HOLISTIC
TAX, ACCOUNTING & AUDITING

ANALYSING & ENHANCING BUSINESS PERFORMANCE

Dear *Valued Client*,

Thank you for your continued support and instructions to attend to the preparation and lodgment of your income tax return.

As a result of new regulatory regime this letter sets out our **Terms of Engagement** and supersedes any previous engagement letter provided by us. It is important that you read this letter carefully. If you have any queries or wish to discuss any aspect of the engagement, please do not hesitate to contact us.

Tax practitioners are regulated in accordance with 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. To check that we are registered, search the **TPB Register** at www.tpb.gov.au/public-register using either of the following details:

Practitioner name – *Holistic Tax, Accounting & Auditing, Steven Ly*

Registration number – *63710003*

An important feature of the taxation laws for clients is the provision of a **'safe harbour'** from penalties in certain circumstances for taxpayers who engage registered tax agents. To obtain the benefits of safe harbour protection, a taxpayer must give their registered tax agent *"all relevant taxation information"* to enable accurate statements to be provided to the Australian Taxation Office (**ATO**). This requirement may be important in identifying and understanding the purpose and scope of this engagement.

General information about taxpayers' rights and obligations under the taxation laws (including safe harbour protection) and information about tax practitioners' obligations to their clients, the ATO and the TPB are set out in the **'Appendix'** to this engagement letter. This document is provided for information purposes only and should be retained by you for your records.

If our Terms of Engagement are acceptable, we ask that you sign the enclosed copy of the document where indicated and return it to our office.

Please note that we maybe unable to perform any work for you until we receive the signed copy.

However by continuing to instruct us you are taken to have accepted the Terms of Engagement.

Terms of engagement

1. Purpose and scope of our engagement

1.1 This letter relates to the taxation services described at 1.2 below and sets out the basis and terms of our engagement.

1.2 Our firm, has been engaged to prepare and lodge the Individual Income Tax Return, hereby referred to as **You.** Unless otherwise agreed, we will prepare and lodge your annual income tax return on an ongoing basis.

137 Rundle Street
KENT TOWN SA 5067

Tel: (08) 8362 9915
Fax: (08) 8362 9914

Mob: 0409 184 418
admin@holistictax.com
www.holistictax.com

1.3 We have set out at 3.1 below, when documentation should be provided to us to allow for the preparation and lodgement of your income tax return by the due date prescribed by the ATO. Before we lodge your tax return, we will forward the document to You for your approval.

If You are late in providing information to us, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges that You incur.

1.4 In providing this taxation service, we have a duty (under the TASA) to act lawfully in your best interests, and to act honestly and with integrity at all times.

2. Term of the engagement

2.1 Our engagement commences once You indicate acceptance of the terms by signing and returning this letter or by continuing to instruct us, and will continue until it is terminated by either party.

2.2 You can terminate this engagement at any time by notifying us in writing. We also reserve the right to do so by providing You with 14 days' written notice.

3. Responsibilities and obligations

3.1 All information relevant to the preparation and lodgement of your income tax return must be **collated and forwarded to our office**.

Any rectifying work performed by us because of incorrect or late information is outside the scope of this letter and will be charged to You as an additional service.

3.2 In engaging us to provide the above taxation services, it is important to understand that:

You are responsible for providing all relevant information to us in a timely manner, and for the accuracy and completeness of the information provided;

You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate income tax returns on your behalf;

Any advice we provide is only an opinion based on our knowledge of your circumstances; and

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 it to provide us with correct and complete information.

3.3 You must have **all source documentation** available to allow us to analyse the income tax implications of any transaction, should we request to see it.

As a matter of course, we will not be looking at, or auditing, these documents. However, You are required to have them available before any claim is made in your income tax return.

Also, in some circumstances, we may request to see source documents if clarification is required or a tax issue is particularly contentious.

3.4 You must have the necessary documents to comply with the **substantiation requirements** of the *Income Tax Assessment Act 1997*. We will advise You of the requirements relating to your tax return and of the necessity to obtain acceptable receipts as required by the law.

However, we will not be checking that the substantiation requirements have been met. This means we will not be reviewing, for example, your logbook or any calculations or information provided to us, such as a rental property schedule prepared by You or 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 this letter and will be charged as additional services.

3.5 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 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 a reasonable period of time after providing this advice, we are not reasonably satisfied that you have corrected the statement (or provided consent for us to correct it) 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 TPB about the matter.

4. Ownership of documents

4.1 The income tax returns that we are 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 and draft documents will remain our property.

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

4.3 If our services are terminated (by either party), You agree that we shall be entitled to retain all documents owned by You (including all your tax refund cheques which come into our possession) until payment in full of all our outstanding fees.

4.4 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.

5. Fees, disbursements and trust monies

5.1 Our services will be provided to You on a fee-for-service basis. In addition to our professional fees, You will be responsible for payment of expenses which we incur on your behalf.

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

However, the fee for this service does not cover any inquiries made to us, or investigations involving us, conducted by the ATO. Substantial penalties can apply for an incorrectly prepared income tax return.

5.2 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 that were not taken into account in the estimate, we will advise You and provide an amended estimate as soon as it is practicable to do so.

5.3 Unless otherwise agreed, our invoices will be issued *once the job is done or ITR is completed* and are payable within 7 days of invoicing date.

5.4 We may require You to deposit money (including any tax refunds due to You) 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.

If we suspend work or terminate this engagement by reason of your failure to make a deposit as required, we will not be liable for any loss or damage that You may suffer as a result.

5.5 General authority to receive fees paid from refunds. You agree that we can bank into our trust account, any tax refund amounts received on your behalf. You also authorise us to apply any trust monies held on your 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.

6. Additional services

6.1 Our fee applies only to the taxation services provided within the scope of our engagement, being the preparation and lodgment of your tax return each year. This fee includes checking and forwarding original assessments and payment notices received from the ATO.

6.2 Any additional services or advice (for example, tax planning 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 fee for these services, including any direct out-of-pocket expenses.

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

7. Complaints and dispute resolution

7.1 If You have any complaints or disputes in relation to this engagement, we ask that You please contact *Lina from our office on (08) 8362 9915 or email at admin@holistictax.com* in the first instance. We will endeavour to resolve any issues respectfully and as quickly as possible.

If we cannot resolve the issue or you are not satisfied with how we have handled your complaint 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/**

If your complaint is about fees, you may be asked to contact Consumer Affairs or the Office of Fair Trading in your State or Territory. However, the TPB may be able to assist if the fee complaint is associated with inappropriate conduct by our firm. Details about making complaints to the TPB are available at **www.tpb.gov.au/complaints**

8. Confidentiality

8.1 We have an ethical duty and a legal responsibility to keep information acquired as a result of this engagement confidential. This means that we will not disclose confidential information relating to You without your permission, unless there is a legal duty for us to do so.

We will also not use any such information for our own personal advantage or for the advantage of a third party.

8.2 From time to time, we may need to disclose information relating to your affairs to certain parties including, for example:

a professional or regulatory body in response to an inquiry or investigation;

the relevant parties (e.g., the TPB) to comply with technical and professional standards (including ethical requirements);

a professional body of which we are a member, in relation to a quality review program undertaken by that body; or

relevant parties in order to protect our professional interests in legal proceedings.

You hereby authorise us to do so when we consider it appropriate to further our performance of work for You, or when requested by the relevant party.

9. Use of third party service providers

9.1 We may use third parties (including Cloud computing providers) to perform services we are engaged to provide to You. The following is a list of third-party service providers currently used by our firm, to whom your information may be disclosed:

- *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.

9.2 You hereby authorise us to disclose information relating to your affairs to such third parties, whom we engage to assist us.

9.3 Where we outsource services to third-party providers, we are responsible for their conduct and activities and for the delivery of the services that we are engaged to perform for You.

10. Non-compliance with Laws and Regulations (NOCLAR)

10.1 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, such as the ATO.

If we detect any NOCLAR, we may have a professional requirement to make a disclosure to a regulatory authority. We will follow a formal process which will include advising You of our concerns and, if necessary, seeking legal advice.

10.2 If we do seek legal advice in relation to any NOCLAR, we reserve the right to ask You to pay or reimburse us for our reasonable costs.

10.3 If we are required to make such a disclosure, You agree to forever release us from any claim for costs or losses You incur in responding to or dealing with anything arising from our disclosure.

11. Losses from unauthorised cyber activity

11.1 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.

11.2 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.

12. Conflicts of interest

12.1 We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client of this firm.

12.2 Where conflicts are identified which cannot be managed in a way that protects your interests, then we may be unable to continue with the engagement. If this arises, we will inform you promptly.

13. Professional indemnity insurance

13.1 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 [ABN: 50 156 554 808]

Policy Number: ENAIB 2210051320

- *holds a PI insurance policy that meets the minimum requirements set out in the TPB's explanatory paper TPB(EP) 03/2010*

14. Limitation of liability

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

15. Authority for ATO digital communication preferences

15.1 You agree to have the following types of ATO communication sent digitally to us, as your registered tax agent, on your behalf:

Income tax.

Superannuation.

Study and training support loans.

Activity statement-related.

Debt.

Employer and business obligations.

15.2 You hereby authorise us to change or withdraw our preferred address for service of ATO communications. You also declare that the information supplied by You, for the setting or updating of these communication preferences, is true and correct.

16. Other prescribed events and matters to be aware of

16.1 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 you to make a fully informed decision on whether to engage or re-engage Holistic Tax, Accounting & Auditing to provide tax agent services.

We advise there are currently no matters that we are required to report to you.

16.2 We are also required to advise whether the tax or BAS agent registration of Steven Ly Tax Agent Number 63710003 is subject to any conditions.

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

Confirmation of engagement

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, please sign and date both copies of this letter in the place 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.

It is emphasized by continuing to instruct us you are taken to have accepted the Terms of Engagement.

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

Yours 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
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