

RE: TERMS OF ENGAGEMENT

Thank you for your instructions to attend to your professional accounting and taxation requirements. We look forward to working with you as your Accountant/Tax Agent.

This letter sets out our terms of engagement and the nature and limitations of the services that we will provide. The scope of work may fall within the CPA Australia Ltd Professional Standards (Accountants) Scheme (**Scheme**), which facilitates improvements to industry professional standards and protects consumers. Accordingly, we need to notify you of the following:

"Liability limited by a scheme approved under Professional Standards Legislation."

If you want more information on the Scheme you can go to:

- [CPA Australia's Professional Standards Scheme](#) or visit
- [Professional Standards Councils' website](#) for additional consumer information.

Alternatively, if you want to clarify anything in the terms of engagement please call us on (08) 7082 0580 or email to your respective accountants/partner.

Yours sincerely,

FinPro Consultant Group

This Terms of Engagement is between

FinPro Consultant Group, FinPro Consultant Group Pty Ltd, FinPro Consultant (Brisbane) Pty Ltd, it's associates, employees, directors (collectively referred as **us** or **we** or **our**)

AND

«**ClientName**» (**you** or **your**) for the Term specified below:

1. PURPOSE OF THIS ENGAGEMENT

These Terms of Engagement (TE) apply in respect to professional services (Services) to be performed for our client ("you" or "your") identified in the letter of engagement (Engagement Letter) by the issuer of the Engagement Letter ("FinPro Consultant Group", "we", "us" or "our") herein collectively referred to as the "parties".

With effect from 1 March 2010, a new regime for the regulation of tax agents has taken effect under the *Tax Agent Services Act 2009* and accompanying legislation (**TASA**). The new regime has implications for registered tax agents and also for their clients.

An important feature of TASA is the provision of a "safe harbour" protection from penalties in certain circumstances for taxpayers who engage registered tax agents. To obtain the benefits of "safe harbour" protection, the legislation requires the taxpayer to provide the registered tax agent with "all relevant taxation information" to enable accurate statements to be provided to the Australian Taxation Office. This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement as set out below and may also affect other matters discussed below.

Our engagement is to prepare and lodge your annual income tax return and this will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

2. TERM OF THIS ENGAGEMENT

This engagement will commence at the time you indicate acceptance and will continue until revoked by us or you. The engagement document will be effective for future years unless we issue an amended one to you.

3. OBJECTIVES AND SCOPE OF THIS ENGAGEMENT

3.1 Our engagement is to provide the following 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 Tax Practitioners Board (TPB), including but not limited to, APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (**the Code**), APES 220 Taxation Services, APES 305 Terms of Engagement, APES 315 Compilation of Financial Information and Code of Professional Conduct pursuant to Tax Agent Services Act 2009. Our professional services will be delivered in accordance with our understanding and interpretation of the Tax Laws and other relevant laws as they currently exist.

- prepare and lodge annual income tax return for

3.2 We acknowledge that you may authorise an Accredited Data Recipient under the Consumer Data Right ('CDR') to provide CDR data to us via a Trusted Adviser Insight. We confirm that for this purpose you may nominate us as your Trusted Adviser and that we comply with the definition of a Trusted Adviser under the Competition and Consumer (Consumer Data Right) Amendments Rules (No. 1) 2021.

3.3 We acknowledge that you may authorise a tax agent to represent yourself and your business to the Australian Taxation Office (ATO). We confirm that, for this purpose you have appointed us as your tax agent, and we are authorised to add you within our tax agent portal and carry other tax portal related activities.

- 3.4 The extent of our procedures and services will be limited exclusively to this purpose only. As a result, no audit or review will be performed and accordingly, no assurance will be expressed.
- 3.5 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.
- 3.6 We disclaim any assumption of responsibility for any reliance on our professional services by any party other than those specified or agreed, and for any purpose other than that for which it was prepared. Where appropriate, our report will contain a disclaimer to this effect.
- 3.7 You engage us on the terms set out in this letter and are bound by those terms and the individual listed is liable to pay our accounts.
- 3.8 The business entity included in this engagement letter is, (which collectively referred as **you** or **your**):

- «LName»
- «LName»
- «LName»

3.9 Specific Services

We shall now outline the basis of our engagement in the context of the specific services to be provided. The following detailed services implement the scope outlined above.

It should be noted at the outset that as a general proposition we rely upon our clients to provide us with accurate and timely information to enable us to properly perform our engagement obligations. Consequently, any rectifying work performed by us on the basis of incorrect or late information will be work which is outside the scope of our engagement and will be charged as additional services.

3.9.1 Financial Accounts

This firm has been engaged to prepare the annual financial accounts of the business entities in your group. This service includes the preparation of:

- A profit and loss statement;
- A balance sheet; and
- Notes for the above accounts

This service includes maintenance of the chart of accounts for the general ledgers of your business entities. It also includes support (telephone/email) should you require any assistance as to how to record specific transactions in the general ledger.

This service does not include the preparation of one-off accounts for presentation to your financiers for additional finance and the like.

3.9.2 Income Tax Returns

This firm has been engaged to prepare and lodge income tax returns for your business entities and individuals.

This firm will not be responsible for reviewing or verifying any financial records or statements provided to it either via manual cashbooks or prepared on accounting software such as Xero, MYOB or QuickBooks. Correct coding or classification of accounts is outside the scope of this engagement. If assistance is required in how to correctly code or to review how you currently do so please discuss this with us. This will entail work which is outside the scope of this engagement and will be charged as additional services.

Also please ensure that you have all source documentation available to allow this firm to analyse the income tax implications of any transaction, if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

It is also expected that, in respect of individual income tax returns, each person will have the necessary documents so as to comply with the substantiation provisions of the *Income Tax Assessment Act*. We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied.

This specifically means that we will not be reviewing your logbook or any calculations or information you provide us, for example a rental property schedule either prepared by you on spreadsheet or by a property manager. If you require assistance in completing a logbook or preparing any calculations or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of our engagement and will be charged as additional services.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns. These will be provided free of charge. The fee for this service does not cover any inquiries made to us or investigations involving us conducted by the Australian Taxation Office. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance.

3.9.3 BAS Returns and Activity Statements

As the BAS returns and Activity Statements are prepared and lodged quarterly or monthly, as applicable, during the financial year, it is not possible for this firm to review the correctness of the underlying financial information as part of the preparation of the quarterly BAS return.

This is because we are engaged to prepare the annual accounts, and these are prepared after the conclusion of the financial year.

Therefore, for the quarterly/monthly Activity Statement Returns (BAS), we will rely on and process the financial information provided to us without any review of the primary source documents. In doing that, we will make the following specific assumptions:

- The financial information provided to us is accurate.
- The financial information correctly states the GST position. For example, all input tax credits and GST payable amounts have been correctly recorded in the general ledger. If you are unsure of the correct position or require advice regarding this, we are able to provide this as work which is outside the scope of our engagement and charged as additional services.
- You have the necessary supporting documentation to satisfy the Australian Taxation Office for GST purposes. Again, if you are unsure of the ATO requirements or require advice regarding these documents, we are able to provide this as work which is outside the scope of our engagement and charged as additional services.
- You hold valid tax invoices and adjustment notes for all expenditure incurred by you in respect of which an input tax credit is being claimed. Substantial penalties apply for an incorrectly prepared BAS. If you have any queries in respect to this, please contact our office for assistance.

However, it is possible that, when the financial accounts are prepared, some discrepancies will exist between the information disclosed in the quarterly BAS returns and in the annual financial statements.

Should any discrepancies arise, we will discuss the need to correct either the BAS returns and/or financial accounts. Those services will involve work which is outside the scope of our engagement and will be charged as additional services.

3.9.4 Bookkeeping and Payroll Services

This firm has been engaged to provide bookkeeping and payroll services for your business entities. This service involves allocation and recording of business transactions in your accounting software (such as Xero, QuickBooks Online or MYOB, as agreed). Our role is limited to the accurate allocation of clearly identifiable business transactions that are captured via bank feeds, source documents provided, or any other electronic data feeds. It is the responsibility of the client to ensure that only genuine business transactions are included in the feeds and/or source documentations are provided to us.

We will not be requesting any additional documentation unless we identify a discrepancy, unusual transaction, or require clarification to complete our allocations accurately. Where clarification is needed, we may contact you for further details.

This service does not include the review or identification of private or non-business expenses. It is your responsibility to exclude all personal transactions from the information you provide to us. If you are unsure about the classification of a particular expense or transaction, please seek our advice. However, please note that any guidance or investigation into such matters will be considered work outside the scope of this engagement and will be charged as additional services.

We will not be responsible for any compliance or taxation implications arising from the inclusion of private or misclassified transactions. Therefore, it is essential that you apply reasonable care when preparing and submitting us the business transaction data for processing in the respective accounting software.

It would be your duty to hold valid tax invoices and adjustment notes for all the invoices and sales categorised in the system. In the transactions, where we cannot identify with certainty about the input tax claimed or the nature of the transactions, we will seek telephonic or email clarifications. It would be your responsibility to provide the correct clarifications on the transactions.

If requested, we can provide templates or tools to assist in distinguishing private/personal expenses from business expenses, at no additional charge. However, the ongoing monitoring and accuracy of data captured remains your responsibility. Should the scope of work require additional time/resources or exceed standard transaction processing time/resources—for example, if significant reclassification or reconstruction of transactions is necessary—we will discuss this with you before proceeding and such work will be charged as additional services.

4. BASIS OF ENGAGEMENT

4.1 Our Commitment

We will perform procedures (guided by the APES suite of standards) required that are directly related to the engagement consistent with our fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and identifying, avoiding and dealing with conflicts of interests (Fundamental Principles).

We will seek to understand your requirements and provide you services confidentially and professionally. Any information pertaining to your affairs, whether it be provided by you, or through a Trusted Adviser Insight via the CDR, will be utilised and stored in an appropriate manner to maintain our professional standards and obligations. Further information on privacy is noted at section 10 (i.e. in Privacy Policy section) of this letter.

We will document sufficient and appropriate records of the procedures performed for the TE, which may be subject to the CPA Australia Best Practice Program assessment under APES 320 *Quality Control for Firms*.

4.2 Our obligations

We will always endeavor to deliver the services mentioned in this TE with highest professional standards at all the times.

We are obliged to consider whether our clients create any threats to compliance with our Fundamental Principles and where we cannot reduce the risk to an acceptable level, we are obliged to cease the TE under the Code (section 320) to decline or cease the client engagement.

We have a duty to act in your best interests, unless this duty is inconsistent with our duty to act in the public interest.

We are responsible for maintaining records for a period of at least five-year period, unless otherwise required by legislation.

Obligation to correct false or misleading statements

- By law, registered tax practitioners **must not** (in any capacity) make a statement to (or prepare a statement that they know or ought to reasonably know is likely to be made to) the ATO, the TPB or another Australian government agency, or permit or direct someone else to make or prepare such a statement, that they know or ought reasonably to know is false, incorrect, or misleading in a material particular, or omits any matter or thing without which the statement is misleading in a material respect.
- If we become aware that a statement we made or prepared (or permitted or directed another to do so) to the ATO, the TPB or another Australian government agency or your behalf or on behalf of a client I your Group was false, incorrect or misleading in a material particular (including by omission) at the time it was made, we may advise you to take action to correct the false or misleading statement.
- If after a reasonable period of time after providing this advice, we are not reasonably satisfied that you or the relevant Group client has corrected the statement (or provided consent for us to correct the statement) or adequately explained the basis for the statement, we may take further action. In some cases, this may including withdrawing from the engagement and notifying the ATO or TPB about the matter.

We will inform you:

- of your (or your employer's) rights and obligations available under taxation law, including any rights that might be available to seek a private ruling and the lodging of objections and appeals against adverse positions adopted by revenue authorities
- of any possible penalties and other legal tax consequences to enable you to make an informed decision

During the course of our engagement, if we identify or suspect that Non-Compliance with Laws or Regulations (NOCLAR) has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance and may be fundamental to **your** ability to continue its business or to avoid material penalty, **we** may:

- discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate
- communicate the non-compliance or suspected non-compliance with your external auditor, unless prohibited by law or regulation
- disclose the matter to an appropriate authority even when there is no legal or regulatory requirement to do so; and/or
- withdraw from the engagement and the professional relationship where permitted by law or regulation

Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of a law or regulation that would cause substantial harm to the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

Losses from unauthorised cyber-activity

We will take all reasonable precautions to ensure that any electronic data that contains your private information is securely stored and that any email transmissions are protected and are not able to be intercepted by third parties. However, we cannot be held liable for any loss you might incur as a consequence of any third party intervention that accesses, procures or copies any data that contains your private information from any medium or device we use to store or transmit such information.

In the event that, despite our firm having taken reasonable precautions to securely store your private information, you suffer any losses arising from unauthorised cyber-activity, you agree to forever release us from any claim for your losses.

4.3 Your obligations

You are responsible to give us timely notice of any significant changes in your business transactions or circumstances, so that these can be reported to the relevant authority within the due dates.

In accepting this TE, you acknowledge that you must provide us with all relevant information and documentation to complete the engagement. Under Self-Assessment Regime, (the laws which govern the completion of income tax returns), the onus is on you to have adequate documentation to support your income and deduction claims. Details about the same can be found in ATO website.

You are responsible for the reliability, accuracy and completeness of the particulars and information provided to us, and, if the TE includes financial reporting, the accounting records and disclosures of all material and relevant information provided to us. Accordingly, any advice given to you is only an opinion based on our knowledge or your particular circumstances.

You are responsible for your own record keeping relating to your affairs. And, you are responsible for retaining those paperworks for as long as legally required. For ATO's review, those records must be retained for a period of five years after the assessments.

You provide us with all the updated, latest, and relevant documents and records relating to your affairs, in a timely manner, which will be requested from time to time to discharge our scope of work as highlighted in this TE.

Please be aware that the completeness and accuracy of the information you provide to us remains your responsibility. Hence, you are responsible for full disclosure of all relevant information.

You are responsible for checking the assessment before submission to ensure accuracy.

In accepting this TE, you agree that we merely process the payroll, if relevant/applicable, based on the data you provided to us, and it is your responsibility and obligation to ensure the accuracy, correctness and completeness of the payroll data you provide to us including, but not limited to, employees' working hours, employees' awards, wages rates, holidays, annual leaves, employees' leave entitlements etc.

It is your responsibility to ensure that the award rates being paid to your employees are lawful, and you should contact the Fairwork Ombudsman or an independent advisor to obtain Award information, in case you do have any doubts about *awards classification* or *wage rates*.

You are responsible for retaining paperwork for as long as legally required (up to 7 years as per Tax laws and 10 years for SMSF)

4.4 Third Party Involvement

We may from time to time engage third party specialist professionals and other public practitioners, where warranted to obtain the advice you need or to assist us to provide our service to you. These may include cloud service providers and outsourced service providers.

We will seek your consent if third party involvement is likely to exceed the fixed price (if applicable).

We have outsourcing arrangements with various sub-contractors in Australia and overseas whom we engage from time to time to assist us. We have a back-office team in Nepal who primarily performs Book-keeping and compliance tasks. In providing our services to you, we may utilise Cloud Computing Services or third-party software.

Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above.

4.5 FEES FOR THE PROFESSIONAL SERVICES

How fees will be calculated

Fees for the Services will be charged on the basis set out in the Engagement or Confirmation Letter or Quote provided. Where these letters do not state the basis on which our fees will be charged, our fees will reflect time spent and such other factors as complexity, monetary values involved, specialist input required and the urgency of the matter. Our current hourly rates, exclusive of GST is:

Partner	\$400 per hour
Manager	\$180 to \$200 per hour
Accountant	\$100 to \$170 per hour
Administration/Bookkeeper	\$50 to \$80 per hour

Our total fees or hourly rates and, where applicable, out-of-pocket expenses (Billings) are based on the currently applicable GST rate (except where we have assessed that the Services to be provided are GST free). If this GST rate changes, our Billings will be adjusted to reflect the change.

Expenses

All charges are exclusive of expenses and/or any outgoings unless the Engagement or Confirmation Letter states otherwise. We will charge you out of pocket expenses such as software subscriptions, reasonable travel, subsistence and document handling costs (photocopying, printing, fax and courier, etc), stamp duty and fees paid to third parties such as couriers, registration fees or fees for other professionals incurred by us (net of any applicable GST input tax credit to which we are entitled) plus GST as applicable. Any special expense arrangements will be agreed and set out in the Engagement Letter. Any outgoings (for instance ASIC fees or other government related fees) are billed separately and are not included in the fees mentioned within this quote or schedule.

Hourly rates

We may revise our fee scale from time to time. Rates quoted to you remain in force until next 30 June. We may increase our fees for any work performed after those dates. We reserve the right to change our rates outside these dates and will communicate any such change directly to you.

Our current hourly rates are mentioned above.

Success Fee

Where the Engagement Letter and/or Confirmation Letter stipulate that any amount of our fees is payable by way of a 'Success Fee', the mechanism for the payment of the Success Fee will also be contained within the Engagement Letter and/or the Confirmation Letter.

Where the Engagement Letter and/or the Confirmation Letter do not set out the mechanism for payment, and for the avoidance of doubt, the Success Fee is payable upon the completion of the work set out in the Engagement letter, or otherwise contained in the Services Contract, and in accordance with the 'Payment of Invoices' section of this clause.

Payment of Invoices

Unless specifically agreed otherwise, your obligation to pay us fees and expenses to which we are entitled, will not arise until we have issued an Engagement Letter to you that you have signed and/or when a fee account is issued to you. Where you have not signed the Engagement Letter, but continue to instruct us, then you will be taken to have accepted the terms and conditions of the Engagement Letter issued to you and these Terms.

Where an amount for GST is stated to be a component of the fees and expenses, our fee account will comply with the law specifying what is a "tax invoice" for GST purposes.

Our invoices will be issued on a monthly or quarterly basis or as set out in the Engagement or Confirmation Letter. Where not specifically set out in the Engagement or Confirmation Letter, all invoices will be due for payment on engagement (50%) and on completion of the assignment (50%). However, at our discretion, we may invoice you on an interim basis, prior to the completion of an assignment. The title to work will remain with us until full payment for the assignment is received. We do not provide credit and will not deliver work on assignments until full payment is settled. In addition, if **you** withdraw from this engagement once we initiated the work as agreed within this TE, you are obliged to pay us the charges in relation to the resources we have utilised, including the resources that has been allocated to perform your work.

Payment of invoices can be made by cheque, EFT, direct debit, or credit card. Payments by direct debit and credit card will attract a service fee equivalent to the effective merchant fee levied by the card issuer or the respective payment service provider.

Our terms are payment in advance as agreed with the terms of this TE. If the TE is silent on the advance terms of the payment, all invoices issued by us are strictly due and payable within 7 days from the date invoice is issued. We may, at our discretion, also charge you a commercial rate of interest on accounts which are overdue by more than a month.

Recovery Costs and Debt Collection

If any invoice remains unpaid beyond the agreed trading terms, we reserve the right to refer the outstanding debt to a debt collection agency or other recovery provider without further notice to you. In that event, we may charge interest at a commercial rate and recover all reasonable debt recovery, legal, administrative, and collection costs incurred in recovering the outstanding amount.

Limitation of Scope on Fixed Fee services

Where a fixed fee or quote has been provided (including those outlined in Schedule/Quote of this engagement), that fixed fee applies strictly and exclusively to the specific services listed in that quotation or schedule. Notwithstanding any broader description of services outlined elsewhere in this Terms of Engagement (including under the "Objectives and Scope of Work" or "Specific Services" sections), the fixed fee does not cover any services that are not expressly included in the quote or Schedule.

Any additional work or services requested by you that fall outside the agreed fixed fee schedule will be treated as additional services and billed separately at our standard hourly rates, unless otherwise agreed in writing.

4.6 Record Keeping and Substantiation

In addition to the basic financial information required to complete these tax returns, it is expected that the source documentation will be available to allow us to analyse the income tax implications of any transaction if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

It is also expected that, in respect of individual income tax returns, each person will comply with the substantiation provisions of the *Income Tax Assessment Act*.

We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied.

This specifically means that we will not be reviewing your logbook or any calculations or information you provide us, for example a rental property schedule either prepared by you on spreadsheet or by a property manager. If you require assistance in completing a logbook or preparing any calculations or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of our engagement and will be charged as additional services.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns. These will be provided free of charge. The fee for this service does not cover any inquiries or investigations conducted by the Australian Taxation Office. Substantial penalties apply for an incorrectly prepared income tax return.

If you have any queries in respect to this, please contact our office for assistance.

4.7 Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavor to ensure that the tax returns are lodged by the due dates. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgment penalties you may incur.

4.8 Ownership of Documents

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

Our engagement will result in the production of documents including, tax returns and letters of advice. These documents will be forwarded to you when completed and/or lodged and shall remain your property. All other documents produced by us in respect to this engagement will remain the property of our firm.

We may exercise a lien of your documents in our possession in the event of a dispute, which will be handled in accordance with our firm's dispute resolution process.

Subject to the payment of all outstanding professional fees and disbursements owing to us, we will provide you with materials produced by us for you in the event you engage the services of another practitioner and the materials are required by your new practitioner.

4.9 Additional services

The scope of our engagement is the preparation and lodgment of the taxation returns detailed above. Our fee applies only to services and advice provided within the scope of our engagement. This fee includes the checking and forwarding of original assessments and original payment notices that are received from the Australian Taxation Office.

Any additional services or advice you request will be charged to you on the basis of time in accordance with our normal hourly rates outlined above, including any direct out-of-pocket expenses. Please note, any correspondence from the Australian Taxation Office that does not relate to initial assessments or original payment notices will be treated as additional services.

It should be noted at the outset that as a general proposition we rely upon our clients to provide us with accurate and timely information to enable us to properly perform our engagement obligations. Consequently, any rectifying work performed by us on the basis of incorrect or late information will be work which is outside the scope of our engagement and will be charged as additional services.

4.10 Privacy

Our collection, use and disclosure of your personal information (PI) may be subject to the Privacy Act 1988 (Cth) and accordingly we will only collect PI about you that relates to the TE. We may use and disclose PI about you for the primary purpose of providing taxation services to you, as well as for other purposes required or authorised by or under law (including purposes for which you have provided your consent). This PI may be stored overseas. If you would like to access or correct any PI we might hold about you, or make a privacy complaint, contact our office.

We may collect PI about you, your representatives, your clients and others when we provide services to you. If we do, you agree to work with us to ensure that we both meet our respective obligations under the Privacy Act 1988 (Cth). Your obligations may include ensuring your privacy policy and contracts include a reference to your collection practices, how you will use the PI and that you may disclose the PI to an agent for public accounting services

Where an outsourced service requires the disclosure of PI to an overseas recipient, we take care to ensure that other third parties outside Australia to whom we disclose PI are subject to contractual obligations relating to privacy and the handling of your personal information and can only use the information for the purposes stipulated by us.

In providing our services to you, we use various cloud-based software and technology platforms, including Artificial Intelligence (AI) tools, to assist with the delivery of accounting and taxation services. These cloud computing softwares/AI tools may be provided by third-party service providers located in Australia or overseas and we rely on their security measures. While we apply professional judgment in all outputs and maintain full responsibility for the services we provide, we may use AI to assist with tasks such as document analysis, drafting correspondence, or performing data checks. All reasonable steps are taken to ensure your information is securely stored and handled in accordance with Australian Privacy Principles, and we do not use AI tools that publicly expose client data or store it outside secure, approved environments.

If your personal information is disclosed to CPA Australia for the purpose of conducting a CPA Australia Best Practice Program assessment on the services provided, your personal information will be handled as outlined in the [CPA Australia Privacy Policy](#).

4.11 Confidentiality

Under the APES Code, we have an ethical duty of confidentiality, meaning we must not share or disclose your details of this TE to anyone, except as otherwise specified in this clause, without your consent unless required to by law. Specifically, and as required by subsection 114 of the Code, we will:

- be alert to the possibility of inadvertent disclosure, including in a social environment, and particularly to a close business associate or an immediate or a close family member;
- maintain confidentiality of information within our firm;
- not disclose confidential information acquired as a result of our professional and business relationship outside the firm without proper and specific authority, unless there is a legal or professional duty or right to disclose;
- not use confidential information acquired as a result of our professional and business relationship for our personal advantage or for the advantage of a third party;
- not use or disclose any confidential information, either acquired or received as a result of our professional or business relationship, after our relationship has ended; and
- take reasonable steps to ensure that personnel under our control, and individuals from whom advice and assistance are obtained, respect our duty of confidentiality.

We may disclose your personal and confidential information details of the services provided to you, to CPA Australia Ltd (if requested), as part of our working papers, for the purposes of conducting a CPA Australia Best Practice Program assessment aimed at maintaining high industry professional standards. Any such disclosure of confidential information does not change any of our commitments to safeguard your information, and the information remains subject to any existing confidentiality obligations. We advise you by signing this letter you acknowledge, our engagement files relating to this assessment will be made available under this program.

When using cloud computing, we only store client information in data server managed in Australia, which is subject to Australian privacy law.

Any personal information provided to CPA Australia as part of the CPA Australia Best Practice Program assessment will be handled by CPA Australia in accordance with the [CPA Australia Privacy Policy](#).

4.12 Termination for Convenience

Either party may terminate this engagement for convenience at any time by providing 7 days' written notice of termination to the other party. Any such notice is not required to contain any reason for termination.

We may terminate this engagement with immediate effect, without providing any notice or explanation to you, if required by law, regulation, or any applicable professional, ethical, or regulatory obligation.

4.13 Obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and/or the Tax Agent Services Act 2009 (Cth)

You acknowledge that where we are:

- a reporting entity within the meaning of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act); and/or
- a registered tax agent under the Tax Agent Services Act 2009 (Cth) (TASA) and are subject to the Code of Professional Conduct established under section 30-10 of TASA (as updated by the Tax Agent Services Regulations 2022 and the Tax Agent Services (Code of Professional Conduct) Determination 2024);

we are subject to special obligations under those Acts as amended from time to time.

In accordance with those obligations, we may:

- disclose to the relevant authority any matter we are required or permitted to disclose;
- withdraw from the engagement and the professional relationship; and/or
- act otherwise in accordance with the law and our ethical obligations.

This clause survives termination of this engagement.

4.14 AML/CTF Customer Due Diligence

We have a duty to comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules, before providing designated services. This duty continues while we provide you with those designated services.

This may include requiring you to provide us with information and documents reasonably necessary to enable us to:

- verify your identity, including the identity of any person on whose behalf you are receiving the services, or of any person acting on behalf of you and their authority to act;
- where you are not an individual, verify the identity of your beneficial owners;
- Identify whether **you**, any beneficial owner of **yours**, any person on whose behalf **you** are receiving the services, or any person acting on behalf of **you** is:
 - (i) a politically exposed person; or
 - (ii) a person designated for targeted financial sanctions;
- identify the source of funds;
- identify the nature and purpose of the business relationship or occasional transaction, and/or
- Verify any other matter relating to **you** that is specified in the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and/or associated rules, as in force, amended, replaced, or remade from time to time,

before providing you with any designated services.

We will maintain all records required by law including as required under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and associated rules.

Any personal information collected under this clause will be handled in accordance with the Privacy Act 1988 (Cth), our Privacy Policy, and any applicable legal obligations relating to confidentiality and privacy.

If you fail to provide information or documentation reasonably requested by us for customer due diligence purposes, we may be unable to commence or continue providing services and may suspend or terminate the engagement without liability.

4.15 Professional Indemnity Insurance (PII)

We hold professional indemnity insurance of at least the minimum amount prescribed in the CPA Australia Ltd By-Laws or as required by law. Our PII cover at the time of this TE is AUD 2 million.

4.16 Professional Standards Scheme & Limitation of Liability

We participate in the CPA Australia Ltd Professional Standards Scheme (Scheme), which facilitates the improvement of professional standards to protect consumers and may limit our liability to you in a cause of action.

The Scheme applies to professional accounting services including accounting, bookkeeping, taxation, auditing and assurance, insolvency and corporate reconstruction, management accounting, management consulting, forensic accounting, valuation services.

Pursuant to s33 of the Professional Standards Act 1994, our liability is limited by a scheme approved under professional standards legislation. Further information on the scheme is available from the Professional Standards Council's website: <https://www.psc.gov.au>

4.17 Disclosures

In relation to the taxation services we will provide, we advise that:

- Tax Practitioner Board (TPB) maintains a register of registered tax/BAS agents and you may access and search the register from TPB website or from [here](#). The register contains details of registered, suspended, and deregistered tax and BAS agents.
- If you have a complaint about a tax agent service that we provide, we encourage you to seek to resolve it with us by contacting us and using our internal dispute resolution processes. You can also make a complaint to the TPB in accordance with their complaints process set out [here](#).
- Our registration as a tax agent is not subject to any conditions.
- In the last 5 years we have not been subject to any of the events described in subsection 45(1)(d) of the Tax Agent Services (Code of Professional Conduct) Determination 2024 (the Determination) (as currently proposed to be amended), or other matters required to be disclosed under other laws.

4.18 Tax-Related Recommendations and Financial Product Advice Disclosure:

In the course of providing services to you, we may from time to time make recommendations or express opinions that touch upon financial products, where those recommendations are made solely by reference to the taxation consequences of a particular course of action. Such recommendations form part of our taxation advisory services and do not constitute holistic financial planning advice. In accordance with our obligations under the Corporations Regulations 2001 (Cth), we are required to make the following written statement to you, and by signing this engagement letter you acknowledge having received and read it.

We are not licensed to provide financial product advice under the Corporations Act 2001 (Cth). Any recommendation we make in relation to a financial product is made purely by reference to its taxation implications and is not a comprehensive assessment of that product's suitability for you. Taxation is only one of the matters that must be considered when making a decision on a financial product. Before making any decision in relation to a financial product referred to in our advice, you should consider obtaining advice from the holder of an Australian Financial Services Licence who can assess your personal financial circumstances in their entirety.

This disclosure applies to all taxation advice provided under this engagement that may also constitute financial product advice, and it should be read in conjunction with the scope of services set out in this letter.