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*Liability Limited by a scheme
approved under Professional
Standards Legislation*

APPENDIX A

RECORD-KEEPING REQUIREMENTS

Any entity carrying on a business is generally required to keep records that support all transactions and other acts that are relevant for any purposes of the income tax law. An entity is specifically required to keep records of its calculations of taxable income and the tax payable and to produce them to the Commissioner when required to do so. Such records include documents containing particulars of any election, notice, estimate, determination or calculation made under the income tax law. Particulars showing the basis on which the estimate, determination or calculation was made must also be kept.

These records must be retained for a minimum period of 5 years after the date of any income tax assessment for an income tax year.

Other relevant record-keeping requirements in the income tax law include specific requirements in relation to capital gains tax, losses and other provisions. For instance, records relating to Capital Gains Tax must be kept for a minimum period of 5 years after the disposal year's income tax assessment issues. This includes acquisition details relating to capital gains assets. We can provide you with further assistance on specific record-keeping requirements should you require.

A taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe



benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

WHAT THIS ENGAGEMENT DOES NOT COVER

This engagement does not include detection of fraud or other irregularities or errors which may have occurred during the year (including verifying that GST has been calculated correctly and that your Business Activity Statements do not contain errors). However, we will inform you if any of these matters come to our attention in the course of our engagement.

If you require us to review your GST obligations and calculations or would require us to perform an audit of your accounts please let us know.

RESPONSIBILITY FOR TAX RETURN

The responsibility for the accuracy and completeness of the particulars and information provided by the Taxpayer rests with the Taxpayer.

Any advice given to the Taxpayer is only an opinion based on our knowledge of the Taxpayer's particular circumstances.

A Taxpayer has obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns.