

Client Engagement Letter



We are required by the Australian Professional & Ethical Standards Board (APESB) to disclose specific information to you in relation to our engagement (APES 305 Terms Of Engagement).

This document sets out the terms of our engagement and the scope, nature and limitations of the work to be performed by us within that engagement and your obligations and rights in relation thereto. Before accepting this offer you are entitled to negotiate these terms.

Please read carefully and if you have any queries or wish to discuss any aspect, please do not hesitate to contact me on 0413326216 if you need to discuss further.

BASIS OF ENGAGEMENT

These are the Terms of Engagement ("Terms") between KRL8 Consulting ("We/us") ABN 85 598 581 259 and You.

This Agreement is constituted by these Terms and any other later document that we may advise you, becomes part of, or varies this Agreement. These Terms confirm our understanding of the nature and the limitations of the services we will provide.

SCOPE OF OUR SERVICES

Our services will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

The extent of our procedures will be limited exclusively for this purpose. As a result, no audit or review 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.

If applicable, our reports will be prepared for distribution to the relevant specific party for the purpose specified in the report as agreed. We disclaim any assumption of responsibility for any reliance on our professional services to any party other than as specified or agreed, and for the purpose which it was prepared. Where appropriate, our report will contain a disclaimer to this effect.

Where applicable, our advice will cover income tax and/or Goods and Services Tax. It will not cover any other taxes such as stamp duty, land tax, or payroll tax. The scope of our engagement will be limited to the performance of the services listed above.

This letter relates only to the abovementioned service and details the basis and terms of this engagement. Work that is performed or disbursements that are incurred which are outside the scope of our engagement will be the subject of additional charge and will be subject to an agreed engagement at that point.

Kurvin Lutchmun CA

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Liability limited by a scheme approved under Professional Standards



Terms of Engagement



PERIOD OF ENGAGEMENT

This engagement will start as soon as you communicate your acceptance of the terms of this letter.

You may terminate this Agreement in writing at any time. If you do so you will pay our charges and expenses incurred up to the time of termination.

PRIVACY ACT

We may collect Personal Information about 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 the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (Privacy Act). The obligations may include notifying the relevant person to whom the personal information relates who we are and how their personal information may be used. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you.

We will handle personal information in accordance with the Privacy Act.

RESPONSIBILITIES & REVIEW

In conducting this engagement, information acquired by us in the course of the engagement, including information relating to your affairs whether it belongs to you or not or is provided by you or not, is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your expressed consent.

Our files may be subject to review as part of the quality control review program of our professional body (CA ANZ), which monitors compliance with professional standards by its members. We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you.

ELECTRONIC COMMUNICATION

We are able to communicate electronically with you and other parties both via the internet and using computer disks. If we communicate electronically with or for you, you release us from all claims, losses, expenses and liabilities caused by any risk that may arise directly or indirectly out of that communication to the extent allowable by law.

More specifically we will not be liable for any corruption, interception, late or incomplete delivery, loss, misdirection or unauthorised use of an electronic communication nor for any damage (including where caused by a computer virus) arising from its use. It is your responsibility to establish your own protection against viruses and other damage.

OWNERSHIP OF DOCUMENTS

All original documents obtained from you arising from this engagement will remain your property. However, we reserve the right to make any reasonable number of copies for our records.

Our engagement may result in the production of Financial Statements, Income Tax Returns and other documents or files (in either electronic or printed version) which will be supplied to you.

Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain our property.

We will exercise a legal right of lien over any of your documents in our possession in the event of a dispute between us.

Your records may be destroyed after seven years from the date of our final invoice. If you wish for these to be retained for a longer period, you will need to send us a request in writing, although this will remain our discretion.

OUTSOURCED SERVICES & STORAGE OF PERSONAL INFORMATION

From time to time, we may engage third party contractors or outsourced service providers might be involved in providing some aspects of your work. Acceptance of our services in conjunction with terms indicates your acceptance of the use of such outsourced services. Where the outsourced service requires that the disclosure of personal information, a consequence of your consent it that we will be required to take reasonable care to ensure that Australian Privacy Principles are complied with by the recipients of the Personal Information.

YOUR DISCLOSURE AND RECORD KEEPING OBLIGATIONS

You are required by law to keep full and accurate records relating to your tax affairs in order to facilitate the preparation of accurate tax returns. The responsibility for the accuracy and completeness of the particulars and information provided to us rests with you.

Any advice given to you by us is only an opinion based on our knowledge of your particular circumstances. It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work specified under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of you by us within 5 working days (unless otherwise stated or agreed). Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees.

You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice is inaccurate, incomplete or misleading because it is based on inaccurate, incomplete or misleading information being provided to us.

By accepting the terms in this Agreement, 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. You are responsible for the reliability, accuracy and completeness of the accounting records and disclosure to us of all material and relevant information.

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. 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.

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Please note that if you do not provide us your financial information properly reconciled and in the format agreed between you and us, the cost of our services may be higher.

In relation to your financial records, you will be specifically responsible for retaining copies of all financial records and source documents for a period as prescribed under legislation.

CONFLICT OF INTEREST

You are 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 business circumstances, events affecting your family (e.g. death and/or marriage breakdown) or a legal action commencing against you.

YOUR RIGHTS AND OBLIGATIONS UNDER THE TAXATION LAWS

You have certain rights under the taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. As relevant, we will provide further information to you concerning your rights under the Australian taxation laws while we provide our service to you.

You also have certain obligations under the Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date.

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

- You are responsible for the accuracy and completeness of the particulars and information you provide to us
- 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.

Before we lodge any return 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 date and will advise you in advance when documentation should be provided to us. If you are late in providing information, we will do our best to meet the deadlines, however we will not be responsible for any late lodgement penalties or interest charges you may incur as a result.

OUR OBLIGATION TO COMPLY WITH THE LAW

We have a duty to act in your best interests. However, this duty 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.

In particular, the Tax Agent Services Act 2009 (TASA) and complementary amendments provide statutory protections for taxpayers who engage registered tax agents. As your tax agent we are bound by a statutory Code of Conduct which is administered by a new Tax Practitioners Board that requires us amongst other things, to act lawfully in your best interest and with honesty and integrity in the performance of our duties.

Our advice and/or services will be based on Australian Taxation Laws in force at the date of the provision of the advice and/or services. It is your responsibility to seek updated advice if you intend to rely on our advice at a later stage. We note that Australian Taxation Laws are often subject to frequent change and our advice will not be updated unless specifically requested by you at the time of the change in law or announced change in law.

We also have an obligation to ensure that we manage conflicts of interest as they arise and have arrangements in place to ensure that we manage potential or actual conflicts of interest. The effective operations of these arrangements depend, in part, on you complying with your obligation to disclose any potential conflicts of interest to us (as mentioned previously).

INFORMATION WE ARE REQUIRED TO DISCLOSE TO YOU

As a Tax Agent, our work for you is performed in accordance with the Tax Agent Services Act 2009. Under this Act, the Tax Agent Services (Code of Professional Conduct) Determination 2024 requires that we make the following disclosures for you:

1. Matters that could significantly influence your decision to engage us (or continue to engage us) for a Tax Agent Service from 1 July 2022 onward include the following:
 - NON APPLICABLE
2. The Tax Practitioners Board (TPB) maintains a register of Tax Agents and BAS Agents which you can access and search using the following link: <https://www.tpb.gov.au/public-register>
3. If you have a complaint about our Tax Agent services, you need to contact us in the first instance with details by email. Your complaint will be investigated and we will provide you with email acknowledgement of receipt of your complaint and our understanding of the circumstances. The email will inform you that we will attempt to resolve your complaint within 14 days and will outline the dispute resolution process. If you remain disagreeable with the outcome of our proposal, you have the option to make a complaint to the TPB using the link listed above. The TPP will send you an email to acknowledge the receipt of your complaint, review and risk assess your complaint. If you are not agreeable with how the TPB has dealt with your complaint, the above link includes details about your review rights and who can further assist you.

THE SELF-ASSESSMENT SYSTEM

The Australian tax system operates as a self-assessment system. This means that when your tax return, FBT return or BAS is lodged, the ATO accepts the information in the return at face-value and issues you with an assessment notice based on that information. It is important to understand that this does not mean the assessment is final as the ATO can conduct a review or audit of the information provided in the return at a later time, subject to the time limits listed below.

The Commissioner's ability to amend an assessment

The ATO has the power to amend the assessment if they find it to be incorrect.

The ATO can amend an assessment within 2 years after their assessment. If the taxpayer carries on a business and is not a Small Business Entity, that period extends to 4 years. If the taxpayer is a partner in a partnership or a beneficiary of a trust, the period is 2 years. If the partnership or trust carries on business and is not a Small Business Entity, the period extends to 4 years. In any other cases, the period is 4 years.

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If the ATO amend an assessment, this will potentially involve, apart from increased taxes, penalties and interest. If you discover an error in the information declared in the return, lower penalties generally apply for making a voluntary disclosure.

Note: There are no time limits on the ATO amending an assessment where they believe there has been fraud or evasion.

Records for clients operating in the cash economy

There are particular recording imperatives for clients who operate in the cash economy. In particular, the ATO has a program of "benchmarking" standardised revenue returns for a wide range of cash businesses. In circumstances where it is dissatisfied with a taxpayer's records or recording systems, the ATO will often assess income tax and/or GST on what it considers to be an appropriate "benchmark" amount (plus penalties and interest) and then put the taxpayer to the task of disproving that assessment. Where that occurs, the taxpayer is at a serious disadvantage and can be put to a great deal of cost and effort in disputing the assessment.

Taxpayers who operate in the cash economy are therefore urged to have a robust and reliable system for recording and reporting all cash transactions and to ensure that the recorded figures are accurate.

Right to seek a Private Binding Ruling

When preparing your tax return we may identify one or more issues that are not clear under the tax laws. Where we have pointed out such issues to you, you have a right to request a Private Ruling from the ATO. Upon providing the ATO with all the relevant facts, they will provide you with a ruling setting out their view on the proper tax treatment of the particular issue requested to be ruled upon.

Objecting to an assessment

If the ATO issues you with an assessment that you do not agree with, you have the right to lodge an objection to that assessment. The objection must be lodged with the ATO within either 2 or 4 years discussed above under the heading 'Commissioner's ability to amend an assessment'.

Where the ATO issues an amended assessment, the period for objecting is the greater of:

- 60 days from the time the amended assessment is received; or
- 2 or 4 years (whichever is applicable) from the time the original assessment was received.

If you remain dissatisfied with the outcome of the objection, you have the right to have the matter reviewed by the Administrative Appeals Tribunal or to appeal the matter to the Federal Court.

Onus of proof falls on the taxpayer

For any disputed assessment before the court or the Administrative Appeals Tribunal, the onus of proof is placed on the taxpayer. In other words, if the Commissioner asserts that your income should include a certain amount or that a deduction claimed in a return is not allowed, it will be up to you to establish that the Commissioner's view is incorrect.

LIMITATION OF LIABILITY

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council's website: <http://www.psc.gov.au>

INVOLVEMENT OF OTHERS & DISBURSEMENTS

Where, as part of this engagement, the services of an external consultant or expert are required, an estimated cost, timeframe and involvement will be provided for your approval.

It may also be necessary to incur other fees, expenses and charges. These out-of-pocket expenses and other charges we incur on your behalf are referred to as disbursements.

We will charge you at cost for any disbursements we incur on your behalf. You must reimburse us these disbursements including GST (Goods and Services Tax), when they fall due for payment.

We will not incur any substantial expense without first obtaining your permission.

PAYMENT TERMS

Subject to the FEES section below, our charges are based on the time required by us plus disbursements (where applicable). Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required.

In the event of you being in default of your obligation to pay us by the due date listed in our invoice(s), any overdue invoice(s) may be referred to a debt collection agency at our discretion. You agree that in this event, you will be liable to pay as a liquidated debt to us any commission, disbursements and legal fees payable by us.

Unless agreed otherwise, our payment terms are generally 7 days from issue date of Invoice (or as stated on our invoice).

If the amount payable on the Invoice is not paid within 30 days of the date of that Invoice, we may charge you interest at a rate not exceeding the Cash Rate Target, as fixed by the Reserve Bank of Australia, plus 2 per cent, calculated from the date the invoice is issued.

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FEES

Unless otherwise agreed, our fees charged (excluding disbursements and GST) will generally be as follows:

Preparation of tax returns	
Individual tax returns without rented properties	
Under 21 years	From \$120
Over 21 years	From \$150
Amendment of Income Tax Returns	
Post preparation	From \$60
Post lodgement	From \$80
Individual Income tax return with rented property/ies	
One property	From \$200
<i>For each additional property – from \$50</i>	
Income Tax Withholding Variations (ITWV)	From \$100
Additional Items (per item)	
Capital Gain on sale of:	
Property	From \$80
Shares	From \$40
Motor Vehicle	
Set rate method	From \$50
Log book or 1/3 method	From \$50
Sole Trader or Business Schedule	From \$100
Business Activity Statement	
Partnership Tax Returns	Based on time at hourly rates
Bookkeeping & Accounts preparation	Based on time at hourly rates
For general advice & attendance not covered above	Based on time at hourly rates

These fees may be reviewed in line with CPI each year.

ACKNOWLEDGEMENT AND ACCEPTANCE OF TERMS OF ENGAGEMENT

In accepting these terms, you may sign and return a copy of this Agreement in any of the following ways:

- (a) sign and return it to us by mail, electronically or other method;
- (b) reply electronically with: "I agree to the terms and acknowledgements set out in the Agreement received".

Note that if you are required to sign any forms for lodgement, you agree that you will only sign such forms and submit to us on the basis that you have accepted the terms in this document even if explicit written acknowledgement of these terms has not been provided to us.

This letter will be effective for future years unless we advise you of any change.

I/We acknowledge that I/we:

- Understand and agree to the nature of our relationship and the services provided by us as outlined in the Terms of Engagement.
- Understand and agree to the prices and payments terms outlined in this document.
- Request KRL8 Consulting to immediately commence the Services listed under Scope of Our Services.

Authorised Signature:	
Client Name:	
Date:	

Please email this signed authority to us at info@krl8consulting.com.au