

Authority to Act

Name	IRD Number

Engagement

I/We have read and accept the terms of engagement enclosed.

Authority to obtain information from Inland Revenue

I/We authorise ****Partner Company**** of Russell Turner Chartered Accountants as my/our tax agent to act on my/our behalf for all tax types (except child support), until further notice.

I/We give authority to ****Partner Company**** and staff/contractors if applicable of Russell Turner Chartered Accountants

- ♦ to obtain information from Inland Revenue, ACC and other government agencies about all information relevant to their ability to carry out services on my/our behalf. This includes obtaining information through all Inland Revenue, ACC and other government agency media and communication channels
- ♦ to link all tax types on my/our behalf. I/We understand that linking allows ****Partner Company**** of Russell Turner Chartered Accountants as my/our authorised tax agent to have full access to information held by Inland Revenue and ability to modify my/our details relating to the relevant tax types. Correspondence for linked tax types may be directed to ****Partner Company**** of Russell Turner Chartered Accountants.
- ♦ to prepare, submit and sign tax returns on my/our behalf and on behalf of any of my/our associated entities
- ♦ to act as agent for ACC purposes for all named entities. This authorisation allows Russell Turner Chartered Accountants to query and change information on ACC levy accounts through ACC staff, and through ACC Online Services. This authority will also allow Russell Turner Chartered Accountants' main representative discretion to delegate access to other members of the firm. Other delegated members of Russell Turner Chartered Accountants will also be able to query and change information on the ACC levy account.
- ♦ to furnish to any third party, financial information of mine as Russell Turner Chartered Accountants see fit that is requested in furtherance of our business activities. Russell Turner Chartered Accountants may utilise the services of third parties, including tax pooling intermediaries, from time to time and as separately notified to you to manage your tax affairs. To perform the services, we provide these third parties with access to your data to the extent this is required to perform these services. This requires information being sent to these services providers in accordance with our Privacy Policy.
- ♦ I/We authorise Tax Management New Zealand Limited ("TMNZ") and Reckon New Zealand Limited ("APS") via Russell Turner Chartered Accountants to access relevant tax information from Inland Revenue in respect of my tax obligations and taxpayer account details

Authority to obtain information from any Third Party

I/We authorise Russell Turner Chartered Accountants to obtain information from any third party as required to carry out services on my/our behalf.

Name	Signature	Date

Terms of Engagement

Chartered Accountants Australia and New Zealand requires us to record and communicate the nature of the work that we do for you as well as our terms of business.

Please check that what we have set down here agrees with your understanding and then sign in the space provided.

Who Does What?

	Russell Turner does	Client does
Financial and Tax		
Wages		
PAYE returns		
GST returns		
FBT returns		
RWT returns		
Annual accounts		
Income tax returns for the entities named above		
Management of all tax assessments		
Provision of our income tax payment reminder and collection service		
Regular income tax planning		
Trust and Company		
Trustees' resolutions		
Trust administration		
Initial trust administration risk review and annual review thereafter		
Company directors' and shareholders' resolutions		
Company statutory records		
Provision of our office as the registered office of your company		
Filing of your annual company return with the Registrar of Companies		
Initial administration review of your company records and annual review thereafter		
Other Services		
Xero application support		
ACC administration and advisory		

Basis of fees

Our fees are based on the time it takes us to do the work and the experience and qualifications of the people involved. Our more experienced people will deal with more complex and high value work – naturally at a higher hourly rate.

AML/CFT act 2009

We are required to verify and hold copies of the following information on our records before we are able to Act for you.

- Identification
- Proof of residential address.

This may require the use of a third party to assist with verification of the documents should the information not be adequate.

Appendix A:

What does “Chartered Accountants” mean and what’s the difference between that and a regular accountant?

In New Zealand you do not require any qualification or training to work as and call yourself an “accountant”.

In stark contrast, the bar is set high for becoming a chartered accountant (CA). A chartered accountant must go through a demanding professional competence program followed by a strict period of practical experience assessment. It takes a total of seven years to become a chartered accountant. The CA is a professional and internationally recognised designation which has significant history and credibility in the market place.

Chartered accountants are bound by professional ethics to observe the rules and the code of conduct as established by their professional body *Chartered Accountants Australia and NZ* (CAANZ).

On an annual basis CAs must complete continuing education courses, follow the strict quality control requirements of CAANZ and stay up-to-date with the current laws and regulations.

Belonging to a professional body also assists the CA to obtain the right amount of competence and support at various levels. These include mentorships and training, development of technical expertise in various areas, and provides a reputable backbone to the entire brand.

Engaging the services of a chartered accountant means that you are dealing with someone who:

- Is professionally trained and qualified;
- Will follow the rules and regulations;
- Provides the appropriate advice;

Our professional body has been operating since 1908 with a few name changes along the way. Originally the New Zealand Society of Accountants, it became the Institute of Chartered Accountants (ICANZ or NZICA) and then more recently Chartered Accountants Australia and NZ (CAANZ).

Appendix 1: Who Does What?

1.1 Our responsibilities

1. We will prepare financial statements in accordance with standards and guidelines issued by Chartered Accountants Australia and New Zealand (CAANZ) 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. An example of a typical report is attached.
3. 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, for example where a Partner of Russell Turner Chartered Accountants is a trustee of a client trust.
4. 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.
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 deliver financial statements and other outputs to the applicable individual, partners of a partnership, directors of a company and trustees of a trust. We will file tax returns with appropriate supporting data. It is up to you to provide copies to other interested parties, e.g. company shareholders.
7. We will explain or redraft any element of these terms to ensure you understand them and think they are reasonable.
8. You are the best judge of our performance. If you are not satisfied with our work or think our fee is excessive, we invite you to contact any partner of the firm, who will investigate without cost to you and suggest a remedy. If you are still not happy you can also lay a complaint with Chartered Accountants Australia and New Zealand (CAANZ)

1.2 Your responsibilities

1. You 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. You 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. You 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. You 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. Where Russell Turner Chartered Accountants is not acting as trustee for a client trust, it is the trustees' obligation to meet the requirements of the Trusts Act 2019 (not the firm's).
6. For client companies,
 - (a) you will advise Russell Turner Chartered Accountants in advance of any proposed company shareholder change as these can carry unintended tax consequences. Russell Turner Chartered Accountants will not be responsible for any losses caused by such a change if not advised to us in advance.
 - (b) you will advise Russell Turner Chartered Accountants within 6 months of the start of the company's financial year (30 September for most companies) if the shareholders wish to opt in or opt out of statutory financial reporting or audit requirements in accordance with sections 207H to 207K of the Companies Act 1993. Russell Turner Chartered Accountants will not be responsible for any consequences caused by the relevant resolutions not being completed within the specified time frame if not advised to us in advance.
7. You are responsible for the adequacy of your insurance and ACC covers.
8. You authorise us to approach third parties as may be appropriate for information that we consider necessary to deal with your affairs.
9. You 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.
10. You will let us know if any of these terms are unclear or seem unreasonable and we will explain or redraft to make sure you are happy.

Appendix 2: Fees, Disbursements, Billing, and Payment

Our fees are based on the time it takes us to do the work and the experience and qualifications of the people involved. Typically, more complex and high value work will be priced at a higher hourly rate. As at the date of this authority our charge out rates range from \$100 to \$270 + GST per hour. These rates are reviewed annually.

Where appropriate we will add any authorised disbursements and expenses to our invoices incurred while performing our services for you.

If the scope of the work should change, or an estimate of the fee be exceeded, we will promptly advise you in writing and agree necessary changes to the fee structure or billing arrangements.

Invoices are payable 20th of the following month 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, Russell Turner Chartered Accountants 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.

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% per calendar month on any outstanding balance after the due date. 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.

Appendix 3: Everything Else

3.1 Ownership of Records and Related Material

You retain 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.

Should you decide to transfer this work to another accountant we will transfer, in electronic format, all information about your affairs that is essential for the new accountant to perform the professional services previously provided by Russell Turner Chartered Accountants unless there is a legal duty to withhold that information.

3.2 Authority to Act

We already hold signed authorities to act as tax agent for all taxpayers associated with your affairs. You also agree 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.

3.3 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 2020. 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.

One such professional obligation includes a provision of the NZICA Code of Ethics which deals with actual or potential 'non-compliance with laws and regulations'. If, during the ordinary course of completing our engagement, we become aware of any such non-compliance which poses substantial harm (such as adverse consequences to investors, creditors, employees or the public), we may be required to disclose this information to an appropriate authority.

We will not share your confidential information with anyone outside the firm without your permission unless there is a legal (e.g. AML suspicious transaction reporting) or professional obligation to do so.

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.

3.4 Outsourcing and third-party providers

To provide our services to you, we may need to access and use services and products that are owned by third parties. We may provide your information to these third parties solely as required to perform our work for you and not for any other purpose. This requires information being sent to service providers in accordance with our Privacy Policy. Such third parties include:

- the cloud-based software platforms including CCH iFirm, Xero and other providers,
- email and collaboration platforms such as Microsoft, and
- contact accountants.

If you have any concern about our use of third-party and cloud-based services, please speak to us.

In accepting this engagement, you provide us with your express consent to disclose your information to:

- our service providers or regulatory bodies to the extent required to provide our services to you;
- our professional advisors or insurers to the extent required to protect our interests regarding this engagement;
- MailChimp and/or other newsletter/marketing providers

Certain third-party providers will require a direct authority in order for your information to be provided to us for use in completing the engagement. If we require a direct authority from you, we will advise you and provide you with express instructions on completing.

We will take reasonable steps to ensure any such recipient (other than a regulatory body) keeps such information confidential on the same basis we maintain regarding your information.

Your information will be kept by third-party providers in electronic format. Other third parties store information 'in the cloud' so we do not know its physical location.

We may retain your information during and after our engagement:

- to comply with legal requirements
- as part of our regular IT back-up and archiving practices
- to perform our work for you under this engagement
- to comply with our professional and ethical obligations

We will continue to hold all such information confidentially.

If we want to mention that you are a client for promotional purposes, we will seek your permission before doing so.

3.5 Client Due Diligence

Russell Turner Chartered Accountants 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.

3.6 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 liability to you for negligence or any other reason at ten 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 erroneously supplied to us. We also will not be responsible for transactions that we are unaware of that exist outside of the financial records, such as property or barter transactions. 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.

3.7 Conflicts of Interest – if applicable

If there are any potential conflicts of interest outline the nature of the conflict and the measures and safeguards that will reduce the threat to an acceptable level; suggest the client takes independent advice; and request the client's confirmation, in writing, that they wish the firm to undertake the engagement.