

## ***ENGAGEMENT LETTERS***

### ***Background***

As a firm operating by a member of and under the banner of CAANZ, Gustax Consulting Pty Ltd (Just Tax Consulting) is technically required to issue an engagement letter in relation to all of the professional engagements it undertakes. Under the Tax Agent Services Act 2009, it is highly recommended that Gustax Consulting Pty Ltd issues engagement letters to its clients setting out the terms and conditions under which its services are provided. The main reason why these requirements are in place is to protect the rights of the clients, to limit the scope of the engagements and to clearly set out the obligations of both parties to the engagement.

Gustax Consulting Pty Ltd (Just Tax Consulting) operates an unusual business in that it almost exclusively provides its services to other tax agents (and their staff) who are also subject to the same Code of Conduct under the Tax Agent Services Act 2009. Many of these tax agents are also subject to similar obligations in relation to engagement letters for the services they provide to their clients either under their accounting memberships mentioned earlier. Many of these tax agents are also required to prepare engagement letters in relation to their dealings with their clients.

It is fair to presume that almost all of the clients of Gustax Consulting Pty Ltd (Just Tax Consulting) are informed clients as a result who are already aware of their rights and obligations.

### ***Engagement letters – training sessions***

Gustax Consulting Pty Ltd (Just Tax Consulting) issues engagement letters in relation to all of its regular training engagements. A sample engagement letter can be downloaded from our website. In relation to one-off training session engagements, the provision of these is rare. These will usually be negotiated upfront in writing or email and we will refer those clients to our standard engagement terms per our sample engagement letter as part of these negotiations. Therefore, these documents will, when read together, form the terms of engagement for those assignments.

### ***Engagement letters – telephone advice***

Gustax Consulting Pty Ltd (Just Tax Consulting) provides taxation advice over the telephone in accordance with the telephone trading terms available from our website. Due to the nature of this advice, it is practically impossible to issue an engagement letter every time such advice is provided. Instead, the terms of the engagement are set out and available on our website and the following approach is taken:-

- New clients are provided with a brief oral summary of the trading terms and are told where the full terms and conditions can be accessed for their inspection, if required, before the engagement proceeds. If they do not agree to our terms, the engagement will not proceed.
- A copy of these trading terms and conditions will be provided to them by email if requested. Otherwise, the onus will be placed on them to download the terms and conditions themselves from our website.
- Existing clients are reminded occasionally of our trading terms and conditions prior to the provision of specific advice.

- Our standard “Telephone Advice File Note” form allows provision for the answers to the following questions to be notated: -
  - The client has agreed to the written recording.
  - The client has been made aware of the terms under which our services are provided and has agreed to those terms.
  - The full parameters relating to the advice will be recorded including: -
    - The questions asked or advice required
    - The information provided by them on which the advice is based
    - Any caveats that relate to that advice.

The records are also evidence of the terms of engagement. The terms of engagement will include the contents of this document as well as the contents of our telephone advice terms published on our website. No further engagement letters will be issued.

The typed file note will provide evidence of the engagement including evidence of the terms of engagement. It will need to be read in conjunction with this document and our telephone terms of engagement set out on our website and the combination of these documents will be the record of the terms of engagement.

### ***Written consulting advices***

These may arise in several ways:-

- As a specific engagement
- As a follow on from a telephone advice
- As a follow on or as a result of an email

Usually they will originate out of a telephone conversation (which will be file noted) or from an email, copies of which are retained.

Occasionally, upon request, a specific engagement letter will be issued. Otherwise, the terms of engagement will be determined from the following documents: -

- The emails received and sent to the client
- Any telephone records (file notes) made of conversations between us and the client
- This document
- Our other trading terms published on our website as appropriate.