

# Standard terms of delivery for accounting services assignments

Adopted by Regnskap Norge (the Norwegian Association of Authorised Accountants (NARF)) on 15 December 2008, revised 2013

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**These Standard Terms of Delivery for accounting services assignments apply to agreements between the Client and the Accounting Firm who have entered into the standard Engagement Contract prepared by Regnskap Norge (former NARF).**

## 1. Establishing an assignment

When establishing an assignment the Accounting Firm shall, together with the Client, evaluate the Client's internal routines that affect the assignment and attempt to adapt these in a manner that safeguards prudent accounting.

The Client shall inform the Accounting Firm of his operations and describe specific financial and legal factors of significance to enable the Accounting Firm to perform the assignment in accordance with the rules that follow from accounting and tax legislation, etc.

The Client is responsible for immediately notifying the Accounting Firm of any changes of significance for performing the assignment/presenting the account.

## 2. The parties' representatives

The Client's contact person is deemed to have authorisation to give, receive and comment on all accounting information naturally connected with the Engagement Contract.

If the assignment concerns a bank debit (remittance), cf. Clause 1 h of the Engagement Contract), the contact person shall also be deemed to hold authorisations on behalf of the Client as regards payment matters.

The competent business enterprise body of the Client may withdraw the authorisation of the Client's contact person and grant a new authorisation to another person by informing the Accounting Firm thereof in writing.

When replacing a contact person or assignment officer, the parties shall inform each other thereof in writing.

### 3. Information duty and accounting liability

The Client shall submit all documentation and necessary information so that the Accounting Firm can perform its assignment in accordance with the Engagement Contract.

The parties to the agreement shall at all times ensure that they keep each other informed of any matters of significance for the performance of the accounting work in accordance with prevailing statutes and rules.

As soon as the accounts and other reports/statements have been received from the Accounting Firm, the Client shall review these and inform the Accounting Firm of any errors.

The Accounting Firm shall also seek to inform and advise the Client about relevant legislation within the framework of the work governed by the Engagement Contract.

The Accounting Firm is not liable should the accounts be erroneous due to lacking or deficient accounting documentation, or deficient information from the Client, unless the Accounting Firm obviously had to have detected the defects.

An agreement for accounting does not reduce the Client's own responsibility for correct bookkeeping, presentation of accounts and submission of statements.

### 4. Storage

That part of the Client's accounting material which is in the possession of the Accounting Firm in accordance with the Engagement Contract, shall be stored with due care and in accordance with the requirements of the (Norwegian) Bookkeeping Act, bookkeeping regulations and good bookkeeping practice.

Any liability the Accounting Firm has assumed for storing of the Client's accounting material subject to mandatory storage (cf. Clause 1 f of the Engagement Contract), lapses upon termination of the Accounting Services Agreement.

### 5. Control work

The Accounting Firm shall resolve technical errors in bookkeeping, and bookkeeping errors detected performing reconciliations. Uncorrected errors due to missing documentation or information shall be clarified through reporting from the Accounting Firm to the Client. It is a prerequisite that the report be replied to and returned no later than the next period's submission of documentation.

### 6. Duty to provide information and assistance to public authorities

In accordance with Public Law the Client must undertake to reply to inquiries from public authorities about his own financial circumstances and operations. The Accounting Firm shall be entitled to reply to such inquiries as regards questions deemed to be a natural part of the assignment. The Accounting Firm shall normally inform the Client if such information or assistance is requested from the Accounting Firm. The Accounting Firm shall be entitled to invoice the Client for this assistance in accordance with the fee calculation applicable to the parties.

The Accounting Firm has a reporting duty to Økokrim (Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) pursuant to the (Norwegian) Money Laundering Act. If the Client also has a reporting duty, the Client is responsible for complying with its own reporting obligations.

### 7. Processing of personal data

#### 7.1. The Accounting Firm's use of personal data

The Accounting Firm is not entitled to treat personal data in any other manner than as described in the Engagement Contract.

The Accounting Firm is not entitled to submit personal data to others for storage or

processing without advance written agreement with the Client.

## 7.2. Data security

The Client (data controller) and the Accounting Firm (data processor) shall, through planned and systematic measures, ensure satisfactory information security with regard to confidentiality, integrity and availability when treating personal data subject to the Act relating to the processing of personal data. The security measures include organizational, physical and technical measures.

In order to achieve satisfactory data security the parties to the agreement shall document the information system and security measures. The documentation shall be available to the employees of the data controller and the data processor. The documentation shall also be available to the Data Inspectorate and the Privacy Appeals Board.

## 8. Breach

The parties to the agreement are entitled to terminate the agreement in the event of material breach by the other party.

The Accounting Firm shall be deemed to have been in material breach of the agreement if:

- The services provided deviate materially from the rules that apply to the services The Accounting Firm has agreed to provide.
- The Accounting Firm's deadline for submission of the accounts has not been met, and the accounts still have not been submitted one week after written notification was received from the Client.

The Client shall be deemed to be in material breach of the agreement if:

- The Client has not paid the Accounting Firm's fee or other claims upon falling due, and payment has still not been effected 14 days after the Accounting Firm sent a written reminder.
- The Accounting Firm is not given the opportunity to perform its assignment in a

prudent manner, e.g. by not being given relevant accounting documentation, etc.

- The Accounting Firm is ordered to perform the assignment in contradiction with statutes and rules.

Termination shall be in writing and termed "Hevingserklæring" (Statement of Termination) and shall be submitted in an appropriate manner. The Statement of Termination shall briefly state the reason for termination.

## 9. Right of retention in the event of breach

The Accounting Firm has the right of retention for accounting material which it has prepared (documentation, reports, statements, etc.) in respect of its fee claim and any other claims on the Client.

## 10. Termination

The notice period for termination has been agreed on by both parties in the Engagement Contract.

The notice period begins from the 1st of the month after termination has been effected. During the notice period the Accounting Firm shall perform those tasks which according to the agreement would have been performed in the months comprised by the notice period, and perform accounting for these months, e.g. submission of statements for payroll tax, social security tax, value-added tax, etc. Should the notice period end during the annual settlement period, the tasks of the Accounting Firm will also include preparing the annual accounts and tax assessment statements if relevant, unless the Client informs the Accounting Firm upon submitting notice that it shall not prepare the annual accounts.

If the Client during the notice period chooses not to let the Accounting Firm perform the agreed work, the Accounting Firm shall nevertheless be entitled to a fee, but in such a manner that the fee is reduced to 75% of the

fee considered to be an average fee based on the fee for the last 12 months prior to the notice. If part of the notice period coincides with the Client's normal annual settlement period and the Accounting Firm normally performs this task, last year's fee for the annual settlement shall be included in the basis.

## 11. Conclusion of agreement

Upon conclusion of the relationship under the Engagement Contract, the Accounting Firm shall submit all accounting material not previously in the possession of the Client, unless Clause 9 relating to the right of retention is applicable. The submission shall take place in the format (paper or electronic format) agreed on in general for the assignment.

The assignment is conditional on entries which were initially electronically being submitted to the Client in a manner that enables the Client to comply with the requirement in Section 13b of the (Norwegian) Bookkeeping Act related to continued electronical availability for three years and six months after the end of the financial year.

This provision does not entail any changes in the proprietary rights to the entries or the Accounting Firm's right to be paid for submitting the entries to the Client.

If the Client is exempt from the requirement in Section 13b of the Bookkeeping Act, cf. section 7-7, third subsection, of the Bookkeeping Regulations, and if the Client is not required to store entries electronically that are necessary for the preparation of specifications of statutory financial reporting according to Section 13 of Bookkeeping Act, second subsection, cf. first subsection No 2, any electronical submission of entries must be agreed on specifically by the parties, either in appendices to the Engagement Contract or when the situation arises.

The software used for bookkeeping, preparation of reports, etc., cannot in any case be transferred together with the entries without the consent of the software licensee.

## 12. The Engagement Contract or appendices to the Engagement Contract

Minor adjustments to the signed Engagement Contract or appendices to the Engagement Contract may be effected through dated amendment appendices. Such amendments are applicable when the Accounting Firm prepares and signs the appendix and the Client has been informed.

## 13. Disputes

In the event of disagreement between the parties regarding the interpretation of this Engagement Contract and appendices or the Standard Terms of Delivery, or other disputed clauses in connection with the agreement, each of the parties shall be entitled to request a statement from the Disciplinary Committee of Regnskap Norge.

Submitting questions to the Disciplinary Committee does not entail any restrictions in the parties' right to bring the question before the courts of law.

## 14. Conflict

In the event of conflict between the Engagement Contract and these Standard Terms of Delivery, the Engagement Contract takes precedence.

In the event of conflict between the Engagement Contract and appendices to the agreement, the appendices shall take precedence.

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