet TPB(I) 21/2014 Code of Professional Conduct – Confidentiality of client information	Further information regarding obligations under Code item 6 – Confidentiality requirements.
	TPB Practice Note TPB(PN) 03/2019 Letters of engagement	Further information regarding engagement letters.
	TPB Practice Note TPB(PN) 4/2021 Use and disclosure of a client's TFN and TFN information in email communications	Further information regarding using and disclosing a client's TFN and TFN information in email communications.
	TPB Information Sheet TPB(I) 17/2013 Reasonable care to ascertain a client's state of affairs	Further information regarding obligations under Code item 9 – Reasonable care to ascertain a client's state of affairs.
	TPB Information Sheet TPB(I) 18/2013 Reasonable care to ensure taxation laws are applied correctly	Further information regarding obligations under Code item 10 – Reasonable care to ensure taxation laws are applied correctly.

¹⁸ For further information by the Office of Australian Information Commissioner, see paragraph 31 of this Information Sheet.

Agency	Information product	Purpose of document
	<p>TPB Information Sheet TPB(I) 09/2011 Digital service providers and the Tax Agent Services Act 2009</p>	<p>Provides guidance to assist digital service providers who provide tax related software systems to understand the operation and impact of the tax agent services regime.</p>
	<p>TPB Explanatory Paper TPB(EP) 02/2010 Fit and proper person</p>	<p>Provides a detailed explanation of the Board's interpretation of the fitness and propriety requirements in subdivision 20-A of the TASA.</p>
	<p>TPB Explanatory Paper TPB(EP) 01/2010 Code of Professional Conduct</p>	<p>Provides a detailed explanation of the TPB's interpretation of the Code contained in Division 30 of the TASA.</p>
	<p>TPB website guidance: Failing to comply with your obligations</p>	<p>Provides guidance regarding consequences of failure to comply with the TASA.</p>
<p>Accounting Professional & Ethical Standards Board Limited</p>	<p>Technology-related revisions to the Code</p>	<p>Provides guidance to members on the use of technology. It applies to registered tax practitioners who are members of Chartered Accountants Australia and New Zealand, CPA Australia or the Institute of Public Accountants.</p>
<p>Department of Industry, Science and Resources</p>	<p>Voluntary AI Safety Standard</p>	<p>Guidance to all Australian organisations on how to safely and responsibly use and innovate with AI.</p>
	<p>Australia's AI Ethics Principles</p>	<p>Includes principles designed to prompt organisations to consider the impact of using AI enabled systems.</p>

Agency	Information product	Purpose of document
Office of Australian Information Commissioner	Guidance on privacy and the use of commercially available AI products	Assist organisations to comply with their privacy obligations when using commercially available AI products. It should be considered together with the Privacy Act 1988 (Privacy Act) and the Australian Privacy Principles guidelines .