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End of year *bona fide* control RA6 condition requirements

With the start of a new financial year, the Department of Commerce would like to advise those licensees who have a triennial certificate subject to the RA6 condition of the continuing need to comply with that condition.

The RA6 condition states:

By 31 August in each year, the licensee shall satisfy the Commissioner that during the preceding financial year the person in bona fide control of the licensee's business has been paid a salary, which in the opinion of the Commissioner is consistent with salaries payable to persons giving substantial time and attention to an agent's business.

While no amount is specified in the triennial certificate condition, since November 2008 the policy requires the licensee in *bona fide* control to be paid not less than \$50,000 per annum (exclusive of commissions). This applies whether the service agreement is for a person in *bona fide* control of a partnership or company.

The condition excludes persons in *bona fide* control who have a substantial shareholding in the company or partnership (at least 50%).

A person in *bona fide* control can satisfy the RA6 condition by forwarding a copy of their group tax certificate to:

The Department of Commerce
Licensing Branch
Locked Bag 14
Cloisters Square
Perth WA 6850

Alternatively, the agency's accountant can certify in writing that they have sighted a copy of the group tax certificate verifying the amount paid to the person in *bona fide* control. Failure to comply with this condition may result in disciplinary action being taken against the agency.

...continued on page 2



continued from page one

If there has been a change to the shareholding or partnership structure, and the person in *bona fide* control becomes a substantial shareholder, then compliance with the condition may not be required. However, if you have any queries regarding this matter, please contact the Department's Licensing Section on 9282 0839.