

## TERMS OF ENGAGEMENT

This document is to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide. You are engaging either Taxworks Pty Ltd trading as The Tax Shop or Tax Refund Centre Pty Ltd typically depending upon your geographical location. Your copy of any income tax return and associated correspondence prepared by us for you will confirm the name of the entity you are engaging with in your specific circumstances. Providing your Tax File Number to us gives authority to add you to our ATO Tax Agent Portal.

### PURPOSE, SCOPE AND OUTPUT OF THE ENGAGEMENT

This firm will provide Accounting and Taxation services which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), and with Income Tax Assessment Act 1936 and 1997. The extent of our procedures will be limited exclusively for this purpose. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

The engagement will include the operations and procedures of the Client as agreed with the client.

Our professional services are conducted and the financial statements and income tax return will be prepared for distribution to the relevant specific organisation or party for the purpose specified in the report or as agreed. We disclaim any assumption of responsibility for any reliance on our professional services to any party other than as specified or agreed, and for the purpose which it was prepared. Where appropriate, our report will contain a disclaimer to this effect.

For example, your return is not intended to be used for the purpose of obtaining business or personal finance.

### RESPONSIBILITIES

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent. Your privacy is our priority. Please refer to our Privacy Statement at: [www.thetaxshop.com.au](http://www.thetaxshop.com.au) which explains The Tax Shop Group's policies and practices in relation to the handling of client's personal information.

We wish to advise that our firm's system of quality control has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to audit or review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement may be made available under this program.

Clients are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. Clients are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to the Client is only an opinion based on our knowledge of the Client's particular circumstances.

A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to 5 years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

It is our usual practice, unless you opt out, to obtain a taxation specific Power of Attorney for every client, enabling us, at our absolute discretion, to follow up outstanding due or overdue matters on your behalf. In addition, even if we do not hold a taxation Power of Attorney, if your lodgement obligations fall due or overdue, you authorise us, at our absolute discretion, to lodge reasonable estimates for those outstanding taxation lodgement(s) and deduct our fees from any refunds received. In these instances, we will amend any such lodgements, free of additional charge, upon request. This includes authorising us to update any completed taxation returns for minor adjustments or corrections, in which case, we will provide to you where possible, amended copies of the adjusted return(s). In all instances, it is your responsibility, to notify us in writing, if your bank details for refund purposes change.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

For Non Residents, eligible under the DASP scheme, after you leave Australia, you authorise us, to recover all of your Australian Superannuation entitlements via the DASP Portal, deduct our fees and pay the remainder to your nominated bank account.

### PERIOD OF ENGAGEMENT

This engagement will start upon acceptance of the terms of engagement by the Client in line with this brochure. Your acceptance and authorisation appointing us to act on your behalf can be signed digitally via a tick, by acceptance of a confirmation message from us, by a traditional signing method and by verbal instruction. You remain our client until we are advised in writing that you wish us to no longer act or if for whatever reason, you are removed from our ATO Tax Agent list, we will cease to act as your Tax Agent and any Tax Agent Power of Attorney will cease.

### FEES

The annual fee for preparation of a Standard Individual Income Tax Return and associated annual lodgements vary from location to location and commence within a range of \$114 up to \$185. Specific fees for each location are displayed in the reception of that office.

Other services and miscellaneous expenses are based on the expected amount of time and the level of staff required to complete the services as agreed. This fee arrangement may be subject to change, depending upon scope of work. Our corporate secretarial fee is \$245 per company, per annum. Additional terms apply.

Fee invoices will be issued in line with a billing schedule advised to the Client as work is completed.

As of 1st July 2016 our charge rates are as follows (excluding GST):

Director .....	\$275
Manager .....	\$200 – \$250
Senior Accountant .....	\$150 – \$190
Accountants .....	\$120 – \$150
Secretarial / Administration .....	\$115

We review our charge rates on 1 July each year. Fees are payable within 7 days of the invoice date and prior to lodgment of returns. Alternatively we reserve the right to request fees to be paid in advance if payment has been late or for special services. We will let you know if advance payment is required.

### OWNERSHIP OF DOCUMENTS

All original documents obtained from the client arising from the engagement shall remain the property of the client. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

Our engagement will result in the production of financial statements and income tax returns; including, if applicable, electronic documents or files, which will be supplied to the client. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

### CONFIRMATION OF TERMS

Acceptance of our services in conjunction with this information brochure and/or payment of our invoice indicates that you understand and accept the arrangements. This information will be effective for future engagements unless we advise you of any change.

### COPIES OF THESE TERMS

Additional copies of these Terms of Engagement are available from [www.thetaxshop.com.au/terms](http://www.thetaxshop.com.au/terms) or upon request from our office.



## SUBSTANTIATION DECLARATION ASSOCIATED WITH ALL TAX RETURNS LODGED

As a client you confirm you have been advised by us of the requirement to comply with income tax legislation and retain substantiation documents for rebates, tax offsets and deductions claimed in your tax return including:

- \* Work related deductions
- \* Work, car and business travel expenses
- \* All other deductible costs claimed

In addition, you have been informed by you of the need to OBTAIN ORIGINAL RECEIPTS carrying details of:

- (1) name & ABN of supplier;
- (2) type of goods/services purchased;
- (3) date expense incurred;
- (4) amount expressed in the currency it was incurred;
- (5) day it was made out

You are advised of the need to keep the written evidence for at least five years.

You have also been advised of the consequences and penalties which will arise if the information you provided is incomplete or incorrect and does not strictly comply with the SUBSTANTIATION or nexus requirements.

Indicative penalties may be:

<b>Culpable Behaviour</b>	<b>Base Penalty (% of tax shortfall)</b>
No reasonable care	25%
Recklessness	50%
Intentional Disregard	75%

You have all income tax and SUBSTANTIATION DOCUMENTS necessary to support all the claims made in your income tax return, including where items are used for both business and private purposes, eg car, telephone/mobile, computer, library, etc. You advise that you have kept appropriate apportionment documents to verify your business usage claim.

For example:

- \* Motor Vehicle Diaries for irregular trips
- \* Time Usage Diary for home office hours, internet use etc
- \* Actual Usage Diary (eg: for Home Phone/Mobile Phone)

Further, you have instructed us to prepare the return based on your specific instructions

You have read and understood the return prepared for yourself.

You declare:

- That I have disclosed to my tax agent ALL the income which I have earned
- That all of that income has been declared in the return
- That all the claims for deductions and rebates which have been included in the return are based on my specific instructions
- That while I did not have the receipts to substantiate the above claims at the meeting, I will make them available if required by the Tax Office
- That you have clarified what written evidence will be required during an audit and penalties that may be applicable if incorrect claims are identified.
- I acknowledge I have read, understood and accept the Terms of Engagement outlined at [www.thetaxshop.com.au/terms](http://www.thetaxshop.com.au/terms)



## TERMS OF ENGAGEMENT



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