



Dear Client,

Thank you for your instructions to attend to the preparation and lodgement of your income tax return.

This letter sets out our **Terms of Engagement** and supersedes any previous engagement letter provided by us. It is important that you read this letter carefully. If you have any queries or wish to discuss any aspect of the engagement, please do not hesitate to contact us.

Tax practitioners are regulated in accordance with the *Tax Agent Services Act 2009 (TASA)* and the accompanying regulations. The Tax Practitioners Board (**TPB**) is responsible for the registration and regulation of tax practitioners and for ensuring their compliance with the TASA. As part of this role, the TPB maintains details of registered, suspended and deregistered tax practitioners. To check that we are registered, search the **TPB Register** at [www.tpb.gov.au/public-register](http://www.tpb.gov.au/public-register) using either of the following details:

- Practitioner name – *Catherine Anne Jones*
- Registration number – 75582009

An important feature of the taxation laws for clients is the provision of a **'safe harbour'** from penalties in certain circumstances for taxpayers who engage registered tax agents. To obtain the benefits of safe harbour protection, a taxpayer must give their registered tax agent *"all relevant taxation information"* to enable accurate statements to be provided to the Australian Taxation Office (**ATO**). This requirement may be important in identifying and understanding the purpose and scope of this engagement.

General information about taxpayers' rights and obligations under the taxation laws (including safe harbour protection) and information about tax practitioners' obligations to their clients, the ATO and the TPB are set out in the **'Appendix'** to this engagement letter. This document is provided for information purposes only and should be retained by you for your records.

We ask that you consider all aspects of the terms of engagement to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this letter.

Once you are satisfied with the terms of this letter, please sign and date this letter in the place indicated. Please forward to us the signature page as evidence of your acceptance of the terms of our engagement. You should retain the copy as your evidence of our engagement.

We thank you for the opportunity to provide taxation services to you and we look forward to developing a close relationship with you.

Please note as we have already received your work via client portal, email, post or dropped into our office we will start to perform your work for you however it is required we receive the signed copy of this letter before finalization of your work.

Yours sincerely,

Cathy Jones CPA  
Registered Tax Agent

**Acknowledgment of 2025 Terms of Engagement for Individuals [non-trading]**

I confirm that I have read, understood and agree to the terms of this engagement.

I also confirm that I have read and understood my rights and obligations under the tax laws, as set out in the document, *Clients' rights and obligations under the taxation laws*, provided to me with this letter.

Dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Name	Signed
	   ..... (Individual signs)

## ***2025 Terms of engagement for Individuals [non-trading]***

### **1. Purpose and scope of our engagement**

- 1.1 This letter relates to the taxation services described at 1.2 below and sets out the basis and terms of our engagement.
- 1.2 Our firm, *Catherine Anne Jones TAN 75582009*, has been engaged to prepare and lodge the Individual Income Tax Return of *You*. Unless otherwise agreed, we will prepare and lodge your annual income tax return on an ongoing basis.
- 1.3 We have set out at 3.1 below, when documentation should be provided to us to allow for the preparation and lodgement of your income tax return by the due date prescribed by the ATO. Before we lodge your tax return, we will provide the document to You for your approval.

If You are late in providing information to us, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges that You incur.
- 1.4 In providing this taxation service, we have a duty (under the TASA) to act lawfully in your best interests, and to act honestly and with integrity at all times.

### **2. Term of the engagement**

- 2.1 Our engagement commences once You indicate acceptance of the terms by signing and returning this letter and will continue until it is terminated by either party.
- 2.2 You can terminate this engagement at any time by notifying us in writing. We also reserve the right to do so by providing You with 14 days' written notice.

### **3. Responsibilities and obligations**

- 3.1 All information relevant to the preparation and lodgement of your income tax return must be collated and provided to our office prior to the due by date provided by the ATO.

Any rectifying work performed by us because of incorrect or late information is outside the scope of this letter and will be charged to You as an additional service.

- 3.2 In engaging us to provide the above taxation services, it is important to understand that:
  - You are responsible for providing all relevant information to us in a timely manner, and for the accuracy and completeness of the information provided;
  - You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate income tax returns on your behalf;
  - any advice we provide is only an opinion based on our knowledge of your circumstances; and
  - we cannot provide taxation services if we find that information on which those services are to be based includes false or misleading information, or material information is omitted, and You are not prepared to appropriately amend it to provide us with correct and complete information.
- 3.3 You must have **all source documentation** available to allow us to analyse the income tax implications of any transaction, should we request to see it.

As a matter of course, we will not be looking at, or auditing, these documents. However, You are required to have them available before any claim is made in your income tax return.

Also, in some circumstances, we may request to see source documents if clarification is required or a tax issue is particularly contentious.

- 3.4 You must have the necessary documents to comply with the **substantiation requirements** of the *Income Tax Assessment Act 1997*. We will advise You of the requirements relating to your tax return and of the necessity to obtain acceptable receipts as required by the law.

However, we will not be checking that the substantiation requirements have been met. This means we will not be reviewing, for example, your logbook or any calculations or information provided to us, such as a rental property schedule prepared by You or a property manager.

If You require assistance in completing a logbook or preparing 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 this letter and will be charged as additional services.

- 3.5 By law, registered tax practitioners must **not** (in any capacity) make a statement to (or prepare a statement that they know or ought reasonably to know is likely to be made to) the ATO, the TPB or another Australian government agency, or permit or direct someone else to make or prepare such a statement, that they know or ought reasonably to know is false, incorrect, or misleading in a material particular, or omits any matter or thing without which the statement is misleading in a material respect.

If we become aware that a statement we made or prepared (or permitted or directed another to do so) to the ATO, the TPB or another Australian government agency on your behalf was false, incorrect or misleading in a material particular (including by omission) at the time it was made, we may advise you to take action to correct the false or misleading statement.

If a reasonable period of time after providing this advice, we are not reasonably satisfied that you have corrected the statement (or provided consent for us to correct it) or adequately explained the basis for the statement, we may take further action. In some cases, this may include withdrawing from the engagement and notifying the ATO or TPB about the matter.

#### **4. Ownership of documents**

- 4.1 The income tax returns that we are engaged to prepare, together with any original documents given to us by You, shall be your property. Any other documents brought into existence by us, including general working papers and draft documents will remain our property.
- 4.2 In accordance with our statutory obligations under the TASA, we will also retain all records of the tax agent services provided to you. We will retain these records for at least five years after the relevant services have been provided, even if our engagement is terminated.
- 4.3 If our services are terminated (by either party), You agree that we shall be entitled to retain all documents owned by You (including all your tax refund cheques which come into our possession) until payment in full of all our outstanding fees.
- 4.4 Where copies of any documents released to You are required for our records, You will be charged for the cost of photocopying at our normal rates.

#### **5. Fees, disbursements and trust monies**

- 5.1 Our services will be provided to You on a fee-for-service basis. In addition to our professional fees, You will be responsible for payment of expenses which we incur on your behalf.

However, the fee for this service does not cover any inquiries made to us, or investigations involving us, conducted by the ATO. Substantial penalties can apply for an incorrectly prepared income tax return.

- 5.2 Unless otherwise stated in writing, any estimates which we provide to You of our anticipated fees, disbursements and charges for any work are only indicative of the amounts You can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters that were not taken into account in the estimate, we will advise You and provide an amended estimate as soon as it is practicable to do so.

- 5.3 Unless otherwise agreed, our invoices will be issued and are payable on issue.
- 5.4 We may suggest to deposit any tax refunds due to You into our trust account in anticipation of our fees and charges. If this is so our team will provide an authority to take our fee from your refund form for completion and signing.

## **6. Additional services**

- 6.1 Our fee applies only to the taxation services provided within the scope of our engagement, being the preparation and lodgement of your tax return each year. This fee includes checking and forwarding original assessments and payment notices received from the ATO.
- 6.2 Any additional services or advice (for example, tax planning advice) that You request are outside the scope of this letter and are not included in this agreed fee. We will separately advise You of the fee for these services, including any direct out-of-pocket expenses.

Please note that any correspondence from the ATO that does not relate to initial assessments or original payment notices will be charged as additional services.

## **7. Complaints and dispute resolution**

- 7.1 If You have any complaints or disputes in relation to this engagement, we ask that You please contact *our practice manager* in the first instance. We will endeavour to resolve any issues respectfully and as quickly as possible.

If we cannot resolve the issue or you are not satisfied with how we have handled your complaint or with the outcome, you may be able to escalate the matter to the TPB. Complaints to the TPB must be made in writing using its online form, which is available at **[myprofile.tpb.gov.au/complaints/](https://myprofile.tpb.gov.au/complaints/)**

If your complaint is about fees, you may be asked to contact Consumer Affairs or the Office of Fair Trading in your State or Territory. However, the TPB may be able to assist if the fee complaint is associated with inappropriate conduct by our firm. Details about making complaints to the TPB are available at [www.tpb.gov.au/complaints](https://www.tpb.gov.au/complaints)

## **8. Confidentiality**

- 8.1 We have an ethical duty and a legal responsibility to keep information acquired as a result of this engagement confidential. This means that we will not disclose confidential information relating to You without your permission, unless there is a legal duty for us to do so.

We will also not use any such information for our own personal advantage or for the advantage of a third party.

- 8.2 From time to time, we may need to disclose information relating to your affairs to certain parties including, for example:
- a professional or regulatory body in response to an inquiry or investigation;
  - the relevant parties (e.g., the TPB) to comply with technical and professional standards (including ethical requirements);

- a professional body of which we are a member, in relation to a quality review program undertaken by that body; or
- relevant parties in order to protect our professional interests in legal proceedings.

You hereby authorise us to do so when we consider it appropriate to further our performance of work for You, or when requested by the relevant party.

## **9. Use of third party service providers**

9.1 We may use third parties (including Cloud computing providers) to perform services we are engaged to provide to You. The following is a list of third-party service providers currently used by our firm, to whom your information may be disclosed:

- *Microsoft Office 365 & IT maintenance provided by The IT TechNinjas Pty Ltd, Morayfield Qld 4506*
- *Accounting Software provided by The Access Group Pty Ltd, Sydney NSW 2000*
- *Cloud Server provided by Citrix Workspace, Sydney NSW 2000*

We will notify You of any change to this list from time to time.

9.2 You hereby authorise us to disclose information relating to your affairs to such third parties, whom we engage to assist us.

9.3 Where we outsource services to third-party providers, we are responsible for their conduct and activities and for the delivery of the services that we are engaged to perform for You.

## **10. Non-compliance with Laws and Regulations (NOCLAR)**

10.1 During the performance of our work under this engagement, we may detect conduct or a transaction that is considered to constitute NOCLAR, which has a material effect on any documents or information that might be required to be provided to a regulatory authority, such as the ATO.

If we detect any NOCLAR, we may have a professional requirement to make a disclosure to a regulatory authority. We will follow a formal process which will include advising You of our concerns and, if necessary, seeking legal advice.

10.2 If we do seek legal advice in relation to any NOCLAR, we reserve the right to ask You to pay or reimburse us for our reasonable costs.

10.3 If we are required to make such a disclosure, You agree to forever release us from any claim for costs or losses You incur in responding to or dealing with anything arising from our disclosure.

## **11. Losses from unauthorised cyber activity**

11.1 We will take all reasonable precautions to ensure that any electronic data that contains your private information is securely stored and that any email transmissions are protected and are not able to be intercepted by third parties.

However, we cannot be held liable for any loss that You might incur as a consequence of any third-party intervention that accesses, procures or copies any data that contains your private information from any medium or device we use to store or transmit such information.

11.2 In the event that, despite our firm having taken reasonable precautions to securely store your private information, You suffer any losses arising from unauthorised cyber activity, You agree to forever release us from any claim for your losses.

## **12. Conflicts of interest**

- 12.1 We will inform you if we become aware of any conflict of interest in our relationship with you or in our relationship with you and another client of this firm.
- 12.2 Where conflicts are identified which cannot be managed in a way that protects your interests, then we may be unable to continue with the engagement. If this arises, we will inform you promptly.

## **13. Professional indemnity insurance**

- 13.1 We confirm that our firm maintains adequate professional indemnity insurance cover and that our policy complies with the minimum requirements of the Tax Practitioners Board (TPB). Details of our professional indemnity (PI) insurance arrangements are as follows:

- *is covered by a PI insurance policy that meets the minimum requirements set out in TPB(EP) 03/2010, that is held by Bantacs Accountants (Qld) Pty Ltd*

## **14. Limitation of liability**

- 14.1 Our firm's liability may be limited by a scheme approved under Professional Standards legislation and applicable regulations of the Professional Body.

## **15. Authority for ATO digital communication preferences**

- 15.1 You agree to have the following types of ATO communication sent digitally to us, as your registered tax agent, on your behalf:
- Income tax.
  - Superannuation.
  - Study and training support loans.
  - Activity statement-related.
  - Debt.
  - Employer and business obligations.
- 15.2 You hereby authorise us to change or withdraw our preferred address for service of ATO communications. You also declare that the information supplied by You, for the setting or updating of these communication preferences, is true and correct.

## **16. Other prescribed events and matters to be aware of**

- 16.1 We are required to advise if certain prescribed events have occurred within the last five years (but not before 1 July 2022). This will enable you to make a fully informed decision on whether to engage or re-engage *Catherine Anne Jones TAN 75582009* to provide tax agent services.
- (a) We advise there are currently no matters that we are required to report to you. \*
- 16.2 We are also required to advise whether the tax or BAS agent registration of *Catherine Anne Jones TAN 75582009* is subject to any conditions.
- (a) There are no conditions attached to our registration. \*

## ***Appendix – Rights and Obligations of the Parties under the Taxation Laws***

Dear Client,

As a client or prospective client of this practice, we are required to advise you of your rights and obligations under the taxation laws in relation to the tax or BAS agent services we provide to you.

It is also important that you understand our obligations as a tax or BAS agent, including to you, under the taxation laws (including the *Tax Agent Services Act 2009 (TASA)* and the Code of Professional Conduct contained within that Act) and your obligations to us.

### **Your rights and obligations under the taxation laws**

Set out below is information on the main areas of the taxation system as it applies to taxpayers generally. Not all these matters will apply to your tax affairs. If you have any concerns or issues with any of the matters discussed below, please feel free to contact us.

### ***Operation of the self-assessment system***

Australia's tax system operates on a self-assessment basis. This means that when your income tax return is lodged, the Australian Taxation Office (**ATO**) accepts the information provided in the return at face value and issues you with an assessment notice based on that information.

However, 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 discussed below.

Importantly, as a taxpayer, you have an obligation to comply with the taxation laws. If you do not meet your obligations under the taxation laws, the ATO may impose administrative penalties (fines), apply interest charges, seek criminal prosecutions (in some cases) or initiate debt recovery.

### ***Commissioner's ability to amend an assessment***

While the ATO accepts the information lodged in your return at face value, it can amend the assessment if the ATO finds it to be incorrect.

For most individuals not carrying on a business, the ATO can amend an assessment within **two years** after the individual receives their notice of assessment.

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

Note that there are no time limits on the ATO amending an assessment where it believes there has been fraud or evasion.

### ***Obligation to keep records***

The tax laws specifically require taxpayers to keep records that properly explain the transactions they have entered into.

Individuals claiming deductions for work-related expenses are subject to the substantiation rules in the tax laws. These require taxpayers to keep receipts, invoices etc., of the expenses they incur.

Where the expenses relate to a taxpayer travelling interstate or overseas, a travel diary may also need to be kept. Where the expense relates to a motor vehicle, a record of the journeys taken such as a logbook may need to be kept.

A failure to keep the appropriate records can lead to the ATO denying a particular deduction which may involve the imposition of penalties and interest. **Substantiation records must be retained for five years.**



### ***Obligation to provide complete and accurate records***

For our practice to be able to lodge returns on your behalf, it is your responsibility to provide us with truthful, complete and accurate records. Furthermore, in order to lodge your return on time, we will require you to provide us with the relevant information as and when requested.

Where you are unable to provide us with complete and accurate records, we may be unable to prepare and lodge your return. Tax agents are subject to a Code of Professional Conduct contained in the TASA, which prevents us from acting for a client where insufficient records or information exist that allow us to determine the amount of a client's income or deductions.

We also reserve the right to question any claims for deductions or credits that in our reasonable judgment might be considered as being excessive, and we may ask for more substantiation or records to prove that such a claim is allowable under the law.

If we believe that a claim is excessive and it cannot be substantiated, we reserve the right not to include such a claim in your income tax returns, but you will have the right to lodge an objection after receiving your notice of assessment. There may be further costs in doing so, and we will advise you accordingly.

### ***Records for clients operating in the cash economy***

Employees who are paid cash in hand may be at risk of (amongst other things) being underpaid, or of their employers not withholding the correct amount of tax from their pay and remitting this to the ATO. This is particularly the case if their employer is operating in the cash economy (essentially, outside the income tax system).

Furthermore, if the ATO considers a taxpayer has not declared all of their wages in their tax return, and they have inadequate documentation to demonstrate their earnings, the ATO may assess the taxpayer for additional income tax (plus penalties and interest). If this occurs, it is the responsibility of the taxpayer to demonstrate that the assessment is excessive (i.e., the taxpayer did not earn that much income) and identify their correct tax position.

Therefore, employees who are paid in cash are urged to have a robust and reliable system for recording their earnings. Please contact us if you need assistance with this.

### ***Right to seek a Private Binding Ruling***

When preparing your 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 Binding Ruling from the ATO.

The ATO will provide you with a ruling setting out its view on the proper tax treatment of the issue requested in the Private Binding Ruling.

### ***Objecting against an assessment***

If the ATO issues you with an assessment that you do not agree with, you have the right to lodge an objection against that assessment, generally within two years from the time the original assessment was received.

Where the ATO issues an amended assessment, the period for objecting is generally the greater of 60 days from the time the amended assessment is received and two years 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 Review Tribunal or appeal the matter to the Federal Court.

### ***Onus of proof falls on the taxpayer***

It is important to be aware that in any disputed assessment before the court or the Administrative Review Tribunal (whether initiated by the taxpayer or by the ATO), 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 and the correct treatment.

### ***Safe harbour protection***

As the client of a registered tax agent, under the taxation laws, you have a statutory 'safe harbour' exemption from penalties imposed by the ATO in certain circumstances.

To ensure you are eligible to benefit from the safe harbour, it is a requirement that you provide us with all relevant tax information. This includes any records, or documents we request from you plus any other information relevant to the preparation of your tax return. The information provided must be truthful, complete and accurate. It is equally important that you provide us with this information by the time it is requested to allow the return to be lodged by its due date.

A taxpayer who is eligible for safe harbour protection will not be subject to any penalties for errors identified in their tax return, although the tax and interest charges will still apply.

### **Your tax practitioner's obligations**

The TASA, including the Code of Professional Conduct (**Code**) contained within the TASA, provide statutory protections for taxpayers who engage registered tax practitioners. The Code is a set of statutory ethical and professional standards that registered tax practitioners must comply with.

The TASA, including the Code and associated regulations and determinations are administered by the Tax Practitioners Board ('TPB').

We are required to provide you with general information about the obligations that tax practitioners have to their clients under the taxation laws, including the TASA and the Code. The following information has been adapted from the TPB's factsheet, **Information for Clients** for these purposes.

#### ***Your tax practitioner's obligations require them to:***

- act lawfully in your best interests and with honesty and integrity in the performance of our duties;
- uphold and promote the ethical standards of the profession;
- manage any conflicts of interest;
- take reasonable care to ascertain your state of affairs and apply tax laws correctly;
- keep your information confidential unless there is a legal duty to disclose;
- provide services competently;
- not knowingly obstruct the administration of the tax laws;
- advise you of your rights and obligations under the taxation laws (refer above);
- account to you for money or other property on trust;
- not make false or misleading statements to the TPB or the ATO, and in some cases, withdraw our engagement with you and notify the TPB or ATO of certain matters;
- address any false or misleading statements we are responsible for;
- engage with clients to address other false or misleading statements, exploring options to correct;
- keep proper records (including records of tax agent services provided);

- keep you informed of certain matters so you can make informed decisions.

***If your registered tax practitioner fails to meet their obligations:***

- their registration can be suspended or terminated, meaning they cannot practice;
- they could receive a caution or orders from the TPB – for example, undertaking education or working under the supervision of another registered tax practitioner;
- have fines imposed on them by the Federal Court;
- your tax and superannuation matters may not be accurate;
- you may be subject to enquiries or audits;
- any tax shortfalls may attract penalties and interest;
- you may have litigation options to review decisions and recover debts;
- in the case of fraud or criminality, penalties may lead to prosecutions.