



Clients' accounts

All registered migration agents should have a full understanding of their obligations in relation to the management of client money under the Code of Conduct for registered migration agents (the Code). As many agents will know, disputes with clients over money are not uncommon. Good practices can help make life easier for you and your client and lift the reputation of your practice. It also helps to raise the standing of the profession.

To ensure you always comply with the Code, you should follow the best practice guidelines set out in the [Client Monies Toolkit](#).

Recommendations to agents who receive money before providing services:

1. Always set up a separate account for your operating expenses.
2. Keep money paid by your clients in the clients' account until the agreed block of work is completed and an invoice is issued.
3. Maintain proper records of deposits into, and withdrawals from, your clients' account. Proper record keeping will also assist you to respond to a request for information from a client, the OMARA, a Tribunal or Court. These records must include, for example, the purpose of the transaction, the client(s) to whom the transaction is related, and the relevant receipts and invoices.
4. Read the Client Monies Toolkit and make sure your practice aligns with the best practice guidelines set out in the Toolkit.
[Client Monies Toolkit](#)
5. Take a look at [Ethics Bytes Module 2](#), which deals directly with managing client monies.
6. To help us assess your registration application efficiently, remember to attach a copy of your clients' account statement with your application. This statement must be **recent**.

The clients' account must clearly identify your business by name and show a detailed list of transactions. This will support us in processing your re-registration application in a timely fashion.

Issues with clients' accounts

Issues with clients' accounts range from minor administrative oversight to potentially more significant concerns. Below are some scenarios outlining the more significant issues that arise with clients' accounts.

Scenario 1:

On his way to see a client, an agent stops to fill his car up with petrol. He withdraws money from his clients' account to pay for the petrol and other items at the service station. There is also a withdrawal on the clients' account statement relating to a payment at a retail outlet for that month.

Your clients' account must not be used for personal activity or for the general costs of running your business. The costs of running your business, such as rent, power and stationery, should come out of a separate operating account. This should also make it easier for you when it comes to completing your tax return.

Scenario 2:

A bank statement for a clients' account shows the balance is in debit by over \$10,000.

Your clients' account should never go into debit (i.e. overdraft). This means you have withdrawn more money than you have received from clients and suggests you are using the account for operating or personal expenses.

Scenario 3:

An agent withdraws money deposited into their clients' account on the same day or the day after the deposit.

Drawing money from your clients' account immediately after it is deposited could be an issue if you have not performed the work for which that money is intended. If your client agreement has a schedule of activities linked to parts of the fee, that money should only be transferred out of that account once the work is complete.

The Code is not prescriptive in all areas relating to the clients' account. Some of the OMARA's best practice guidelines are outlined in policy and this helps minimise the regulatory impact on agents. Many other professions require practitioners to maintain Trust Accounts, which attract costly compliance obligations.

Below are scenarios that outline some minor issues you might like to consider in reference to your own practice.

Scenario 4:

An agent does not provide a clients' account statement to the OMARA with his annual registration application.

A registered migration agent must make available for inspection, on request by the OMARA, any records of the clients' account and any records of each account into which money paid by a client to the agent for fees and disbursements has been deposited.

Scenario 5:

An agent provides records of their clients' account to the OMARA showing only a balance.

An account balance is not sufficient for the purposes of record keeping of clients' accounts under the Code of Conduct. A registered migration agent must keep records of the clients' account, including:

- the date and amount of each deposit made to the clients' account, including an indication of the purpose of the deposit and the client on whose behalf the deposit is made
- the date and amount of each withdrawal made in relation to an individual client, and the name of each recipient of money that was withdrawn.

As soon as you discover any of these issues or they are brought to your attention, you should take steps immediately to rectify the issue.

While ignoring issues relating to client accounts might seem attractive in the short term, following best practice guidelines can help develop your practice and raise the standing of the registered migration agents' profession.