

## CHARLTONS ACCOUNTANTS PTY LIMITED TERMS OF ENGAGEMENT

### Who may instruct us

You confirm that you, and any other person you nominate in writing from time to time (provided we have acknowledged such nomination), are authorised to give us instructions and information on behalf of all persons we are acting for and to receive our advice and documents on their behalf. If we are acting for a business, and we receive conflicting advice, information or instructions from different persons, we may refer the matter to the board of directors, partners or proprietors (as applicable) and act only as requested by them.

We will advise you and your spouse or partner on the basis that you are a family unit with shared interests. We may deal with either of you and may discuss with either of you the affairs of the other. If you wish to change these arrangements, please let us know.

### Client identification

We are required to verify your identity to prevent identity fraud. In most cases you will simply be asked to show us a primary photographic proof of identity document (e.g., drivers license) in person or via video conferencing. If this is not possible, we will advise you of alternative methods to verify your identity.

We may also be required to verify your identity for the purposes of the anti-money laundering laws. We may request from you such information as we require for these purposes and make searches of appropriate databases.

We do not retain copies or originals of identification documents.

### Your responsibilities

You must provide us with all information necessary for dealing with your affairs including information which we reasonably request, in sufficient time to enable our services to be completed before any applicable deadline. We will rely on such information being true, correct and complete and will not audit the information (except to the extent we are specifically engaged to provide audit-related services). You authorise us to approach such third parties as may be appropriate for information that we consider necessary to deal with your affairs. You must keep us informed on a timely basis of changes in your circumstances that may affect our services. Your compliance with tax laws is mandatory.

### Qualifications on our services

To the extent our services involve the performance of services established by law, nothing in the engagement letter or these terms reduce our obligations under such law. You must not act on advice given by us on an earlier occasion without first confirming with us that the advice is still valid. Our services are limited exclusively to those you have engaged us to perform. Unless otherwise specified in the engagement letter, our services cannot be relied upon to disclose irregularities and errors, including fraud and other illegal acts, in your affairs. Neither an audit nor a review will be conducted and, accordingly, no assurance will be expressed. Where our engagement is recurring, we may amend our engagement letter and these terms where we consider it is necessary or appropriate to do so. If you do not accept such amendments, you must notify us promptly in which case you may terminate our engagement in accordance with the Termination section below and those amendments will not apply prior to such termination.

### Reliance on advice

We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or telephone conversation) that you wish to rely on, you must ask us to confirm the advice in writing.

### Investment and financial advisory advice

We will not provide you with investment or financial advice regulated under the Corporations Act 2001 (Cth) unless we have expressly agreed to do so in writing, specifying an applicable Australian Financial Services Licence number.

### Professional obligations

We will comply with the professional and ethical standards of the Tax Practitioners Board, The Australian Taxation Office and the Accounting Professional and Ethical Standards Board, available at [apesb.org.au](http://apesb.org.au). This includes the TBP tax practitioners' obligations, APES 110 Code of Ethics for Professional Accountants (including Independence Standards), which among other things contains provisions that



apply if we become aware of any actual or potential 'non-compliance with governing laws or regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as serious adverse consequences to investors, creditors, employees, auditor, group auditor or the public), we may be required to disclose the matter to an appropriate authority.

## Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between the various persons this engagement letter covers) or in our relationship with you and another client. Where conflicts are identified which cannot be managed in a way that protects your interests, then we will be unable to provide further services to some or all of the persons to whom this engagement applies. If this arises, we will inform you promptly. We may act for other clients whose interests are not the same as or are adverse to yours, subject to the obligations of conflicts of interest and confidentiality referred to above.

## Fees

Our fees will be charged on the basis set out in the engagement letter and have been set based on the level of time, skill, responsibility, importance and value of the advice, as well as the level of risk.

If we have provided you with an estimate of our fees for any specific work, this is an estimate only and our actual fees may vary.

We may provide a fixed fee for the provision of specific services. If it becomes apparent to us, due to unforeseen circumstances, that a fixed fee is inadequate, we may notify you of a revised figure and seek your agreement to it.

Our fee estimate assumes that you provide appropriate documentation and access to your team members for the management of our service as set out in this engagement letter. This may include us calling upon you to provide further information. Should this assumption prove incorrect, we would need to discuss the consequences with you and agree on any changes to fees and delivery time which may be required before any substantial or further work is performed.

In some cases, you may be entitled to assistance with your professional fees, particularly in relation to any investigation into your tax affairs by the ATO. Assistance may be provided through insurance policies you hold or via membership of a professional or trade body. Other than where such insurance was arranged through us, you will need to advise us of any such insurance cover that you have. You will remain liable for our fees regardless of whether all or part are to be paid by someone else.

Unless otherwise agreed to the contrary, our fees do not include the costs of any counsel, or other professionals or third parties engaged with your approval.

We may suspend our services or to cease to act for you on giving written notice if payment of any fees is unduly delayed. We intend to exercise these rights only where it is fair and reasonable to do so.

## Additional fees

Work that is performed, disbursements and out of pocket expenses that are incurred which are outside the scope of our engagement will be the subject to additional charges.

Any additional services will be provided to you on a fee for service basis.

Our standard professional fees are (subject to review) excluding GST:

|                   |                      |                      |                      |
|-------------------|----------------------|----------------------|----------------------|
| Principal         | \$650 per hour       | Accountant           | \$180-\$230 per hour |
| Senior Consultant | \$400 per hour       | Assistant Accountant | \$150-\$170 per hour |
| Manager           | \$300-\$350 per hour | Bookkeeper           | \$120-\$140 per hour |
| Supervisor        | \$280-\$300 per hour | Admin                | \$120 per hour       |
| Senior Accountant | \$240-\$270 per hour |                      |                      |

If you do not accept our fee estimate but engage our office to provide services, the services will be performed on the basis of the hourly charge rates of our staff involved in the delivery of the service.

If for any reason we do not complete the work you have instructed us to do for you, we will only charge you for the time we have actually spent on your work at the charge rates and for any out of pocket expenses we have incurred for you.

## Invoicing and payment

Each invoice must be paid by the due date shown on it. Our invoices are due for payment within fourteen (14) days of issue.

Retainer agreements are billed monthly in advance in the first week of each month. All other services will be billed in accordance with what was agreed with your Accountant Manager.

In the absence of special arrangements set out in writing and signed by Charltons Accountants Pty Limited, we will render an invoice (at monthly intervals) for any additional costs, charges and disbursements and for each new matter as instructed and verbally agreed by the client which must be paid within fourteen (14) days of invoice.

If you dispute any invoice you must raise that dispute with us as soon as reasonably possible and in any event, within 30 days of the date of invoice.

Whilst any amount of money remains unpaid beyond the normal payment terms in relation to fees, charges or disbursements requested by Charltons Accountants Pty Limited, Charltons Accountants Pty Limited may cease to act for you upon the expiration of fourteen (14) days' notice, or such shorter period as may in all the circumstances be reasonable notice by Charltons Accountants Pty Limited to you.

## **Electronic lodgement / Electronic Funds Transfer (EFT)**

Wherever possible, returns will be lodged electronically with the ATO and any refund will be paid by electronic funds transfer (EFT). By signing your return, you authorise Charltons Accountants Pty Limited to lodge the return electronically and to be paid via EFT.

## **Client money**

We maintain a trust account for dealing with client monies on their behalf. We can only accept money into our trust account on your behalf if you have provided us with a written trust account authority letter which details the authority given to us in relation to that trust money.

## **Confidentiality**

We will take all reasonable steps to keep your information confidential, except where:

- We need to disclose your information to our service providers (including auditors of client monies if applicable) or regulatory bodies in performing the services, our professional advisers or insurers or as part of an external peer review from time to time. Our files may also be subject to review as part of the quality review program of Chartered Accountants Australia and New Zealand. By accepting this engagement, you acknowledge that, if requested, our files relating to this engagement will be made available under this program. We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis.
- We are required by law, regulation, a court of competent authority, or those professional obligations referred to above, to disclose the information; or
- You give us permission to disclose the information.

We may retain your information during and after our engagement to comply with our legal requirements or as part of our regular IT backup and archiving practices. We will continue to hold such information confidentially.

We may mention that you are a client for promotional purposes.

## **Privacy**

You must make all necessary notifications and obtain any necessary consents for us to process personal information you provide to us. We collect and use that personal information for the purposes of providing the services described in the engagement letter to you and we will comply with the Privacy Act 1988 (Cth) when processing that personal information.

Our Privacy Policy can be viewed at <https://www.charltons.com.au/privacy-policy/>

## **Ownership of materials**

We own the copyright and all other intellectual property rights in everything we create in connection with this engagement. Unless we agree otherwise, anything we create in connection with this agreement may be used by you only for the purpose for which you have engaged us. All working papers prepared by us (in any form whatsoever, including physical and electronic) remain our property. We will retain these papers in accordance with our normal record keeping practices and in accordance with our professional and legal obligations. You agree we can use your logos and trade marks for the sole purpose of providing advice to you in connection with the engagement, unless you tell us otherwise.

## **Limitation of liability**

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website.

You agree not to bring any claim against any of our principals, partners, directors or employees in their personal capacity.

To the maximum extent permitted by law, we are not liable to you for:

- indirect, special or consequential losses or damages of any kind; or
- liability arising due to the acts or omissions of any other person or circumstances outside our reasonable control, or your breach of these terms.

## **Limitation of third party rights**

Our advice and information is for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the engagement letter that a specified third party may rely on our work.

## **Period of engagement**

Engagement documents will be effective for current and future years unless we issue an amended one to you. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

Unless a new Retainer Agreement is entered into or otherwise cancelled, Retainer Agreements will continue on the same terms until subsequently varied or cancelled.

## **Termination**

Each of us may terminate this agreement by giving not less than 21 days' notice in writing to the other party except where a conflict of interest has arisen, you fail to cooperate with us or we have reason to believe that you have provided us or any other person with misleading or factually inaccurate information, in which case we may terminate this agreement immediately. Termination will not affect any accrued rights.

## **Communication**

You must advise of any changes to your contact details. We may send any communications to the last contact details you have provided. Unless you instruct us otherwise, we may, where appropriate, communicate with you and with third parties via email or by other electronic means. The recipient is responsible for virus checking emails and any attachments. There is a risk of non-receipt, delayed receipt, inadvertent misdirection or interception by third parties in any form of communication, whether electronic, postal or otherwise. We are not responsible for any such matters beyond our control.

## **Applicable Law**

Our engagement is governed by NSW law. The courts sitting in NSW will have non-exclusive jurisdiction in relation to any dispute.

## **Interpretation**

If any provision of the engagement letter or these terms is void, that provision will be severed and the remainder will continue to apply. If there is any conflict between the engagement letter and these terms, these terms prevail.

## **Disputes and complaints**

If you have any concerns about our costs or services, please speak to the person responsible for this engagement, who is identified in our engagement letter. To resolve your concerns, we have policies and procedures in place to deal appropriately with complaints and will use best endeavours to resolve a complaint or dispute to the mutual satisfaction of the parties involved. We may require you to detail your complaint in writing to allow us to fully investigate any concerns that you raise. You can also provide information to the Tax Practitioners Board (TPB) by filling out a simple form that can be accessed at <https://myprofile.tpb.gov.au/complaints/>

# INFORMATION FOR CLIENTS

## YOUR OBLIGATIONS TO THE ATO, AND YOUR TAX PRACTITIONER'S OBLIGATIONS TO YOU, THE TPB AND ATO

### Overview

As a taxpayer, it is important you:

- are aware of your obligations to the Australian Taxation Office (ATO)
- understand your tax practitioner has obligations to you, the ATO and the Tax Practitioners Board (TPB).

### Your obligations

- Be truthful with the information you provide your tax practitioner.
- Keep the required records and provide them to your tax practitioner on a timely basis, as required.
- Be co-operative with your tax practitioner's requests, and meet their due dates.
- Comply with the tax laws.

### If you do not meet your obligations

- The ATO may impose administrative penalties (fines).
- Interest charges may be applied.
- In some cases, criminal prosecutions may be sought.
- The ATO may initiate debt recovery.

### Your tax practitioner's obligations include:

- Act honestly and with integrity.
- Uphold and promote the ethical standards of the tax profession.
- Act lawfully in your best interests.
- Manage any conflicts of interest.
- Take reasonable care to ascertain your state of affairs and apply tax laws correctly.
- Keep your information confidential unless there is a legal duty to disclose.
- Provide services competently.
- Not knowingly obstruct the administration of the tax laws.

- Advise you of your rights and obligations under the tax laws
- Account to you for money or other property on trust.
- Not make false or misleading statements to the TPB or ATO, and in some cases withdraw their engagement with you and notify the TPB or ATO of certain matters.
- Keep proper records.
- Keep you informed of certain matters so you can make informed decisions.
- Address any false or misleading statements they are responsible for.
- Engage with clients to address other false or misleading statements, exploring options to correct.
- In higher risk cases, withdraw their services and notify the ATO or TPB about false or misleading statements.

### If your tax practitioner does not meet their obligations to you or under the law

- Their registration can be suspended or terminated, meaning they can't practice.
- They could receive a caution or orders from the TPB – for example, undertaking education or working under the supervision of another registered tax practitioner.
- Have fines imposed on them by the Federal Court.
- Your tax and superannuation matters may not be accurate.
- You may be subject to enquiries or audits.
- Any tax shortfalls may attract penalties and interest.
- Litigation to review decisions and to recover debts.
- In the case of fraud or criminality, penalties may lead to prosecutions.

### What you should expect from your tax practitioner



They will ask you questions to better understand your situation.



They may ask you to provide evidence of any claims you make.



They will not act illegally



They will advise you of your obligations under the tax laws.

### Further information

For further information, see [tpb.gov.au](https://www.tpb.gov.au) and [ato.gov.au](https://www.ato.gov.au)

# Your tax practitioner must keep you informed of certain matters

## 1. Information about the TPB Register

To support you and the public make the right decisions about any tax practitioner, the TPB maintains a **register**. You can identify registered BAS agents and tax agents, as well as those who are in your locality. The TPB's Register also provides important information about higher risk cases, where an investigation has resulted in serious sanctions being imposed.

Further information about the Public Register can be found at: [tpb.gov.au/help-using-tpb-register](http://tpb.gov.au/help-using-tpb-register).

## 2. How to make a complaint to the TPB

The TPB welcomes all feedback which helps improve our services and the regulatory system and provides critical intelligence and data. You can provide information to the TPB, about a tax practitioner, using a simple online form at: [myprofile.tpb.gov.au/complaints](http://myprofile.tpb.gov.au/complaints).

Complaints can also be made about unregistered preparers who are not complying with the law. All complaints and referrals are assessed by the TPB. In addition, we have client service compliance strategies that address the highest risk issues.

Further information about the complaints process is available at: [tpb.gov.au/complaints](http://tpb.gov.au/complaints).

## 3. General information about rights, responsibilities and obligations

Your tax practitioner must advise you of your rights, responsibilities and obligations. These rights and responsibilities may arise under the tax law or because of the particular services they provide to you.

Key rights and responsibilities of tax practitioners include their obligations to:

- act honestly and with integrity
- provide competent services
- exercise reasonable care
- practice lawfully in their clients' best interests
- address confidentiality and any conflicts of interest.

Key rights and responsibilities of clients to tax practitioners include:

- acting honestly and with integrity
- responding to reasonable requests and timelines (acknowledging that all taxpayers and tax practitioners may need to comply with time restrictions in the tax law).

## 4. Prescribed events within the last 5 years

If certain prescribed events have occurred involving the tax practitioner within the last 5 years, they must advise you of this at the time you make enquiries to engage or re-engage them to provide tax services. Otherwise, the tax practitioner must notify you within 30 days of them becoming aware of the matter. Prescribed events include if the tax practitioner was:

- suspended or terminated by the TPB
- an undischarged bankrupt or went into external administration
- convicted of a serious taxation offence or an offence involving fraud or dishonesty
- serving or sentenced to a term of imprisonment in Australia for 6 months or more.

Tax practitioners need to be transparent with clients about certain misconduct (prescribed events) that may have occurred in the past 5 years. This disclosure obligation extends to prospective clients – for example, a taxpayer seeking a quote for tax agent services).

## 5. Registration subject to conditions

Your tax practitioner must advise you if their registration is subject to conditions (e.g. they can only provide tax services related to research and development or tax (financial) advice services).

The tax practitioner must notify you of this at the time you are making inquiries to engage or re-engage them to provide you with tax services. Otherwise, the tax practitioner must notify you within 30 days of them becoming aware of the matter.