

TERMS OF ENGAGEMENT

For Individual Taxation services

Thank you for selecting us to conduct your professional accounting – taxation needs. We look forward to working with you.

We realise how important it is to understand your needs and we have prepared the attached Terms of Engagement (TE) to clarify the scope of work and other important terms. It is important that you read the TE before you indicate that you agree, which you can do by acknowledging you wish to proceed in the Client Assistance Schedule.

Our Client Assistance Schedule requires you to confirm that you have read, understood and agree to the provisions of this Terms of Engagement. We cannot proceed with the engagement unless you have confirmed otherwise.

Our current Pricing Schedule, as per section 8 of our terms of engagement, are as follows:

| Individual ITRs | |
|--|---------------------------|
| Basic (Most tax returns with basic income and claims) | \$109 |
| Add Ons | |
| Basic + (Includes Medicare Levy Exemption claims, motor vehicles, investments, >\$2,000 in deductions) | \$20 |
| Crypto (up to 1000 transactions; Includes calculations for cryptocurrency claims) | \$50 |
| CGT (sale of up to 5 shares) | \$50 |
| CGT (sale of > 5 shares) | Get Quote |
| Rental Property (divide by number of owners we do tax returns for) | \$90 |
| CGT (sale of property) | \$80 |
| Business with ABN (Uber drivers, Air BNB, ABN income, eBay stores, Contractors) | |
| Sole Trader (simple, client provides spreadsheet) | \$80 |
| Sole Trader (mid - GST Registered) | \$200 |
| Sole Trader Complex (GST registered, accounting system) | Get Quote |
| Annual BAS | \$120 |

If you have any questions or wish to clarify anything in the Terms of Engagement, please call us on 02 80034556.

Yours sincerely,

Ritchie Cruz
Cruz and Co – Principal

“Liability limited by a scheme approved under Professional Standards Legislation”

Terms of Engagement for Taxation Services

Between us (Cruz and Co) and you (Individual Tax Return Client) for the Term specified.

1. Purpose

This Terms of Engagement for Taxation Services (**TE**) confirms our understanding of the engagement and the nature and limitations of services provided.

2. Term

2.1 This TE will commence at the time you indicate acceptance and will continue until revoked by us or you.

3. Objectives and Scope of work

3.1 We will provide you with taxation services in compliance with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), APES 220 *Taxation Services and the Code of Professional Conduct pursuant to Tax Agent Services Act 2009*, which include:

- **Preparation and lodgement of your company/individual tax return**

3.2 Based on the above scope of work, you have given us with the authority to use the tax agent portal and other tax portal related activities for the purpose of managing and meeting your taxation and superannuation lodgement obligations.

3.3 We will provide you with the following output: Taxation Return Lodgement.

3.4 We will provide the scope of work output within the specified timeframe or within a reasonable period considering the context of the services.

3.5 Unless otherwise specified in this TE or letter of engagement, audit and assurance or review are not included in this engagement.

4. Our Promise

4.1 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.

4.2 We will seek to understand your requirements and provide you services confidentially and professionally.

4.3 We will document sufficient and appropriate records of the procedures performed for the TE, which may be subject to Best Practice Program assessment by Chartered Accountants Australia and New Zealand (CA ANZ) under APES 320 *Quality Control for Firms*.

5. Our obligations

5.1 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.

- 5.2 We have a duty to act in your best interests, unless this duty is inconsistent with our duty to act in the public interest.
- 5.3 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.
- 5.4 We are responsible for maintaining records for a period of **at least five-year period** unless otherwise required by legislation.
- 5.4 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/our client's ability to continue its business or to avoid material penalty, we may:
- 5.4.1 discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate
 - 5.4.2 communicate the non-compliance or suspected non-compliance with your external auditor, unless prohibited by law or regulation
 - 5.4.3 disclose the matter to an appropriate authority even when there is no legal or regulatory requirement to do so; and/or
 - 5.4.4 withdraw from the engagement and the professional relationship where permitted by law or regulation
- 5.5 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.

6. Your obligations

- 6.1 You are responsible for full disclosure of all relevant information.
- 6.2 You are responsible for your own record keeping relating to your affairs.
- 6.3 You provided us with personal / tax return related records relating to your affairs.
- 6.4 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.
- 6.5 You are responsible for retaining paperwork for as long as legally required.
- 6.6 You have obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns.
- 6.7 You must retain paperwork for a period of five years after the assessment as you may be subject to an Australian Taxation Office review.
- 6.8 You are responsible for checking the assessment before submission to ensure accuracy.

7. Third Party Involvement

- 7.1 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.
- 7.2 We will seek your consent if third party involvement is likely to exceed the fixed price (if applicable).
- 7.3 We have outsourcing arrangements with Australian Firm Financial Fanatics Pty Ltd, ABN: 43 614 188 582 in Melbourne, Victoria with outsourced staff in Cebu, Philippines, whom we engage from time to time to assist us. We also directly employ contractors based in the Philippines. The nature and extent of the services that we utilise are as follows:
- We engage these contractors and Financial Fanatics employees to perform administrative or bookkeeping work to assist us in fulfilling either individual or business clients' tax compliance requirements.
- 7.4 Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above.

8. Fees, Billing & Trust Monies

- 8.1 Our professional fees will be calculated on a fixed fee or time cost basis as per our quote engagement terms communicated with you separately. Fees start from \$99, and payment can be made via direct transfer, PayPal, Credit Card (via PayPal), Cash, Cheque and through your refund. Pricing structure as follows:

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|--|---------------------------|
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- 8.2 Amended tax returns start at \$30 but final cost will depend on complexity of the amendment. This includes Medicare Levy Exemption claims lodged as an amendment.
- 8.3 If no method is specified, our fees will be calculated on a time-cost basis at a rate of \$ 250 per hour (Principal Accountant), \$120 Per hour (Senior Accountant), \$70 per hour (Senior Bookkeeper) and \$40 per hour (outsourced Bookkeeper).

- 8.4 Our invoices may also include disbursements paid by us. These may include photocopying charges, telephone and facsimile transmission charges, travel fares and expenses, stamp duty and fees paid to third parties such as couriers, registration fees or fees for other professionals. These may be in addition to the fixed price (if applicable).
- 8.5 **For individual tax returns, invoice is required to be paid upon engagement with us.** We reserve the right not to accept payment through your refund. Please contact us if you wish to pay by PayPal or Credit Card. For business clients, retainer fees may be applicable and payment terms are as agreed with invoices payable within 15 days of receipt.

9. Ownership of materials

- 9.1 You own all original materials given to us.
- 9.2 We own all materials produced by us that resulted from our skill and attention to the extent that the materials produced by us incorporate any original materials you give to us.
- 9.3 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.
- 9.4 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.

10. Privacy

- 10.1 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 disclose PI about you with your implied consent for the primary purpose of this TE or to third parties by express consent or as required by law. This PI may be stored overseas in Google Business Servers. If you would like to access any PI we might hold about you contact us on **02 8003 4556**.
- 10.2 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.
- 10.3 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 appropriate restrictions on their handling of that PI.
- 10.4 In providing our services to you, we utilise Xero Tax using cloud computing provided by Xero which is based in Australia and we rely on their security measures. We also store client information in a data server managed by Google Business subscription, which may subject to Australian privacy law.

11. Confidentiality

- 11.1 We have an ethical duty of confidentiality, which means 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.
- 11.2 We may disclose details and records of the services provided to you to Chartered Accountants Australia and New Zealand (CA ANZ), (if requested) for the purposes of conducting Best Practice Program assessment aimed at maintaining high industry professional standards. Any such disclosure of personal information does not change any of our commitments to safeguard your information, and the information remains subject to any existing confidentiality obligations

12. Professional Indemnity Insurance (PII)

We hold professional indemnity insurance of at least the minimum amount prescribed in the Chartered Accountants Australia and New Zealand (CA ANZ) By-Laws or as required by law. Our PII cover at the time of this TE is with Berkly Insurance.

13. Professional Standards Scheme & Limitation of Liability

- 13.1 We participate in the Chartered Accountants Australia and New Zealand (CA ANZ), which facilitates the improvement of professional standards to protect consumers and may limit our liability to you in a cause of action.
- 13.2 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.

14. Other

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.