HOLISTIC
TAX, ACCOUNTING & AUDITING

ANALYSING & ENHANCING BUSINESS PERFORMANCE

Dear Valued Client

Thank you for your continuing support and instructions to attend to the accounting and taxation requirements for your family members, corporate and trustee entities. A list of the individuals and entities (**the Group**) on whose behalf our firm *Holistic Tax, Accounting & Auditing, Steven Ly Tax Agent Number 63710003* will act is set out in the accompanying *Schedule of Clients* and our comments below are directed to all those persons.

This letter sets out our terms of engagement and the scope of the work to be performed by us within that engagement and supersedes any previous engagement letter provided by us. Please read this letter carefully and if you have any queries or wish to discuss any aspect, do not hesitate to contact us.

Registered tax practitioners must comply with the requirements of the *Tax Agent Services Act 2009* (**TASA**) and the accompanying regulations. The Tax Practitioners Board (TPB) is responsible for the registration and regulation of tax practitioners and for ensuring their compliance with the TASA. As part of this role, the TPB maintains details of registered, suspended and deregistered tax practitioners. You can check that we are registered by searching the **TPB Register** at www.tpb.gov.au/public-register.

The TASA regime also has implications for registered tax agents' 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 their registered tax agent with “all relevant taxation information” to enable accurate statements to be provided to the Australian Taxation Office (ATO). This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement and may also affect other matters discussed below. You will find further discussion on the safe harbour protections in the accompanying document entitled ***Clients' rights and obligations under the taxation laws***.

We may have a legal, regulatory or professional obligation to disclose non-compliance with laws or regulations to a regulatory authority if the non-compliance has a material effect on the work that we perform under this engagement.

If the terms of our engagement are acceptable, we ask that **all** persons sign the enclosed copy of this engagement letter in the places indicated and return it to our office. Please note we may cease are unable to perform any work for you until we receive the signed copy.

However by continuing to use our services you hereby agree to be bound by all the terms and conditions of our engagement as outlined as follows.

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admin@holistictax.com
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1. Purpose and scope of engagement

Our engagement is to attend to the following matters for the Group, as applicable:

- Prepare and lodge Business Activity Statements (BASs).
- Prepare annual financial statements. (Only if instructed)
- Prepare and lodge annual income tax returns.
- Prepare and lodge annual FBT returns. (Only if instructed)
- Lodge Single Touch Payroll reports. (Only if instructed)
- Prepare and lodge annual returns for your self-managed superannuation fund.(Only if instructed)

Unless otherwise agreed, we will prepare the above returns and statements on an ongoing basis, in relation to the period following that for which the returns and statements have most recently been finalised, and for each subsequent period.

Each client in the Group engages us on the terms set out in this letter and is bound by those terms. Those persons are jointly and severally liable to pay our accounts, regardless of which Group client the accounts are addressed to, and regardless of which Group client received the benefit of the work performed.

If we are asked to act for a new or additional client of the Group, we may forward to you an updated *Schedule of Clients* which each existing Group client agrees will apply in place of any previous schedule. We will also require the new Group client to sign an acknowledgement of these terms of engagement.

Our services will be provided to you on a fee for service basis based on the hourly rates, before GST, for members of our firm as follows:

Principal	$360 p/h
Manager	$310 p/h
Accountant	$200 - $290 p/h
Graduate Accountant	$100 - $150 p/h

Our fees are usually billed once the tax return or job is completed and our payment terms are strictly ‘Net 7 days’.

This letter relates only to the abovementioned services and details the basis and terms of this engagement. Unless otherwise agreed, our engagement will be limited to the matters described in this letter. Work that is performed or disbursements that are incurred outside the scope of this letter will be the subject of additional charge.

Our engagement commences as soon as you return this engagement letter, and it has been signed by you. In addition to any other rights you might have, you can terminate this engagement at any time by telling us in writing. We also reserve the right to do so by providing you with 14 days' written notice.

If either party terminates this engagement, the provisions of clause 2.6 of this letter will apply.

2. Basis and terms of engagement

Our engagement is to assist with the preparation of the financial accounts and the preparation and lodgment of the taxation returns for your Group. This includes the non-trading individual clients in your family (**Individuals**), as well as your trading entities (including individuals, corporate entities, partnerships, trustees and self-managed superannuation entities) (**Entities**).

2.1 Accounting and record-keeping

In undertaking this engagement, you must generally ensure the following:

- The bookkeeping for all Entities is maintained on a regular basis. In fact, we recommend the bookkeeping and record-keeping tasks be attended to each week.
- Reconciliations for the bank accounts, debtors and creditors are performed at the end of each month for each of the Entities.
- A stocktake is performed during the last weekend in June for each entity that deals in trading stock.
- It is expected that the trial balance of each of the Entities will be completed no later than *July* each year.

In respect of the personal tax returns for Individuals, we require that all relevant information be collated and forwarded to our office by *[insert date]* each year. We shall detail more specific requirements in respect of the Individual tax returns later in this letter.

2.2 Taxation services

In engaging us to provide taxation services, it is important for you to understand the following:

- You are responsible for the accuracy and completeness of the particulars and information provided to us by you.
- Any advice we provide is only an opinion based on our knowledge of your particular circumstances.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.
- We cannot provide taxation services if we find that information on which those services are to be based includes false or misleading information, or material information is omitted, and you are not prepared to appropriately amend that information.

2.3 Compilation of financial statements

By engaging us to compile financial statements, you acknowledge that:

- the reliability, accuracy and completeness of the accounting records are your responsibility; and
- you have disclosed to us all material and relevant information.

2.4 No statutory financial audits are conducted

You and your employees are responsible for the maintenance of the accounting systems and internal controls for all the Entities. That includes the keeping and maintenance of all required books of account. Our firm cannot be relied upon to disclose irregularities, such as fraud, and other illegal acts and errors that may occur with regard to such matters.

Our firm is not being engaged to conduct a statutory audit of the financial records of any of your Entities and we will not express an auditor's opinion as to the truth and fairness of the financial statements.

2.5 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 reasonably to 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 on your behalf or on behalf of a client in 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 include withdrawing from the engagement and notifying the ATO or the TPB about the matter.

2.6 Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavour to ensure that the returns are lodged by the due dates and will advise you at the beginning of the financial year when documentation should be provided to us.

In accordance with our statutory obligations under the TASA, we will also retain all records of the tax agent services provided to each client in the Group. We will retain these records for at least five years after the relevant services have been provided, even if our engagement is terminated.

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 or interest charges you may incur.

2.7 Ownership of documents

The financial statements, tax returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents will remain our property at all times.

If our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refund cheques of that client which come into our possession) until payment in full of all outstanding fees from all clients in the Group on any account. Where copies of any documents released to you are required for our records, you will be charged for the cost of photocopying at our normal rates.

2.8 Additional services

The scope of our engagement is the preparation and lodgment of the accounting and taxation matters detailed above. Any agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes checking and forwarding original assessments and payment notices that are received from the ATO and the Australian Securities & Investments Commission (ASIC).

Any additional services or advice that you request are outside the scope of this letter and are not included in this agreed fee. We will separately advise you of the scope and fee for those services, including any direct out of pocket expenses.

Please note in particular that any correspondence from the ATO or ASIC that does not relate to initial assessments or original payment notices, will be charged as additional services.

2.9 Fees and charges

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

Unless otherwise stated in writing, any estimates which we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters which were not taken into account in the estimate, we will endeavour to advise you and provide an amended estimate as soon as it is practicable to do so.

We may require you to deposit money into our trust account in anticipation of our fees and charges. If you fail to make a required trust deposit, we may suspend work or terminate this engagement. Each client in the Group authorises us to apply trust moneys held on their behalf towards payment of fees and disbursements, and to meet our bill of costs which have been rendered and which have not been paid or disputed within 14 days after issue of the bill of costs.

Each client in the Group is jointly and severally liable to pay our fees in respect of all work performed for all clients in the Group. We may require that payment of our fees be guaranteed by one or more persons who are associated with the Group but are not themselves our clients (for example, company directors). If you fail to provide a required guarantee, we may suspend work or terminate this engagement.

If we suspend work or terminate this engagement by reason of your failure to make a trust deposit or provide a guarantee as required, we will not be liable for any loss or damage suffered by any client in the Group as a result of the suspension or termination.

2.9.1 Goods and Services Tax (GST) – Professional fees

Our professional fees are inclusive of GST. If our services are provided to Individuals or Entities that are registered for GST, then those Individuals or Entities may be able to claim a GST input tax credit for the GST they pay on our services. However, this will not be the case if the services we provide are used by the recipient in making an input taxed supply or otherwise for a non-creditable purpose. In this situation, the GST associated with our professional fees cannot be claimed as an input tax credit.

If your matter involves a mixture of taxable, GST-free and input taxed supplies, we will not apportion our professional fees between these categories of supply unless you have expressly requested us to do so.

Please note that if you make such a request after the commencement of any particular matter, it may not be possible for us to subsequently apportion professional fees that were incurred prior to receiving your request. If you need separate advice on whether you will receive the benefit of a GST input tax credit for the GST paid to us, then please contact us.

2.9.2 GST – Disbursements

In addition to our professional fees, you will be responsible for payment of expenses which we incur on your behalf (together with the GST that we pay in relation to such expenses), as set out below.

Certain government charges and fees included in some matters undertaken in the scope of our engagement are effectively GST-free to the applicant but will attract the 10% GST if paid by this firm and then passed on to you as part of our services.

Accordingly, for certain disbursements in this category, namely:

- ASIC fees;
- new company and trust deed orders; and
- other specific disbursements notified from time to time,

we will act as your agents in incurring those disbursements. You will therefore technically be primarily liable to pay the account to the supplier. Under this agency relationship, you will receive the benefit of any concessional GST treatment of any part of the disbursement.

Where GST is payable on some or all of a supply acquired by us as your agent, we will forward you the Tax Invoice and you will be able to claim the input tax credits directly if you are GST-registered (or are required to be GST-registered) and are entitled to claim the input tax credits.

For disbursements incurred in this manner, we may in some cases require that you provide us with separate cheques for the relevant amounts to be paid directly to the relevant government body or supplier.

For all other disbursements (e.g., couriers, searches, photocopying, etc.), the treatment will be the same as for professional fees – i.e., we will incur the costs at first instance and invoice them to you after making allowance for any GST input tax credits received by us on the acquisition. These invoices will include GST for which you may be entitled to claim an input tax credit.

2.9.3 Authority to Deduct Accounting Fees

It is hereby authorized on my behalf and for any related body corporate (as defined in the Corporations Act 2001 (Cth) or associate (as defined in the Income Tax Assessment Act 1936 (Cth) for Holistic Tax, Accounting and Auditing to immediately pay any money received by Holistic Tax, Accounting and Auditing on account in the provision of professional services for any of the abovementioned into an account operated by Holistic Tax, Accounting and Auditing.

I further authorise on my behalf and for any related body corporate (as defined in the Corporations Act 2001 (Cth) and associated (as defined in the Income Tax Assessment Act 1936 (Cth) for Holistic Tax, Accounting and Auditing in consideration of work rendered and/or completed, and after the tendering of an account for work involved in rendering professional services to deduct from any ATO refund money or other funds held in an account operated by Holistic Tax, Accounting and Auditing (irrespective of the nature of the client that services were undertaken or the purpose of those funds) the full amount of the account rendered and to forward the balance to me, my related body corporate, associate or nominee.

2.10 Confidentiality

We will keep information acquired as a result of this engagement confidential and will not disclose confidential information relating to clients in the Group without permission, unless there is a legal duty to do so. We will also not use any information acquired as a result of this engagement for our own personal advantage or for the advantage of a third party.

We may also need to disclose information relating to one client's affairs to other clients in the Group to assist in performing our work, to persons responsible for the governance of an entity to comply with professional standards, to the relevant parties in order to protect our professional interests in legal proceedings, to a professional or regulatory body in response to an inquiry or investigation, to the relevant parties in order to comply with technical and professional standards (including ethics requirements), or to a professional body of which we are a member, in relation to a quality review program undertaken by that body. Each client in the Group hereby authorises us to do so when we consider it appropriate to further our performance of work for the Group, or when requested by the relevant party.

2.11 Utilising outsourced services

From time to time, our firm may use "outsourced services" (which may include "Cloud Computing") to perform some of the services we are engaged to perform for you.

The list of third party service providers currently used by our firm, to whom client information will or may be disclosed, are as follows:

- *Please see below*

We will notify you of any change to this list from time to time.

Each client in the Group hereby authorises us to disclose information relating to that client's affairs to such third party service providers as we may choose to engage to perform such work.

Where we outsource services to third party providers, we are nevertheless responsible for the conduct and activities of those providers and for the delivery of the services we are engaged to perform for you.

2.12 Use of "Cloud Computing" (that is <u>not</u> an outsourced service)

From time to time, our firm may utilise "Cloud Computing" in the performance of services under this engagement which is **not** an "outsourced service".

The list of "cloud computing" service provider(s) currently used by our firm in the provision of services which is not an outsourced service, to whom client information will or may be disclosed, is as follows:

- *IDrive using industry standard 256-bit AES encryption on transfer and storage at multiple provider's location*
- *Microsoft Exchange 365 hosted in Australia*
- *MYOB using production platforms hosted in Australia*
- *Xero using encrypted storage at multiple provider's locations including Australia, New Zealand and the United States.*

We will notify you of any change to this list from time to time.

Each client in the Group hereby authorises us to disclose information relating to those clients' affairs to such “Cloud Computing” service providers as we may choose to engage.

2.13 Non-compliance with Laws and Regulations (NOCLAR)

During the performance of our work under this engagement, we may detect conduct or a transaction that is considered to constitute NOCLAR, which has a material effect on any documents or information that might be required to be provided to a regulatory authority (RA), such as the ATO.

If we detect any NOCLAR, we may have a professional requirement to make a disclosure to a RA. We will follow a formal process which will include advising you of our concerns and, if necessary, seeking legal advice. If we do seek legal advice, we reserve the right to ask you to pay or reimburse us for our reasonable costs. If we are required to make a disclosure to a RA, you agree to forever release us from any claim for costs or losses you incur in responding to or dealing with anything that arises from our disclosure.

2.14 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 that 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.

2.15 Conflicts of interest

We will inform you if we become aware of any conflict of interest in our relationship with you (including between any of the individuals and entities in your Group that are covered by this engagement letter) or in our relationship with you (including members of your Group) and another client of this firm.

Where conflicts are identified which cannot be managed in a way that protects the interests of you or any members of your Group, then we may 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.

2.16 Complaints

If you have a complaint about our services, we encourage to you contact *Lina from our office on (08) 8362 9915 or via email at admin@holistictax.com*. We are committed to working with you to resolve your concerns as promptly and efficiently as possible.

If we cannot resolve the issue or you are not satisfied with how your complaint is being handled by us or with the outcome, you may be able to escalate the matter to the TPB. Complaints to the TPB must be made in writing using its online form, which is available at myprofile.tpb.gov.au/complaints/

Note that not all complaints can be acted on by the TPB. Further details about making complaints to the TPB are available at **www.tpb.gov.au/complaints**

2.17 Professional indemnity insurance

We confirm that our firm maintains adequate professional indemnity insurance cover and that our policy complies with the minimum requirements of the Tax Practitioners Board (TPB). Details of our professional indemnity (PI) insurance arrangements are as follows:

- Chase Underwriting Solutions Pty Ltd

2.18 Limitation of liability

Our firm's liability may be limited by a scheme approved under Professional Standards legislation and applicable regulations of the Professional Body.

3. Details of services to be provided

We now outline the basis of our engagement in the context of the specific services to be provided.

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 this engagement and will be charged as additional services.

3.1 BAS returns

As the BAS returns are prepared and lodged 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 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 BAS returns, 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 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 this letter and charged as additional services.
- You have the necessary supporting documentation to satisfy the ATO 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 this letter 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 BAS returns and in the annual financial statements. Should any discrepancies arise, we will discuss the need to correct the BAS returns and/or financial accounts. This will involve work which is outside the scope of this engagement and will be charged as additional services.

3.2 Financial accounts

Our firm has been engaged to prepare the annual financial accounts of the 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 Entities, and telephone support should you require any assistance as to how to record specific transactions in the general ledger. This service also includes the preparation and lodgment of any standard reports that are required to be furnished to ASIC.

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

3.3 Income tax returns

Our firm has been engaged to prepare and lodge income tax returns for your Group.

However, we will not be responsible for reviewing or verifying any financial records or statements provided to us, either via manual cashbooks or prepared on accounting software such as MYOB or Quickbooks. Correct coding or classification of accounts is outside the scope of this engagement. If assistance is

required on 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 our 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 1997*. 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 required by the legislation.

We will not, however, be checking that the requirements of the substantiation provisions have been satisfied. This means that we will not be reviewing your log book or any calculations or information you provide us with, such as a rental property schedule either prepared by you on a spreadsheet or by a property manager. If you require assistance in completing a log book 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 this 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 ATO. 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.

Each client in the Group agrees that we can bank into our trust account, tax refund amounts received on their behalf and that we can deduct from those amounts any fees owed to us either by that client or by any other client in the Group.

3.4 Fringe Benefits Tax (FBT) returns

Our firm has been engaged to prepare and lodge the FBT returns for your Entities.

Please note that, because of the impact of GST, it is not possible to prepare an FBT return from the information contained in the general ledger. It is necessary to revert to the source documentation to allow our firm to analyse the FBT implications of any transaction.

Our fee for this service includes the following:

- Advice on how to collate the information necessary to prepare the annual FBT return.
- An annual review of the methods available to reduce the FBT expense on the annual FBT return.
- Telephone advice on basic FBT issues.
- The calculation of Reportable Fringe Benefits Amounts that may be required to be included on the annual income statements or payment summaries for your employees (including family members employed in the business of any Entity).

3.5 Single Touch Payroll (STP) reports

We will prepare and lodge STP reports with the ATO for the Group, based on the information provided to us by you, your employees or any third party authorised by you, without reviewing or verifying the payroll calculations, any relevant wage rates or the source documents relied upon to process each STP pay event.

We will only provide a lodgment service. We make no representations about the accuracy of the information submitted, the due date or whether it is received by the ATO. Our firm is not being engaged to perform, or check the accuracy of, payroll calculations associated with the STP reports. You and your employees are responsible for correctly preparing and processing each pay event, and for maintaining the necessary supporting documentation.

You and your employees are also responsible for calculating and remitting your PAYG withholding and Superannuation Guarantee liabilities with respect to each employee, for each relevant pay event.

3.6 SMSF annual return

Our firm has been engaged to attend to the income tax compliance work for your self-managed superannuation fund (SMSF).

This assignment will involve the following:

- Preparation of the SMSF's accounts for the purposes of the *Superannuation Industry (Supervision) Act 1993* (the SIS Act).
- Preparation and lodgement of the SMSF annual return. It is important to note that, as part of the regulatory framework for SMSFs, an annual audit of the fund must be undertaken and provided to the trustees of the fund before the SMSF annual return is lodged. Therefore, trustees of the fund must ensure that they provide the fund accounting records no later than *as requested by our office* to allow these tasks to be completed.
- With respect to the annual audit of the SMSF referred to above:

  (a) this office will make arrangements for the audit to be undertaken by an external party whereby you will be billed directly and liable for all costs associated with the completion of the audit.

In addition to the basic financial information required to complete these requirements, it is expected that the source documentation will be available to allow us to analyse the implications of any superannuation-related transaction.

You should also note that the SMSF's deeds should be annually reviewed by a superannuation specialist to ensure they continue to comply with the requirements of the SIS Act. Our engagement does not extend to the provision of such legal advice and our fee does not include this service. We are happy to recommend the services of a superannuation specialist for this task.

This service does not cover any inquiries or investigations by the ATO.

3.7 Superannuation-related financial advice

We do not hold an Australian Financial Services Licence and are not an authorised representative of such a licence holder.

As a result, we are generally prohibited from providing you with any advice, recommendation or opinion that is intended to influence you in making any decision in relation to superannuation (including whether to establish, contribute to or draw benefits from a superannuation fund, or any investment decision by an superannuation trustee), or that could reasonably be regarded as being intended to have such an influence (**Financial Advice**).

However, we are able to provide you with superannuation advice that is of a factual nature only (e.g., to explain how superannuation rules would apply to you and what options are available to you).

Where you request us to undertake superannuation-related work (e.g., to arrange for the establishment of a self-managed superannuation fund), we will be obliged to perform that work in accordance with your instructions, even if we believe those instructions may not be in your best interest.

Where you request Financial Advice concerning superannuation, we will endeavour to assist you in obtaining that advice from an appropriately licenced advisor. Depending on the circumstances, this may involve us outsourcing the provision of the Financial Advice (in which case we would seek your prior authorisation) or referring you to a licensed provider directly.

4. Agent nomination process – Client-to-agent linking

The ATO has introduced a new process that requires all taxpayers with an Australian Business Number (excluding sole traders) to undertake certain steps to nominate a registered tax or BAS agent. This process is referred to as 'Client-to-agent linking' ('CAL') and, importantly, it must be completed by the taxpayer seeking to nominate an agent. It cannot be done by agents on behalf of their clients.

If relevant please notify us as soon as the nomination process is completed by each client in your Group. We will then have 28 days to connect to the client on the ATO's systems. Please note that we cannot perform any work for a client who has not successfully completed the client-to-agent linking nomination process.

You will find further information and details of the steps that each of the above clients will need to take to nominate our firm in the document, ***Client-to-agent linking proforma***, which accompanies this letter.

5. Authorisation of ATO digital communication preferences

Each client in the Group set out in the accompanying *Schedule of Clients* agrees to have the following ATO communication types sent digitally to our registered tax agent, where applicable:

- Income tax
- Superannuation
- Study and training support loans
- Activity statement related
- Debt
- Employer and business obligations

We hereby authorise *Holistic Tax, Accounting & Auditing* to change or withdraw our preferred address for service of ATO communications.

We declare that the information supplied by us to *Holistic Tax, Accounting & Auditing* for the setting or updating of these communication preferences is true and correct.

6. Other prescribed events and matters to be aware of

We are required to advise if certain prescribed events have occurred within the last five years (but not before 1 July 2022). This will enable each client in the Group to make a fully informed decision on whether to engage or re-engage us to provide tax agent services.

(a) We advise there are currently no matters that we are required to report to you and the Group.

We are also required to advise whether the tax or BAS agent registration of Holistic Tax, Accounting & Auditing, Steven Ly is subject to any conditions.

(a) There are no conditions attached to our registration.

7. Confirmation of engagement

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this letter.

Once you are satisfied with the terms of this letter, would you please have all persons sign and date both copies of this letter in the places indicated.

One copy should be forwarded to us as evidence of your acceptance of the terms of our engagement. You should retain the other copy as your evidence of our engagement.

We note again we maybe unable to perform any work for you until we receive the signed letter and have been successfully nominated as agent via the ATO's client-to-agent linking process by specified clients in your Group.

However by continuing to use our service you hereby agree to be bound by all terms and conditions of our engagement as set out.

We thank you for the opportunity to provide accounting and taxation services to your Group and we look forward to developing a close accounting relationship with you for many years to come.

Your sincerely,



STEVEN LY
PRINCIPAL
HOLISTIC TAX ACCOUNTING & AUDITING

Acknowledgment of terms of engagement

I confirm that I have read, understood and agree to the terms of this engagement and can be enforced as any other contract.

I also confirm that I have read and understood my rights and obligations under the tax laws, as set out in the document, *Clients' rights and obligations under the taxation laws*, provided to me with this letter.

Dated the _____ day of _____, 20_____.

Name	Signed
	……