

## Tax Consulting Engagement Letter

Cape Town, Date

X

Client Name :

\_\_\_\_\_

Main Mission:

- Consulting
- Recurrent returns (individuals)
- Accounting
- Payroll service
- Company's return

X

Summary of the mission:

\_\_\_\_\_

X

### 1 INTRODUCTION

This letter serves to confirm our understanding of the terms and objectives of our engagement and the nature and scope of the services that we will provide as your tax advisor.

### 2 SCOPE OF SERVICES

You have requested us to advise on the «main mission» indicated above which consists of

- In the case of a written **consulting mission**: to address the tax consequences of the question exposed to us and which we acknowledge in our exposé of facts and demands
- In the case of **recurrent tax returns**: the computation and preparation of the information and documents given by you for the purpose of preparing the tax return; furthermore the submission via e-filing of the comprehensive income statement previously endorsed by the client and finally the reception of SARS assessments and the reply to any request for additional information hereof.
- In the case of **accounting**: passing the entries in the general ledger, filing the bi-monthly VAT returns resulting to the accounting entries, preparing the trial balance and implementing the external review of the annual financial statements.
- In the case of **payroll service**: preparation of the monthly payslips and filing of the returns, preparation of the reconciliations
- In the case **company's annual returns**: the preparation of the reconciliations and provisional returns

on the assumption that the information and documents have been made accessible to us in a complete and well-prepared manner and handed out timeously.

### 3 YOUR RESPONSIBILITIES: INFORMATION AND DOCUMENTS

You agree to give us access to full information regarding your tax affairs and the matters on which you have requested us to advise on. Our work is to be carried out on the basis of full disclosure of relevant matters. You agree that we can approach third parties as may be appropriate, for information which may be deemed necessary to deal with your affairs.

### 4 OTHER SERVICES AND GENERAL TAX ADVICE

We will be pleased to assist you generally in tax matters if so required. To enable us to assist you further, timeous notification is required. Due to tax rules frequently changing, you need to ask us to review any advice already given if a transaction is delayed, or if an apparently similar transaction is to be undertaken. It is our policy to confirm in writing, any advice upon which you may wish to rely. If further services and advice are required, a separate engagement letter will be issued.

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### 5 EXCLUDED SERVICES

Our services exclude legal advice provided by lawyers, contracts (i.e. work contracts etc), exchange control regulations, financing and the review of annual financial statements, financial court cases and is limited to the typical items included in the fields of mission above and does not extend to other taxes not directly linked to the scope of the main mission. We will be pleased to advise on any of these tax matters if so requested.

It specially excludes tax matters which are not addressed in the scope of the **consulting** mission and not written opinions. It excludes in the case of **recurrent returns, accounting and company's return** non inherent taxes like VAT consulting, donations tax, withholding taxes, transfer tax, PAYE, excise and estate duty.

### 6 TERMS AND CONDITIONS OF ENGAGEMENT

Our services are subject to the terms and conditions of engagement attached hereto Annexure «**Terms and Condition of Engagement**», which is an integral part of this agreement. We would appreciate confirmation of your agreement to this letter of engagement, by signing each page and returning a copy or a pdf file to us.

If this letter is not in accordance with your understanding of the scope of our engagement, please advise. We look forward to full cooperation from your staff and we trust that any documentation, records and other information which may be requested, will be made readily available to us at all times.

For your general understanding of the tax environment we invite you to refer to our client's information send out on a monthly basis and which you can download from our website.

We appreciate the opportunity of being of service to you.

Yours sincerely



Steiner Tax Consultants Pty Ltd  
[www.steiner-taxconsultants.com](http://www.steiner-taxconsultants.com)

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I acknowledge receipt of the above letter of engagement, which fully records the agreement between both parties relating to your appointment to carry out the work described there in.

Name/Position: \_\_\_\_\_

✕

Date: \_\_\_\_\_

✕

Country where you are tax-resident:

- South Africa
- Germany
- Other Country: \_\_\_\_\_

✕

Signed: \_\_\_\_\_

✕

## TERMS AND CONDITIONS OF ENGAGEMENT

### 1 CLIENT MONIES

We may, from time to time, hold money on your behalf. Such money will be held in trust in a client bank account, which is segregated from the firm's funds.

### 2 RETENTION OF RECORDS

During the course of our work we will collect information from you and others acting on your behalf and will return any original documents to you following preparation of your return. You should retain them for a period of five years from the date of submission of your return. This period may be extended if SARS make any further enquiries into your tax return.

Whilst certain documents may legally belong to you, we intend to destroy correspondence and other paperwork which has been stored for longer than 5 years, other than documents which we consider to be of continuing significance. We need to be advised of any particular retention of documents you may require.

### 3 REGULATORY REQUIREMENTS, DURATION

We reserve the right to disclose our files to regulatory bodies in the exercise of their powers.

We reserve the right to terminate our appointment when it comes in conflict with the work ethics of our profession.

### 4 QUALITY OF SERVICE

We aim to provide a high standard of service at all times. If you would like to discuss with us on any improvements or dissatisfaction of our services, please advise.

We undertake to address any complaint on your behalf and promptly advise you accordingly.

### 5 FEES

Our charges are computed on the basis of fees for the time spent on your affairs (which depends on the levels of skill and responsibility involved) and disbursements incurred in connection with the engagement. We will issue invoices once the work is performed but we can invoice our work in advance once we are appointed to special advises. We will add Value Added Tax, if applicable, at the current rate.

Our invoices are payable on presentation via EFT only as indicated on our invoices. We reserve the right to charge interest at the official rate of interest (cf. s1(a) Income Tax Act) plus 100 basis points in the case of overdue accounts. We may terminate our engagement and cease acting if payment of any fees billed are unduly delayed. However, it is not our intention to use these arrangements in a way which is unfair or unreasonable.

### 6 LIMITATION OF LIABILITY

The advice which we give to you is for your sole use only and does not constitute advice to any third parties. Our maximum liability for all claims arising out of the services provided shall be limited to an amount equal to twice the total fees charged. This maximum liability shall be an aggregate liability for all claims from whatever source and howsoever arising. We will not be held liable to you or any cessionary or third party claiming through or on your behalf for any punitive damages whatsoever or for any consequential or other or other loss or damages beyond the maximum liability specified.

We will provide the professional services outlined in this letter with reasonable care and skill. Our advice will be based on interpretation of the law and experience with SARS. Therefore, the conclusions reached and views expressed will often be matters of opinion rather than of certainty and we cannot warrant that SARS will necessarily reach the same conclusions. We will not be responsible for any losses, penalties, interest or additional tax liabilities arising from the supply by you or others of incorrect or incomplete information, or from the failure by you or others to supply any appropriate information or your failure to act on our advice or respond promptly to communications from us or SARS.

Communication via email is admissible, however, as with other means of delivery this carries with it the risk of inadvertent misdirection or non delivery. It is the responsibility of the recipient to carry out a check on any attachments received. No verbal instructions are acceptable.

## 7 ELECTRONIC COMMUNICATION

As internet communications are capable of data corruption we do not accept any responsibility for changes made to such communications after their despatch. For this reason it may be inappropriate to rely on advice contained in an e-mail without obtaining written confirmation thereof. All risks connected with sending commercially-sensitive information relating to your business are borne by you and is not our responsibility. If you do not accept this risk, you should notify us in writing that e-mail communication is unacceptable.

## 8 APPLICABLE LAW

This engagement letter is governed by South African law and any claims will be subject to the exclusive jurisdiction of the Courts of South Africa. Any claims, howsoever arising, need to be commenced formally by service of a court summons or process initiating arbitration proceedings within two years after the claimant becomes aware (or ought reasonably to have become aware) of the facts which give rise to the claim and, in any event regardless of the knowledge of the claimant, by no later than three years after the date of any alleged breach giving rise to a cause of action. This expressly overrides any statutory provision which would otherwise apply.

## 9 AGREEMENT OF TERMS

This letter supersedes any previous engagement letter. Once agreed, this letter will remain effective from the first day when our service or consulting mission for you started in the past until it is replaced. You or ourselves may vary or terminate our service or our authority to act on your behalf at any time without penalty. Notice of variation or termination need to be given in writing.

Client's full name \_\_\_\_\_ X

for acceptance

Date and signature \_\_\_\_\_ X