

Terms of Engagement

This letter is to confirm our understanding of the terms of our engagement and the nature and extent of the services we will provide. Unless otherwise agreed between us in writing, this letter records the entire agreement between us in relation to our engagement. The terms recorded in this letter will remain in force until varied by us in writing to you, or until cancelled by either of us by notice in writing to the other.

General

With regard to the general aspects of the engagement, it is understood and agreed that:

1. The client accepts responsibility for all records and information supplied to Biz Solutions Limited (BIZ) and for its completeness and accuracy. BIZ does not accept responsibility for the maintenance of adequate accounting records or internal control structure in the client's organisation;
2. The client accepts responsibility for any failure to supply BIZ with all relevant records and information;
3. The client accepts responsibility for ensuring that all relevant records and information are at the offices of BIZ or as otherwise agreed in reasonable and sufficient time for processing to be completed by BIZ before any statutory or other deadline;
4. Where the services of an external consultant are required, involving the disclosure of confidential client information, the client's prior consent will be obtained by BIZ;
5. The client accepts that work papers, drafts, internal memoranda and similar documents prepared by BIZ in connection with the engagement remain the property of BIZ at all times;
6. The client accepts that BIZ shall have the right to exercise a possessory lien over any records in their possession relating to any outstanding fee;
7. BIZ holds the right to refuse any engagement, without providing reason for the same.
8. Both parties agree to protect and keep confidential on any confidential Information exchanged with each other. Except as required by law or where we otherwise agree, you will keep confidential our Work, any methodologies and technology used by us to provide the services.
9. The arrangements outlined herein will continue in effect from year to year unless varied in writing.

Financial Statements (Compilation)

1. Other than tax return schedules of income and expenditure, we will prepare financial statements in accordance with standards and guidelines issued by Chartered Accountants Australia and New Zealand and XRB. Where required by legislation or requested by you, we will prepare annual accounts in accordance with generally accepted accounting practice in New Zealand. If necessary, we will provide additional explanations to give a true and fair view. We will comply with the Financial Reporting Act 2013, or other applicable statute or reporting frameworks such as Special Purpose Financial Reporting. We will prepare other annual accounts in compliance with the applicable legislation. Periodic accounts for management are not governed by legislation and will be prepared on the basis you request.
2. We will describe what general basis of accounting we use to compile the accounts in notes to the financial statements along with any significant departures from that basis. We will outline any significant departures in our compilation report, a report provided with all annual accounts that include a balance sheet.
3. The client accepts responsibility for providing BIZ with all information necessary to properly prepare the financial statements and present full disclosure of all required matters;
4. The client accepts responsibility for the accuracy and completeness of the assertions in the financial statements;
5. Our procedures will not include verification or validation procedures. No audit or review engagement will be performed and accordingly no assurance will be expressed;
6. The client accepts that, where included, a Disclaimer of Liability by BIZ forms part of the financial statements and is to remain attached to all copies of the financial statements distributed to third parties;
7. It is not intended that the engagement of BIZ for the Compilation of Financial Statements be relied upon to prevent or detect fraud and error and the client accepts sole responsibility for such detection and prevention.
8. The client authorises BIZ to provide relevant information in preparations to meet compliance requirements to a nominated third party agent of BIZ (e.g. Outsourcing companies).

Tax and Compliance Services

If requested by the client, BIZ will prepare and file, on time, the following returns:

1. Income tax returns and election notices for (taxpayer and/or associated persons).
2. GST returns.
3. FBT returns.

4. Withholding Tax Returns (DWT/RWT).
5. Pay day filing, PAYE returns and Payroll services ; and
6. Any overdue IRD returns, IRD arrears, IRD installment arrangements, financial hardship relief applications (full or partial), and other IRD related compliance work as may be required.

Consulting/Advisory Services

It is understood and agreed that BIZ may provide general business advisory services and/or tax advisory services from time to time, as required or as requested by the client. This service includes formation of new entity such as company, trust, limited partnership and other form of business structures. A separate order form and/or agreed upon procedure agreement may be required to be prepared for sign off for your approval before we proceed with specific service.

Fees, Billing and Payment

Our fees are based on the standard pricing and/or time and attendance basis at staff hourly rate in effect at the time the service is rendered, unless a specific fixed or agreed fee arrangement is entered into for the specific service. Typically, more complex and high value work will be priced at a higher hourly rate.

Invoices are payable by 20th of the following month of invoice date unless otherwise agreed. We may issue interim invoices for work in progress, with a final invoice on completion. We can also arrange with you to make regular payments in advance if that suits your business better.

If the work is carried out for a limited liability company, the persons who sign this letter acknowledge that the work is being carried out at their request and accept responsibility and liability with the client and each other for the payment of the account. If payment is not received by the due date, BIZ is entitled to look to any or all of the parties signing this letter for payment without being obligated first to seek payment from the entity/client itself. We also assume that the person who sign this letter grants a security interest to BIZ over all of its present and future accounts receivable to secure all amounts owed by the company to BIZ.

If payment of any invoice is not received by the due date, we may:

- Discontinue further work until the account is paid.
- Charge interest of 1.5% on any overdue accounts as at the close of business day on the date the payment becomes due. This interest will be compounded from the due date to actual payment.
- Give the debt to our solicitor or debt collection agency for collection. In such circumstances you consent to us providing our solicitor or debt collection agency with information necessary to collect the debt. Recovery fees and costs will be charged to you as well as the debt owing.
- Hold all records and related material which have been used for this engagement until all outstanding fees are settled.

In addition to disbursements, BIZ may be paid administration fee and/or margin from Accountancy software providers, payroll software providers, CRM providers, Forex providers, Employment solution providers, Insurance providers, lending institutions and other financial service providers.

Ownership of Records and Related Material

The client retains ownership of all documents you provide to us so we can carry out your work. We will return them to you when the work is completed. All documents, workpapers and drafts that we create remain our property. We store them for seven years after the appropriate balance date. After seven years we may destroy them at our discretion using a secure document destruction service.

Our Responsibilities

We will not audit, review or carry out any other checks on the accuracy or completeness of the information you provide. It is up to you to give us accurate and complete information to prepare the returns.

1. Your returns will include the following statement: “Prepared without review from information provided by the taxpayer”, along with our Firm name as the preparer of your returns.
2. The client may use our office address as the mailing address for assessments and/or correspondence from Inland Revenue. If you do this, we will send you copies of any letters received, along with recommendations for your reply if necessary.
3. If you use our office address as the mailing address for assessments, we will check the assessments and let you know the amounts and due dates of tax installments. You are then responsible for paying the correct tax on time.
4. We will advise you about any amounts of tax to be paid and the due dates for payment.
5. We will not take active steps to identify weaknesses in your internal accounting system, errors, illegal acts or other irregularities, for example, fraud or non-compliance with laws and regulations. However, should we become suspicious of omissions or irregularities, we will report it to you.
6. We will explain or redraft any element of these terms to ensure you understand them and think they are reasonable.
7. It is not a professional requirement to be independent before carrying out compilation work. However, we will outline any other relationship in our compilation report.

Your Responsibilities

1. The client are responsible for providing us with all information needed to properly compile the accounts and returns promptly at the times agreed. We will provide a checklist to help you identify that information.

2. The client are responsible for the assertions in the financial statements and for what appears in your tax returns. It is up to you to ensure the information you give us is accurate and complete and meets all your obligations set out in the tax laws.
3. The client must disclose all sources of income and can only claim expenses that were incurred to earn income. You must have all the supporting documents required by Inland Revenue.
4. The client are responsible for paying your taxes by the due dates, and for paying any penalties and/or interest arising from late payments, errors, wrong estimates or any other cause.
5. The client are responsible for the adequacy of your insurance and ACC covers.
6. The client will inform us if the information we compile is intended for disclosure to any person or body and how you expect them to use it. This does not apply to:
 - The directors, shareholders, partners, trustees or equivalent office holders of your enterprises as listed in this letter, and
 - Inland Revenue.
7. It is a requirement to keep records related to this engagement and business for seven years. However, BIZ does not keep any original client records, so we will return those to you upon the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by governmental or regulatory agencies.
8. The client will indemnify BIZ against any and all losses, claims, actions, demands, expenses, damages, liabilities or any other proceedings whatsoever incurred by BIZ in respect of any claim by a third party.

Authority to Act

By signing this agreement, you authorise us to act as your tax agent with Inland Revenue for all tax types [except child support] and all your associated entities. You give us permission to access your tax records, including electronic records, held by Inland Revenue. This includes obtaining information through all Inland Revenue media and communication channels. Under our tax agency you will receive an extension of time for filing your income tax returns and paying income tax, provided your returns have been filed on time in prior years.

The client also authorize BIZ to delink my/our tax agent representative with the Inland Revenue Departments (IRD) for all tax types and benefits such as NZ Super, working for families tax credit, and WINZ if completed information has not been provided to BIZ prior to end of respective income tax year due date.

The client agrees to authorise us to communicate with your bankers, solicitors, finance companies, government agencies and any other relevant third party to obtain information required to complete our work for you.

Under the Privacy Act 1993 information holders require authorisation prior to being able to release such information. In order to speed the whole process up, please sign below. This will avoid double handling and time costs. If you provide full details to us this authority may not need to be used.

Information and Disclosure

We conduct this engagement in accordance with professional standards, rules and ethical requirements of Chartered Accountants Australia and New Zealand (CAANZ). Information we obtain in the course of this engagement is subject to confidentiality requirements, as well as our obligations under the Privacy Act 1993. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations, staff or subcontracted labour.

As members of CAANZ we are subject to disciplinary procedures and rules. Our work and files are subject to practice review by which compliance with professional standards is monitored. You agree that CAANZ, its reviewers and/or its disciplinary bodies may have access to our files, including client information, relating to this engagement. All CAANZ employees and contractors are required to maintain the strictest confidentiality.

As members of CAANZ we are subject to Code of Ethics that apply if we become aware of actual or potential 'noncompliance with laws and regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as adverse consequences to investors, creditors, employees or the public), we may be required to disclose the matter to an appropriate level of management or those charged with governance and/or an appropriate authority.

Client Due Diligence

The client must comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act). Our work for you may be captured under the Act in conducting certain activities, including acting as a formation agent, acting as a nominee shareholder or trustee, managing client funds, or engaging in transactions for buying or selling land or a business or other legal entity/arrangement. If you request us to perform any of these captured activities we will only perform such work after we have conducted customer due diligence required under the AML/CFT Act and satisfied ourselves that we can proceed with the work.

When we conduct customer due diligence required by the AML/CFT Act, the information we request from you will differ depending on the entity (for example, individuals, companies, and trusts are subject to different requirements) and the level of assessed risk. Information required may include passports, address verification by way of recent utility bill, bank statement, or government agency letter, Certificates of Incorporation or Registration, Trust Deeds or Partnership Agreements, proof of authority of persons acting for you, and proof of source of funds.

As well as our obligations to undertake due diligence, the AML/CFT Act requires us to report suspicious activity or prescribed transactions to the relevant authority. Under such circumstances, we may not disclose information to you about suspicious activity reports or prescribed transactions, in accordance with FIU Suspicious Activity Reporting Guidelines.

Communication and Transmission of information

We shall take reasonable and practicable steps and precautions to back up and protect the confidentiality, privacy and security of all Information received, transmitted, processed or stored by us or by a third party on our behalf.

However you accept that storage, processing and transmission of information whether electronically, or in hard copy involves inherent risks of accidental or unauthorised loss or corruption, interception or hacking by third parties, modification or disclosure that cannot be completely excluded regardless of the precautions and steps we take, and we will not be liable for any loss or damage or unauthorised use of Information. You must keep copies or backups of all Information supplied to, or by us.

The client authorises BIZ to send newsletter, reminders and updates via email or electronic mechanism from time to time. You can unsubscribe at any time.

Security Breach

We will take reasonable measures to mitigate any harmful effects of any Security Breach of which it becomes aware. In the event that we discover or is notified of a breach, potential breach of security, or security incident at our Facility or of our systems, we shall notify you of such potential, suspected or actual security breach; comply with all applicable privacy and data protection laws governing your data however will not provide any remediation of any such breach unless damages are awarded by the court or required by the governing law.

Notice Regarding Electronic Signatures

Environmentally sustainable, convenient, legally recognised, secure, and smart - these are just some of the reasons why BIZ uses Adobe Document Cloud eSign services to electronically send out documents for secure electronic signing. The Electronic Transaction Act 2002 (Act) governs the legal application of electronic signatures in New Zealand. By signing this agreement you consent to transact business using electronic communications, to receive documents that require your signature electronically, and to utilise electronic signatures in lieu of using paper documents where appropriate. Please note that you will have the ability to download and print any open or signed documents sent to you via Adobe's Document Cloud eSign services. Where a document is sent to you electronically for your electronic signature, you will have the ability to request a hardcopy paper version of the document for manual signing. BIZ reserves the right to charge you a reasonable fee for the production and mailing/couriering of paper versions of documents.

Limitation of Liability

We will not accept liability for negligence or any other reason to anyone but you, the persons who sign this letter. We will include a disclaimer to this effect in our compilation report. We set a limit on our civil liability (including interest and costs) which includes any directors, partner, employee or agent of BIZ to you for negligence or any other reason at five times the annual accounting fee. We will not be responsible or liable if information we need to carry out our tasks properly is withheld, concealed, or wrongly represented to us. Any claim against us must be made and notified to us within one year of the date we complete the work set out in this agreement.

Money We Hold for You

We may sometimes hold money on your behalf. It will be held in trust in a non-interest bearing bank account, which is completely separate from the firm's funds. The Chartered Accountants Australia and New Zealand has strict rules about the way accountancy firms must handle their clients' money and we follow these rules. Payments out of the trust account will be made either to you or to others with your authority. Written authorisation from you (and if we are acting for more than one of you, from all of you) will be required when payment is to be made to a third party. Before making a payment to another account we may require verification of the account details by provision of (for example) a copy of a deposit slip or bank statement showing the account number, a signed authority from you including the bank account details, or a signed letter from the relevant financial institution providing bank account details.

Disputes

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation. If the parties are unable to resolve the dispute through mediation within 60 days from the date notice is first given from one party to the other as to the existence of a dispute and the demand to mediate, then they may proceed to resolve the matter by arbitration if this agreement provides that the particular dispute is subject to arbitration, or by whatever other lawful means are available to them if this agreement does not provide for arbitration of the particular dispute. Costs of any mediation proceeding shall be shared equally by all parties.

This clause does not apply to any disputes arising from, or connected with, BIZ invoices that you have failed to pay by the due date.

Variation

BIZ may update the terms of engagement from time to time and most up to date copy will be available on BIZ website and you agree to these terms.

I/We acknowledge and accept the terms of the engagement (as amended from time to time) and give my/our approval for Biz Solutions Limited to obtain information as stated.

Full Legal Names of all Entities (Individuals, Company, Trust, Partnership etc)

1. _____	IRD No: _____
2. _____	IRD No: _____
3. _____	IRD No: _____
4. _____	IRD No: _____
5. _____	IRD No: _____
6. _____	IRD No: _____

I/we are duly authorized by the above entities to give authority to Biz Solutions Limited for all tax types until further notice. Authority is given to obtain information from Inland Revenue about all tax types (except Child Support). This includes obtaining information through all Inland Revenue media and communications channels.

I/We authorize Biz Solutions Limited to change the registered office of any company listed above to the following address:

C/- Biz Solutions Limited
 46 Stanley Street
 Parnell
 Auckland 1010

Please tick who would be responsible for maintaining the statutory records for the company:

Biz
 Client

Name: _____ Signed: _____ Date: _____

Individual / Director / Trustee
 (circle applicable roles)

Name: _____ Signed: _____ Date: _____

Individual / Director / Trustee
 (circle applicable roles)

Name: _____ Signed: _____ Date: _____

Individual / Director / Trustee
 (circle applicable roles)

(please cross out the non-applicable ones- in case of company with more than one directors, one director can sign on behalf of others, in case of trust all trustees will need to sign this)

CLIENT COMPILATION INFORMATION FORM

PERSONAL INFORMATION:

INDIVIDUAL 1

INDIVIDUAL 2

Mr Mrs Ms Miss Other _____

Mr Mrs Ms Miss Other _____

Full Legal Name: _____
(Including middle names)

Date & Place of Birth: _____

Postal Address: _____

Postal Address: _____

Residential Address: _____
(If different from Postal)

Postal Address: _____

Phone Number: _____

Mobile Number: _____

Email Address: _____

NUMBER OF DEPENDENTS: _____

Name:

Date & Place of Birth:

IRD Number:

OFFICE USE ONLY			
Agency List		LTC	
Database		IRD#	
New Client Letter		GST#	
Professional Letter		PAYE	
Client File		FBT	
Biz Debtors		EOY Letter	
Engagement Letter		Newsletter	
Xero		Mortgage Review Date	
Prior Year Accounts		Management Reporting	M/BiM/6M
AO Tax Notices Setup		Tax Health Check	

Acceptance of Client Relationship Documentation (Partner/Manager in charge to complete) _____/_____

1. Have all Customer Due Diligence (CDD) information for AML/CFT compliance been obtained and CDD conducted? Report on any notable findings?

2. Any ethical issues identified that may affect performance of any engagements of the entities noted in page 2 above. Please provide details.

3. Is there any conflict of interest identified between any for the entities and/or individuals noted in page 2 above and Biz Solutions and/or any Directors or employees of Biz Solutions? Please provide details of any conflict of interest identified.

4. Compatibility of the clients business – list issues identified

5. Review response from the previous Accountant to our ethical clearance letter. Are there any concerns raised?

6. Review our capacity, expertise and experience to undertake the assignment required for the client. Can we undertake the assignment?

7. Conclusion (Should the client and assignment be accepted – reasons)
