



Tax agent
24676418



Southside Tax Services
Professional Reliable Friendly

Client Engagement Letter

Dear Client,

Thank you for engaging Southside Tax Services to provide your accounting, taxation and/or business services. This letter sets out our standard terms of engagement, please read it carefully and contact this office immediately if you do not understand, or wish to discuss any aspect of the terms of this engagement.

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 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.

Purpose and scope of engagement

The scope of our engagement will include all or some of the following:-

- Preparation and lodgement of income tax return(s)
- Preparation and lodgement of business activity and instalment activity statements
- Review of accounts as appropriate
- Advice in relation to accounts prepared, GST and other taxation matters as deemed appropriate.
- The scope of engagement will exclude land tax, payroll tax and stamp duty.
- We consider that we have the necessary expertise to perform the services covered by our engagement.

The scope of our engagement will be limited to the performance of the services listed above, if the scope does not meet your requirements or you would like to discuss the scope with us further, please let us know.

Documentation

Before we lodge any tax returns on your behalf, we require a signature of approval. We will endeavour to ensure that the returns are lodged by the due dates and will inform you when documentation should be provided to us. If you are late in providing information, we will do our best to meet time limits, but we will not be responsible for any lodgement penalties you may incur.

Additional services

The scope of our agreement is the preparation and lodgement of the taxation returns detailed above. Our agreed 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 that you request are outside the scope of our engagement and not included in this agreed fee. These services will be charged on the basis of the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out-of-pocket expenses. Please note in particular should you require further copies of documents already forwarded (eg notice of assessments, tax returns and financial statements), these will be charged 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.

Your disclosure and record keeping obligations

This firm has been engaged to prepare and lodge income tax returns for you.

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 this firm to analyse the income tax implications of any transactions if we request to see it. Whilst we will not as a matter of course be looking at these documents, the Australian Taxation Office 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 and business 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 log book or any calculations or information you provide to 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 log book or 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. The fee for this service does not cover any inquiries or investigations conducted by the ATO. Substantial penalties can apply for an incorrectly prepared income tax return.

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.

Confidentiality

We will not disclose any information relating to your affairs to any third party without your consent, unless required by law. 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.

Fees

Where fees have not been agreed on upon our engagement, our fees will reflect the time we spend on your matter. If a fee estimate is provided, it is given in good faith but is not contractually binding.

Ownership of documents

The tax returns which we are specifically engaged to prepare, together with any original documents owned given to us by you, shall be your property. Any other documents brought into existence by us, including general work papers, the general ledger and draft documents, will remain our property at all times. If our services are terminated (by either party), we shall be entitled to retain all documents owned by you until payment in full of all outstanding fees.

Timetable

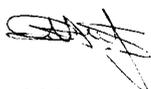
Our services will be performed in accordance with a timetable agreed with you.

Your acceptance of these terms of engagement

These terms apply to our relationship with you. There is no need for you to sign these terms of engagement in order to accept them; you will accept them by continuing to instruct us to work for you. This letter will be effective for future years unless we advise you of any change.

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

Yours sincerely



Debbie Hutchings
Southside Tax Services