

## Open letter to Lenders

December 2024

### To whom it may concern

Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia and the Institute of Public Accountants (IPA) represent nearly 250,000 professional accountants in Australia.

Our members have collectively made us aware that as part of your lending assessment, it is common for you to request the accountant of your potential customer to provide or sign an Accountant's Letter, Declaration, or Certificate.

It is our position that the determination of capacity to repay must be made by the lender. The lender cannot ask applicants to engage third parties to determine their capacity to repay as part of the loan application.

Importantly, we note that the revised Banking Code of Practice issued in July 2024 and commencing 28 February 2025 states:

"We will not ask a third party (such as your accountant) to certify that you can repay the Loan"<sup>1</sup>.

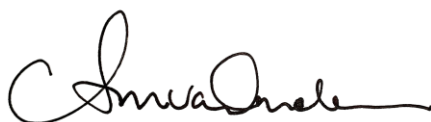
Further, where the finance is for consumer credit, the signing of such letters could be considered providing credit assistance and may be a breach the *National Consumer Credit Protection Act 2009*. It is also unlikely that these activities would be covered by the accountant's professional indemnity insurance cover.

Our members can assist in the lending process by providing factually verified information, with the consent of their clients, such as prepared business financial statements, Business Activity Statements and completed Income Tax Assessments.

We have now released joint guidance, resources and a template accountant's letter that can be used in specific circumstances only. We advise our members to only use this template when appropriate and not use any document provided by lenders or other third parties.

Importantly, professional accountants cannot provide any assessment, assurance or guarantees that a client will have the ability to make the repayments should their loan be approved.

Yours sincerely



**Ainslie van Onselen**

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Chartered Accountants Australia and  
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**Chris Freeland**

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<sup>1</sup> <https://www.ausbanking.org.au/banking-code/> clause 78