



# Management Accountants 2016 Limited

Terms, Conditions and Information for Clients

Updated March 2025

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These Terms, Conditions and Information for Clients may be amended or updated by the firm from time to time. Any changes will be communicated to you in writing.

## **1. Agreement Scope**

These terms and conditions apply to the services provided by Management Accountants 2016 Limited to you. The scope of services will be as agreed in writing.

## **2. Conflict of Interest**

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. Where identified, if a conflict cannot be managed in a way that protects your interests, or you do not consent to the way in which we propose to manage the conflict, then we will be unable to provide further service to some or all of the persons to whom this engagement applied. If this arises, we will advise you promptly.

## **3. Customer Due Diligence (CDD)**

As you may be aware, the AML/CFT Act requires all accounting firms to comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 starting from 1 July 2018.

We are required to conduct Due diligence on all clients and transactions captured by the Act. In most cases we are unable to provide any accounting services until we have completed CDD. Various activities during the course of your engagement with us can trigger reporting obligations.

To meet these legal requirements, we will need to obtain and verify certain information from you, including your name, date of birth, and address. Acceptable documents for verification include a driver's license, passport, utility bill, etc. Our standard practice for CDD is to certify documentation in house wherever possible. (Please note, if you hold an international ID, two forms of identification will be required, and these documents must be certified. We can assist with the certification process in-house).

If you are seeking our services for a company or trust, we will also need details about the company or trust, as well as information about the people associated with it (such as directors, shareholders, trustees, and beneficiaries).

Where Enhanced CDD is required for an entity or for an overseas individual, a Statement of the individual's or entity's Source of Wealth/ Source of Funds (SOW/SOF) is required. Guidelines to prepare a SOW/SOF Statement and examples of the documents you need to provide to support your SOW/SOF Statement can be provided.

On your request we may be able to assist with preparing a SOW statement and finding supporting documents from records we hold. Your input is required (e.g.: to provide bank statements, other documents), and you approve and co-sign the SOW Statement with us to certify the SOW Statement is a true & complete record.

We hold client information on a secure platform, maintained by First AML with very high privacy requirements.

When electronic verification is used, First AML verifies an individual's name, date of birth and address. To achieve a pass, First AML checks name and date of birth (using a passport or driver's license checked against the DIA or NZTA database) and name and address (using a 3rd party address database, EG: LINZ) and includes additional measures for ensuring the identity document provided by the customer belongs to the customer and it has not been forged, altered or tampered with.

First AML will also conduct PEP (Politically Exposed Person) checks on individuals in accordance with the AML/CFT Act.

The cost of CDD may be charged to you.

#### **4. Disbursements and Anti-Money Laundering Charges**

Disbursement costs incurred with outside agencies such as searches, registration fees, electronic forms, specialist advice, courier charges and agency fees will be charged separately. The amounts charged for disbursements include only the costs we incur with outside agencies. Where we are required to verify your identity and address for Anti-Money Laundering and Countering Financing of Terrorism Act 2009 purposes, where possible we will be using our preferred third-party verification service provided. The costs incurred for use of the service will be charged as a disbursement for each report received including where multiple applications are required and irrespective of whether the report is a verification pass or fail. Disbursements may be included with our accounts or may be billed separately depending on cost factors. It is our policy to require payment in advance for significant disbursements.

Where AML/CFT due diligence is required, our fee may include a charge for the related activities.

#### **5. Disputes and Complaints**

If you have any concerns at all about our service, please raise it with the partner responsible for your accounts, or, if you prefer any other partner at the firm.

If your concerns cannot be resolved immediately to your satisfaction, we shall appoint a partner who has not been involved in your accounts to deal with it promptly and fairly.

Any dispute arising from the agreement will be addressed through informal discussions between the parties. If the dispute cannot be resolved informally, it will be submitted to mediation, and if mediation is unsuccessful, to arbitration under the laws of New Zealand.

#### **6. Extent of Services**

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 enable us to provide the services described in the engagement letter and we accept no liability for the accuracy or completeness of any information supplied by you in any form. Accordingly, no assurance on any assertions contained in the financial information compiled will be provided.

Our engagement does not include the investigation or discovery of internal control weakness, errors, illegal acts or other irregularities, including without limitation, fraud, or non-compliance with laws and regulations. However, we will inform you of any such matters which come to our attention during the course of our engagement.

The information you are to supply and any other information that we consider necessary to complete the engagement must be provided in a timely manner in order for the assignment to be completed on time.

If the services provided include tax compliance services, then the following will apply:

- You 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.
- If you use our office address as the mailing address for assessments, we will check the assessment and let you know the amounts and due dates of tax instalments. You are then responsible for paying the correct tax on time.
- We will advise you about any amount of tax to be paid and the due dates for payment. If your tax seems to have been overpaid at any time we will make a refund claim on your behalf.

- In the case of tax compliance services our function is limited to providing you with information and advice to aid you in making decisions about your tax. However, the ultimate responsibility for making those decisions remains with you.
- You are responsible for what appears in your tax returns. This means you must ensure that the information you give us is accurate and complete.
- If you choose to use your own address as the mailing address for assessments and/or correspondence from Inland Revenue we recommend that you provide us immediately with copies of any correspondence, you receive from Inland Revenue. This is because there may be a deadline for reply that you are unaware of.
- You are ultimately responsible for paying any Inland Revenue penalties arising from late payments, errors, wrong estimates or any other reason. However, if any penalties are incurred directly due to our error or omission, then we are responsible for such penalties.

## **7. Fees & Payment for services**

Unless otherwise agreed with you in writing, our fees are determined by the amount of time required to complete the work, as well as the expertise and qualifications of the team members involved. Our fees are typically outlined in an upfront pricing agreement, reflecting the time spent on each assignment. If no such agreement is made, the fees will be based on the time spent on the assignment.

Our standard practice is to provide an annual fee proposal or fixed price agreement for the fees involved prior to commencing an assignment.

Invoices are payable within 7 days unless otherwise specified. Our invoices will generally be issued by the 7<sup>th</sup> working day after month end or upon the completion of your accounts unless agreed with us beforehand.

If any account is not paid within 30 days, interest may be charged on the outstanding balance at the rate of 1.5% per month (calculated on a daily basis) from the date upon which payment was due, and you will be responsible for any reasonable debt collection costs that we incur (including the cost of preparing any proceedings) in recovering outstanding amounts due to us. The account may be referred to our debt collection agency and we have the right to charge an administration fee for the unpaid portion of the price to cover our cost of recovery.

You should be aware that, like all other providers of services, we are entitled to retain possession of your records that have been used in relation to this engagement until outstanding fees are settled.

## **8. Financial Statements**

All Chartered Accountants are legally bound to prepare financial statements to a defined standard, and we will communicate with you or forward a checklist at the end of the tax year (or your appropriate balance date) to ensure we collect all the relevant information. Please also note that if your business is the subject of an income tax audit, the checklist will be reviewed by the Inland Revenue. We are required to advise you of the basis upon which we undertake this work, which is as follows:

1. Our procedures will not include an audit or verification of all matters, and we will not be expressing any assurances.
2. Financial statements will be compiled with a compilation report on all annual accounts that include a balance sheet from information provided by you, for which you are responsible, and which should be accurate and complete. Information considered necessary to complete the engagement should be supplied on a timely basis.

3. Your financial statements will be prepared in accordance with the Service Engagement Standard No.2 for the Compilation of Financial Statement Standards issued by the New Zealand Institute of Chartered Accountants (NZICA) and will include the following report and disclaimer (as a sample).

**“Scope**

*We have compiled these financial statements of [Entity Name] for the [year/period] ended [Date Month Year] as set out on pages [first page number] to [last page number] from the information you provided. Our work was carried out to the professional standards promulgated by Chartered Accountants Australia and New Zealand, in particular Service Engagement Standard No. 2: Compilation of Financial Information. The financial statements have been prepared, as you instructed, in accordance with [the financial reporting framework/basis of accounting] described in Note 1 to the financial statements (the statement of accounting policies).*

**Departure from reporting framework (if required)**

*We draw attention to Note [Note Number] of the financial statements. There is a departure from the identified financial reporting framework in that [Describe departure].*

**No assurance expressed**

*You directed us to use accounting expertise to compile the financial statements from information you provided. Your instructions did not include verification or validation of that information. No audit or review engagement has been performed and accordingly we express no assurance on the financial information.*

**Responsibilities**

*You are responsible for the information contained in the financial statements and have determined that the [the financial reporting framework/basis of accounting] adopted is appropriate for your intended uses of the financial statements. The intended users are you and the Inland Revenue Department.*

*The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.*

**Independence (if required)**

*We are not independent of [Entity Name] because [reason why not independent, for example, the accountant is a formal or de facto shareholder / director / partner / trustee / lender].*

**Disclaimer of liability statement (when appropriate)**

*As mentioned earlier in our report, we have compiled the financial information based on information provided to us which has not been subject to an audit or review engagement. Accordingly, neither we nor any of our employees accept any responsibility for the reliability, accuracy or completeness of the compiled financial information nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on the compiled financial information.”*

4. We will prepare a tax return for the entity and check tax assessments received in our office. We will advise you of tax commitments, but the responsibility for paying the correct tax at the due dates rests with you, including any penalties and interest.
5. We will endeavour to reconcile your GST returns and wage records to your financial statements and advise you of any apparent discrepancies, as required.
6. If you trade as a company, it is your responsibility to comply with all aspects of the Companies Act 1993. We will maintain your Company Records and file annual return with the Companies Office for an annual fee, if engaged to do so.
7. There may be times when we need to consult with a tax specialist for an opinion. In this event, our liability is limited to the work we undertake, and we are not responsible for any consequences arising from acting on a specialists’ advice.

8. Our fees will be based on the amount of work required to complete the agreed upon services. Our staff and partners charge based on time taken at set hourly rates. You will be invoiced monthly for work undertaken, or on an interim billing basis.
9. We can offer to estimate your fees and allow you to pay by monthly instalments with a 'wash up' when work is completed. If this option is preferable, please call to discuss it further.
10. Information we obtain while completing your work is subject to confidentiality under the Privacy Act 2020. We will not disclose information to other parties without your express consent except when required by law or professional obligations.
11. We are subject to the practice review rules of CAANZ, who perform reviews to ensure we are complying with their professional standards. The review process requires us to submit a sample of our files and work papers to the CAANZ reviewers. By agreeing to this engagement, you acknowledge that your files may be included for submission. CAANZ and their reviewers adhere to the same ethical standards and confidentiality as Management Accountants 2016 Limited.
12. We will endeavour to record all advice on important matters in writing. Advice given verbally is not intended to be relied upon unless confirmed in writing. If we provide verbal advice (for example during a meeting or on the phone) that you wish to rely on, you must ask us to confirm the advice in writing.

## **9. Force Majeure**

The firm will not be held liable for any delays or failure in the provision of services due to circumstances beyond its control, such as natural disasters, strikes, or government actions.

## **10. Future Years**

The engagement letter applies to future years unless you or we wish to end or change the arrangement.

## **11. Guarantee**

We value your feedback and want to ensure you're satisfied with our work. If you feel the fee is too high for the services provided or are unhappy with our work, please reach out to any of our partners. They will investigate the matter at no cost to you and offer a solution. If you're still not satisfied, you have the option to file a complaint with Chartered Accountants Australia and New Zealand.

## **12. Independence**

Independence is not required for a compilation engagement. If we are aware that we are not independent of the entity for which we are preparing financial statements, this fact will be stated in our compilation report. However, we will not conduct a comprehensive review to determine whether we are or are not independent of the entity.

## **13. Information and Disclosure**

All assignments will be conducted in accordance with the professional standards, rules and ethical requirements of Chartered Accountants Australia and New Zealand. Information we obtain in the course of this engagement is subject to confidentiality requirements, in addition to 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. In order for us to perform your assignments efficiently we require authority to liaise with both the Inland Revenue and other financial institutions that you are connected to. An Authority to disclose and receive information for each entity and individual is included within your engagement letter which we need signed and returned to us before we can commence work.

## **14. Limitation of Liability**

At all times we will use reasonable skill and care in providing our services to you. However, in spite of this our liability to you whether in contract, tort, equity or otherwise, for any loss or damage or expenses (including legal costs) suffered or incurred directly by you as a direct result of any act or omission by us in providing our services, shall be limited to a maximum amount equal to the fee (excluding GST, disbursements and expenses) paid to us by you in respect of the services in question. If the services were provided in respect of more than one financial year the fee on which the liability amount is based shall be the fee paid in respect of the financial year in which the act or omission occurred. Any claim against us must be brought within twelve months of the date on which we complete the services.

We set a limit on our liability to you for negligence or any other reason at ten times the annual accounting fee.

## **15. Non accounting advice and financial advice**

We are prohibited from providing you with investment or financial advice regulated under the Financial Markets Conduct Act 2013, as amended by the Financial Services Legislation Amendment Act 2019. Any opinion expressed should be confirmed by the appropriate professional. Any comment made on the subject of legal or investment matters should be interpreted as only a personal view and not professional advice.

## **16. Storage of Files & Ownership of Work Papers**

We collect and hold personal and financial information as we require to be able to provide services to you.

Material that you provide to us remains yours and will be returned to you when the engagement is completed. Work papers that we create remain our property.

If your work is handled by another accountant in the future, we will supply the information as required by the CAANZ Code of Ethics. Material you provide to us remains yours, and work papers we create remain our property. Where we provide taxation services for you, we will store tax records being held on your behalf for a period of at least seven years after the applicable balance date.

## **17. Privacy Act & Tax Administration Act Authority**

So that we comply with the Privacy Act 1993, the Tax Administration Act 1994 (to the extent that it applies) and any other law relating to privacy while providing services to you, you agree to complete and execute the Authority to disclose and receive information included in your engagement letter. We may ask you for other authorisations if necessary.

Our Privacy Policy is available upon request or on our website [www.malnz.co.nz](http://www.malnz.co.nz).

## **18. Professional Obligations, Compliance & Confidentiality**

We are subject to a number of statutory mandatory compliance regimes. We will comply with the by-laws, regulations and ethical guidelines of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Chartered Accountants. This includes the NZICA Code of Ethics, which among other things contains provisions that apply if we become aware of any actual or potential 'non-compliance with governing laws or regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as serious adverse consequences to investors, creditors, employees, or the public) we may be required to disclose the matter to an appropriate authority.



## **19. Tax Agent Authority**

The signed Tax Agent Authority grants Management Accountants 2016 Limited the authority to act as your tax agent for the tax types related to your entities. This allows us to link the undersigned to our tax agency, giving us full access to the information held by Inland Revenue and the ability to update details for the linked tax types. We will be able to obtain information from Inland Revenue through all channels, including phone, mail, email, and Inland Revenue's online services. Additionally, we can access information for all tax types (except child support), sign tax returns (excluding income tax returns, which will be signed by a director or associate, and process transfers of tax between your accounts.

## **20. Accident Compensation Corporation & Authority**

The signed ACC Authority authorises Management Accountants 2016 Limited to represent you as agent for ACC Levy purposes, allowing them to delegate access to the ACC information to other team members and allowing them to source information, make enquires and change information on the undersigned's ACC Levy account(s) by phone, mail and all electronic avenues including ACC Online Services until further notice.

If you choose to use our ACC Administration and Advisory Services, in the same way that we deal with your tax matters with IRD, we can assist you with your ACC Levies and queries by contacting ACC on your behalf.

## **21. Tax Management New Zealand Authority ("TMNZ") & Recon New Zealand ("APS")**

TMNZ (Tax Management New Zealand) is approved by Inland Revenue and provides a practical way to manage your provisional tax payments. Their approach helps you maintain better cash flow, save time, and reduce expenses.

The signed authority authorises TMNZ and APS via Management Accountants 2016 Limited to have access to relevant tax information from Inland Revenue in respect of the company's tax obligations and taxpayer account details.

## **22. Termination of Services**

Either party may terminate the agreement by providing written notice. The Firm may terminate the agreements if the client fails to pay fees or provides necessary information.

Upon termination, the client will be liable for all fees incurred up to the date of termination.

Each of us may terminate this agreement by giving no less than 21 days notice in writing to the other party, except where: a conflict of interest has arisen, you fail to cooperate with us, or we have reasons to believe you have provided us or any other person with misleading or factually inaccurate information. In these cases, we reserve the right to terminate this agreement immediately.

## **23. Terms of Engagement**

On the basis of information and instructions you provide. This engagement will be performed in accordance with the Serviced Engagement Standard No. 2 Compilation of Financial Information (SES-2) Issued by Chartered Accountants Australis and New Zealand. SES-2 specifies that on completion of the engagement we will issue a compilation report and an appropriate disclaimer which will form part of the financial statement.

In addition, we will carry out other tasks as specified by you on the Service Requirements checklist/Engagement letter.

The services to be provided will include all matters ancillary to those services such as, for example, dealing with and responding to queries raised by the Inland Revenue.

## **24. Use and Distribution of the Financial Information**

We understand that the intended use and distribution of the financial information we will compile is for the special purpose of reporting to you, Inland Revenue and of calculating Income Tax. If this should change in any material respect, you will inform us immediately.

If you make any reports available to a third party, we accept no duty or responsibility to any party other than yourself who may seek to rely on our reports and, furthermore, you indemnify us against any claim by such other party in respect of the reports.

## **25. Ways of Paying Us**

Payment can be made by internet banking credit card, Stripe or SmartAR.

Internet banking – these details can be found on your invoice, include the invoice number or client code as reference.

SmartAR – alternatively, you can spread your payments over 6 or 12 months with a competitive interest rate, using our finance provided by SmartAR – contact us for more information.

Stripe with Xero – simply click on the payment link in your Xero invoice to make payment.

Credit Card payment – give us a call and we can process credit card payments over the phone.

## **26. Xero**

We use Xero, a secure and reliable accounting software, to efficiently manage financial reporting and storing of financial data. By choosing our services, you agree to the use of Xero for all accounting-related tasks, ensuring accuracy, transparency, and compliance with industry standards.