

Client Engagement Letter

This document sets out our terms of our engagement and the scope, nature and limitations of the work to be performed by us.

Purpose, Scope and Output of the Engagement

- a. We will provide tax compliance services. Services will be provided to you on a fee for service basis. Before we lodge any tax returns, on your behalf, we will present it to you for approval and signing.
- b. This engagement includes attending to preparation of the individual Income Tax Return which includes, but is not limited to, the following:
 - Collection of information and conducting interview where required;
 - Verifying Australian Taxation Office (ATO) Tax Agent Portal reports;
 - Reconciling and preparing tax estimate and tax return including all relevant schedules;
 - Reviewing tax return;
 - Attending to queries and correspondence;
 - Publishing tax return to client portal for signing;
 - Rendering invoice to client files;
 - Lodgement of tax return to ATO.
- c. This fee for service does not cover any inquiries or investigations conducted by the Australian Taxation Office. Substantial penalties apply for an incorrectly prepared income tax return.
- d. No audit will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

1 Timeframe

This engagement will commence at time of signing as dated and will continue until revoked by either party by giving the other party 30 days' notice in writing.

2 Our Obligation to comply with the law

We have a duty to act in your best interests. However, the duty to act in your best interests is subject to an overriding obligation to comply with the law even if that may require us to act in a manner that may be contrary to your interests. For example, we could not lodge an income tax return for you that we knew to be false in a material respect.

3 Confidentiality

Strict confidentiality requirements will be met with no disclosure by us to other parties without your consent, unless otherwise required by law or professional obligation.

You may provide us with permission to disclose your confidential information in certain circumstances, or place conditions on the disclosure of certain confidential information. If you do so, we will have permission to disclose the relevant information accordingly, in the performance of our services, unless you instruct us otherwise in writing.

4 Record Keeping/Completeness of Information

You are required by law to keep full and accurate records relating to your tax affairs.

It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work contemplated under this engagement within a timely manner or as requested. We are entitled to rely on the accuracy of and completeness of the information (written or oral) provided to, or obtained by us, whether the information is provided by, or obtained from, you, your representatives, or your advisers. We will not verify the accuracy or completeness of such information.

You undertake that, if anything occurs after information is provided by you to us, to render such information untrue, unfair or misleading, you will promptly notify us and, if required by us, take all necessary steps to correct any announcement, communication or document issued which contains, refers to or is based upon, such information.

You agree that we may keep your files and documentation in electronic form.

We will retain your files and documentation for a period of five years. If you do not tell us otherwise in writing, we may destroy your files and documentation after this time without any further notice to you.

5 Your Responsibilities

If you are late in providing information, we will do our best to meet the time limits, but will not be responsible for any lodgement penalties you may incur.

The ***Taxation Administration Act 1953*** contains specific provisions that may provide you with “safe harbours” from administrative penalties for incorrect or late lodgement of returns if, amongst other things, you give us “all relevant taxation information” in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to us as any failure by you to provide this information may affect your ability to rely on the “safe harbour” provisions and will be taken into account in determining the extent to which we have discharged our obligations to you.

You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your personal circumstances (eg. death and/or marriage breakdown) or a legal action commencing against you.

By accepting the terms of this letter, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping.

6 Our Professional Fees

The fee arrangement is based on the attached fee schedule and the expected amount of time required to complete the tax compliance services as agreed. Invoices will be raised upon completion of the engagement. Fees are payable within 14 days from the date of the invoice.

If the fee is expected to change during the course of the engagement, you will be notified. After receipt of all tax records, if we determine that the complexity of the job is outside our normal scope, we reserve the right to renegotiate a revised fee to our mutual satisfaction.

Please note, if the services we provide are pre-paid under the McCarthy Group service fee (as detailed in your McCarthy Group Agreement for Certain Services), then **you will not be charged** these fees in the pre-payment period.

7 Ownership of Documents

All original documents remain your property. We reserve the right to make a reasonable number of copies of the original documents for our records. Our engagement will result in the production of an Income Tax Return and ownership of this document will vest in you. All other documents produced by us in respect of this engagement will remain the property of McCarthy Accountants Pty Ltd.

8 Confirmation of Terms

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless we advise you of any change.

2015-2016 Fees and Charges

Preparation of tax returns	
Individual Income tax return with rented property/ies	
One property	From \$220
Two Properties	From \$275
Three Properties	From \$330
Four Properties	From \$385
Five Properties	From \$440
Six Properties	From \$495
Income Tax Withholding Variations (ITWV)	
For each additional property	From \$33
Individual tax returns without rented properties	
Under 21 years	From \$88
Over 21 years	From \$132
Amendment of Income Tax Returns	
Post preparation	From \$55
Post lodgement	From \$99
Additional Items (per item)	
Capital Gain on sale of:	
Property	From \$110 each
Shares	From \$33 each
Motor Vehicle	
- Set rate method	\$22
- Log book or 1/3 method	\$55
Self Education Claims	\$44
Sole Trade or Business (item 15)	From \$165
Business Activity Statement	Based on time
Partnership Tax Returns	Based on time
For general advice not covered above – Professional Services	
Wendy Jia – Tax Agent	\$198 per hour

***All fees shown valid from 7/10/15 and are inclusive of GST*

To: McCarthy Accountants Pty Ltd
PO Box 42
NORTH RYDE BC NSW 1670

or tax@mccarthygroup.com.au

I/We hereby accept the terms of your engagement letter.

Signed: _____ Signed: _____

Full name: _____ Full name: _____

Tax File Number _____ Tax File Number _____

Date of Birth _____ Date of Birth _____

Date: ____/____/____ Date: ____/____/____

Please fully complete and return this page only at your earliest convenience.