

# Standards of Professional Conduct

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The Board of Directors of the National Association of Tax Professionals has adopted a set of standards governing members' professional conduct.

The purpose of these standards is to establish a threefold responsibility of our members.

Our first responsibility is to our clients. Members should make every effort to protect the interests of the client and advise the client when the client is taking the wrong course of conduct. The client is responsible for any decisions made when the tax return is prepared. When the client signs the tax return, it has the force of an affidavit.

The second responsibility is to the member. Members should conduct their practice so that it will not jeopardize their professional reputation or self-respect. The member should not be unreasonable in requiring proof of statements made by the taxpayer.

The third responsibility is to the government. In this respect, a member should always bear in mind the member is governed by the law, regulations, and decisions that make up their field of tax practice.

Our members play an important role in shaping the attitude of the public towards voluntary compliance with the applicable laws.

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## Standard 1

A member must be ever mindful of the nature of the representation that may be needed to protect a taxpayer's interests. When appropriate, the member should recommend that the client consult with an attorney or another person admitted to practice before the Tax Court.

## Standard 2

The responsibility of a member to review advice previously given and returns previously prepared and filed, depends upon the nature of the contract between the member and the client. A member shall have a clear understanding with the client, whether responsibility ends with the preparation of a tax return or whether the member is expected to inform the client of later developments of law which may materially affect the tax return as prepared or the advice given.

## Standard 3

In situations where the applicable law is unsettled or where the application of the law to the facts at hand is uncertain, the member has a duty to explain the probable effects of the various alternatives to the taxpayer who must make the final decision about the position to be taken.

## Standard 4

A member must not permit the client to treat an item having a bearing on the liability in a manner for which there is no reasonable basis in law or fact. Should the client insist upon the item being stated on the return incorrectly, the member should withdraw and refuse to complete the service.

## Standard 5

If the client will not permit enough disclosures to accurately complete the service, then the member should withdraw from the assignment.

## Standard 6

A member should resolve all doubts in favor of the client, providing there is a reasonable basis in law and fact for the position taken, and the client is advised of the alternatives and the probable effects thereof.

## Standard 7

A member should avoid the appearance of an unduly close business relationship with representatives of the Internal Revenue Service.

## Standard 8

A member has no obligation to communicate with the Internal Revenue Service with respect to a person who the member suspects has been grossly negligent or who may have committed fraud against the government.

## Standard 9

Members have a responsibility to refrain from disclosing confidential information acquired during their work except when authorized or legally obligated to do so. A member has a responsibility to inform subordinates, as appropriate, regarding the confidentiality of information acquired while working and monitor their activities to assure the maintenance of that confidentiality. Members have a responsibility to refrain from using, or appearing to use, confidential information acquired while providing professional services for unethical or illegal advantage, either personally or through third parties.

## Standard 10

A member has a responsibility to refrain from false or misleading advertising as to ambiguous claims in regard to years of experience, volume of returns done, education, certification, etc. that would lead to false impression.

## Standard 11

A member has a responsibility to comply with laws and regulations, including, but not limited to, the timely filing, payment, and accurate preparation of all personal and business tax related documents and obligations relating to the member or his/her business. If a member pleads guilty or is convicted of any criminal offense under the revenue laws of the United States or any state, or of any offense involving dishonesty, or breach of trust, or is disbarred from practicing before the Internal Revenue Service or in any state, the membership shall be subject to termination pursuant to the requirements of NATP's bylaws.