**STANDARD TERMS OF DELIVERY FOR ACCOUNTING ASSIGNMENTS**

**Laid down by Regnskap Norge with effect from (01.10.2017)**

Contents

[1. THE PARTIES’ OBLIGATIONS 2](#_Toc495578426)

[1.1 Assignment content 2](#_Toc495578427)

[1.2 The accounting firm’s obligations 2](#_Toc495578428)

[1.3 The customer’s obligations 2](#_Toc495578429)

[1.4 Communication and documentation 2](#_Toc495578430)

[1.5 Accounting records 2](#_Toc495578431)

[1.6 Duty of confidentiality 3](#_Toc495578432)

[2. POWER OF ATTORNEY TO ACCESS INFORMATION AND SUBMIT FORMS AND STATEMENTS 3](#_Toc495578433)

[3. TITLE 4](#_Toc495578434)

[4. BREACH OF THE AGREEMENT 4](#_Toc495578435)

[4.1 Definition of breach 4](#_Toc495578436)

[4.2 Notice of breach 4](#_Toc495578437)

[4.3 Consequences of breach 4](#_Toc495578438)

[4.3.1 Right of retention 4](#_Toc495578439)

[4.3.2 Correction, replacement delivery and other remedies 5](#_Toc495578440)

[4.3.3 Contractual compensation 5](#_Toc495578441)

[5. MATERIAL BREACH 5](#_Toc495578442)

[5.1 Termination with immediate effect 5](#_Toc495578443)

[5.2 Financial consequences of termination with immediate effect 6](#_Toc495578444)

[6. LIMITATION OF LIABILITY 6](#_Toc495578445)

[7. CHANGES AND SUPPLEMENTARY ASSIGNMENTS 6](#_Toc495578446)

[8. INSURANCE 7](#_Toc495578447)

[9. SUPERVISION 7](#_Toc495578448)

[10. LIQUIDATION 7](#_Toc495578449)

[11. ASSIGNMENT OF RIGHTS AND OBLIGATIONS 7](#_Toc495578450)

[12. TERMINATION BY NOTICE 7](#_Toc495578451)

[13. THE NORWEGIAN MONEY LAUNDERING ACT 7](#_Toc495578452)

[14. CONFLICTING PROVISIONS 7](#_Toc495578453)

[15. PROPER VENUE 7](#_Toc495578454)

# THE PARTIES’ OBLIGATIONS

##  Assignment content

It is the Customer’s responsibility to submit correct statements and prepare reports in accordance with legislation. The Accounting Firm has only undertaken to provide the services that are regulated in the Agreement on Accounting Assignments, based on information from the customer. Cooperation between the parties depends on good, comprehensive communication, and the Customer contributing to accurate information.

##  The accounting firm’s obligations

The Accounting Firm shall perform the work tasks that are necessary to provide the services that follow from the Agreement on Accounting Assignments, existing Acts, Regulations and Standard for Good Accountancy Practice (GRFS).

Inquiries from the Customer must be answered as soon as possible.

##  The customer’s obligations

The Customer shall loyally participate in ensuring that the Accounting Firm is able to perform the assignment.

The accounting records that are handed over to the Accounting Firm must be complete and relate to the enterprise’s activities. The time limits are stipulated in the agreement document *Assignment Specification.*

If it is not clear from the accounting records how they are to be processed, the Customer shall provide the necessary supplementary information at the Customer’s own initiative.

The Accounting Firm must be informed of anything that could affect performance of the assignment, both before the assignment starts and as the need arises. The Customer shall inform the Accounting Firm of actual circumstances that are necessary for the Accounting Firm to be able to prepare correct reports and statements. The Customer shall also inform the Accounting Firm of notifications and information from the public authorities that are of relevance to the assignment.

As soon as the financial statements, reports, tax returns etc. have been made available, the Customer shall check these documents and make the Accounting Firm aware of possible errors and omissions.

Inquiries from the Accounting Firm must be answered as soon as possible.

##  Communication and documentation

All inquiries regarding the Agreement on Accounting Assignments must be addressed to the parties’ designated representatives, see Clause 4 of the Agreement on Accounting Assignments, or to employees designated by these representatives. .

As a general rule, communication between the parties must take place electronically. The parties accept that all communications under this agreement may be sent electronically to the agreed email address.

Both parties shall ensure proper communication, storage and back-up copies of documents and other material for which the party is responsible and which are relevant to the assignment.

##  Accounting records

If the assignment entails original accounting records being entrusted to the Accounting Firm, the Accounting Firm shall only be responsible while the records have to be in its possession under the agreement.

The Accounting Firm shall return the Customer’s accounting records (vouchers and documentation) within six months of the end of the accounting year or as agreed between the parties.

In connection with the return of accounting records to the Customer, documentation and itemised statements that are in an electronic format must be surrendered in a generally accessible format. Booked information that is to be kept electronically accessible must be surrendered in the file format of the accounting system or in a standard data format for electronic accounting records (SAF-T).

Other accounting records shall be returned in their original medium. Original documents in hard copy that have been scanned will only be returned electronically.

On termination of the assignment, the Accounting Firm shall be under an obligation to return the Customer’s accounting records, see Clause 3. Reconciliation documentation will be provided on the Customer’s request. The Accounting Firm shall be entitled to a fee, charged on a time basis, as well as payment to any subcontractors for conversion and surrender of the accounting records.

Unless otherwise agreed, the Customer shall take possession of the accounting records on termination of the assignment. If the Customer has not taken possession of the Customer’s accounting records within 90 days from receipt of a written notice from the Accounting Firm, the Customer shall be regarded as having waived any rights and obligations relating to the accounting records in this connection. Under paragraph 4.7 of Standard for Good Accountancy Practice (GRFS) this means, among other things, that the Customer shall in such case be regarded as having consented to the Accounting Firm being entitled to shred, delete or destroy all accounting records without any further notice, including any back-up copies, for the Customer’s account and risk.

For the period from when the written notice from the Accounting Firm has been sent and until the shredding, deletion or destruction of accounting records, the Accounting Firm may demand payment of any storage costs, including licence costs.

##  Duty of confidentiality

The Accounting Firm’s duty of confidentiality follows from Section 10 of the Norwegian External Accountants Act

Both parties shall treat as confidential any information of which the parties acquire knowledge in connection with the assignment and ensure that the information is not disclosed to unauthorised parties without the other party’s consent.

The duty of confidentiality shall not prevent the Accounting Firm giving information about the assignment to the Customer’s elected auditor or another person who is personally responsible for the Customer’s financial reporting in accordance with legislation.

The duty of confidentiality shall remain in force after the termination of the Agreement.

The Accounting Firm shall ensure that subcontractors and assistants who help with performance of the assignment are subject to the same duty of confidentiality.

# POWER OF ATTORNEY TO ACCESS INFORMATION AND SUBMIT FORMS AND STATEMENTS

Under the present Agreement, the accounts officer responsible for the assignment and the General Manager are granted a power of attorney to obtain:

* Accounting information from relevant third parties, including subsidiary ledger information and bank statements of account.
* All relevant information for filling in public forms and statements, including downloading of electronic data for the relevant software at the Accounting Firm.

In addition, when this forms part of the assignment, the accounts officer responsible for the assignment and the General Manager are granted a power of attorney to:

* Fill in and submit public forms and statements via the Altinn web portal or another portal for reporting to the public administration(s) in question. This includes signing the form(s) and/or statement(s) on behalf of the Customer. Such signing may only be done if the Accounting Firm is of the opinion that it is not contrary to good accountant practice and the the firm has no reason to doubt the basis or correctness of the form or statement.
* Provide subsidiary ledger information to the Customer’s customers and suppliers.

When signing on the Customer’s behalf, the power of attorney holder confirms that the submitted forms and statements are in accordance with the registered and documented information and that, to the power of attorney holder’s knowledge, the information tallies with the actual circumstances.

The accounts officer responsible for the assignment and the General Manager are entitled to delegate all matters regulated under this power of attorney to other employees in the Accounting Firm by written power of attorney. The Customer may ask to see the power of attorney.

The power of attorney shall apply from the formation of the present Agreement and until the termination of the assignment or until the power of attorney has been revoked in writing.

# TITLE

The Customer shall have the title to the Customer’s own submitted accounting records. The Customer shall also have the title to complete and incomplete accounting records that the Accounting Firm has prepared for the Customer.

The Accounting Firm shall have an obligation to surrender any accounting records and other material that it has prepared as part of the assignment unless the rules on right of retention apply.

The Accounting Firm shall retain the rights to its own tools and methods. The Accounting Firm may also exploit general knowledge (know-how) acquired in connection with the assignment provided that it does not constitute a breach of confidentiality or good business practice.

# BREACH OF THE AGREEMENT

##  Definition of breach

There is breach of the Agreement if one of the parties, or anyone for whom the party is responsible, fails to meet his obligations under the Agreement and this is not due to circumstances for which the other party is responsible, or failure to deliver is due to force majeure.

Any errors or misunderstandings in the ongoing performance of the assignment are not necessarily breach of the Agreement. Performance of the assignment requires ongoing, mutual cooperation between the parties, and the normal rules of loyalty between professional parties apply. Rectifications and corrections are a necessary part of this cooperation and are not regarded as breach of the Agreement if of normal scope. Errors must be corrected as soon as the assignment provides a basis for doing so.

##  Notice of breach

If the parties wish to claim breach of the Agreement against the other party, written notice must be given without undue delay once the breach has been or should have been discovered. The notice must be clearly headed “Notice of Breach” and specify what the breach is alleged to consist in and what remedies the party wishes to invoke. The parties must be given a reasonable amount of time in which to put the matter right before remedies are enforced.

##  Consequences of breach

##  Right of retention

If the Customer is in breach of the Agreement, the Accounting Firm may cease the work and/or exercise a right of retention on the result of the assignment until the breach has been remedied.

The Accounting Firm cannot exercise a right of retention on accounting records that have been received by the principal even though the fee for the performed work has not been paid. The same shall apply to accounting records which have been prepared by the Accounting Firm and for which the Customer has paid.

The Customer bears the risk of any failure to meet time limits as a result of the Customer’s breach. When the Customer’s breach ceases, the Accounting Firm may, against a supplementary fee, decide to perform the assignment with increased resources or work outside ordinary working hours to avoid, where possible, that the time limits are exceeded.

In the event of the Accounting Firm’s breach, the Customer may withhold the payment, but by no more than what is necessary to secure the Customer’s claim as a result of the breach.

##  Correction, replacement delivery and other remedies

In case of breach, the parties have the ordinary remedies provided by non-mandatory background law. If the service provided by the Accounting Firm contains faults or defects, the Accounting Firm is thus entitled to counter a demand for price reduction, termination with immediate effect and/or compensation with an offer of replacement delivery and correction. The Customer shall loyally assist with correction.

##  Contractual compensation

A party may claim compensation for any direct loss incurred in pursuance of general contract law.

Direct loss includes additional costs for replacement purchases, loss due to overtime work and other direct costs incurred in connection with delay, defect or other breach.

Compensation cannot be claimed for indirect loss. Indirect loss includes, but is not limited to, loss of earnings of any kind, loss of cost reductions and loss of data.

# MATERIAL BREACH

##  Termination with immediate effect

In the event of material breach of the Agreement, the other party may terminate the full Agreement, or parts thereof. Before termination takes place, the terminating party must specify the breach and give notice of the party’s intention to terminate the Agreement.

The Accounting Firm is regarded as being in material breach of the Agreement if:

* The performance of the assignment deviates significantly from the rules applicable to the services that the Accounting Firm has undertaken to provide in accordance with the Agreement on Accounting Assignments.
* The Accounting Firm has failed to meet the time limit for delivery of the services, and such delivery has still not been made within a week after receipt of a written notice from the Customer, and failure to meet the time limit is not due to circumstances on the part of the Customer.

The Customer is regarded as being in material breach of the Agreement if:

* The Customer has not paid the due fee plus interest within 14 days from the Accounting Firm’s reminder.
* The Accounting Firm is prevented from performing its assignment in a sound and proper manner because it does not receive the necessary documentation.
* The Customer attempts to make the Accounting Firm perform the assignment in violation of existing Acts and rules.

If one of the parties wrongfully blocks the other party’s access or, in some other way, prevents the other party from accessing the IT system as regulated in the agreement document *Joint Use of IT Systems*, this shall also be regarded as material breach.

It will also be regarded as material breach if the Customer deliberately makes entries and registrations etc. in the system in order to avoid tax or duties in contravention of current rules.

##  Financial consequences of termination with immediate effect

On termination of the Agreement with immediate effect, the party terminating the Agreement may be entitled to damages.

In the event of material breach by the Accounting Firm, the Customer may be entitled to demand reimbursement of the additional costs incurred by the Customer in connection with the Customer having to switch to a new accountant.

If the Customer is in material breach of the Agreement on Accounting Assignments, and the Accounting Firm decides to terminate the Agreement, the Accounting Firm will be entitled to damages of minimum three times the monthly accounting fee. As a general rule, the monthly accounting fee for which damages can be claimed on termination must be fixed at the average accounting fee for the past 12 months. If the fee for the subsequent three months would have been higher than the average monthly fee, the claim for damages may be based on this amount.

# LIMITATION OF LIABILITY

The Accounting Firm cannot be held liable for circumstances beyond its control. The Accounting Firm excludes any liability for loss for which the Customer or third parties are responsible.

The Accounting Firm shall have no liability for incorrect or delayed submission of the financial statements or any other statutory reporting to the public authorities as a result of incorrect, defective or delayed provision of accounting documentation or other information from the Customer or third parties.

Nor shall the Accounting Firm be liable, in connection with the joint use of IT systems, for any changes, additions or deletions of registered information made by the Customer in the IT system. This shall also comprise any consequences if this results in errors or delays in the Customer’s financial statements, statutory financial reporting and/or other public forms and statements etc.

The Accounting Firm also excludes any liability for faults and defects in IT systems, communication, data security, lack of maintenance, back-up copies, reconstruction or other matters not caused by the Accounting Firm.

Unless the Accounting Firm has shown gross negligence or intent, the Accounting Firm’s total financial liability shall be limited to 10 times the annual accounting fee and maximum MNOK 1.

# CHANGES AND SUPPLEMENTARY ASSIGNMENTS

If the Accounting Firm finds that there is a change in the contents or extent of the assignment after the Agreement has been concluded, this must be taken up with the Customer.

Changes and supplementary assignments must be agreed in writing. In the event of minor changes, it is sufficient that the Accounting Firm submits a unilateral written description of the change to the Customer.

The Accounting Firm shall be responsible for keeping a record of all changes and supplementary assignments under the Agreement on Accounting Assignments and shall, on request, send the Customer an updated agreement document *Summary of Amendments.*

# INSURANCE

The Accounting Firm must have a professional indemnity insurance policy covering the agreed accounting assignment.

# SUPERVISION

The Accounting Firm is subject to supervision and professional quality checks and audits by the Financial Supervisory Authority of Norway and the relevant industry association.

The Customer shall grant the Accounting Firm, the Financial Supervisory Authority of Norway and the industry association access to relevant records and material as well as full access to physical and electronic files that document the Accounting Firm’s work, including necessary access to IT systems.

# LIQUIDATION

If the Customer enters into debt settlement proceedings, a composition or liquidation proceedings or the Customer becomes clearly insolvent, the Accounting Firm shall be entitled to terminate the Agreement with immediate effect unless otherwise follows from mandatory law.

# ASSIGNMENT OF RIGHTS AND OBLIGATIONS

The Accounting Firm may only assign its rights and obligations under the Agreement with the Customer’s written consent, which can only be refused on reasoned grounds .

The right to a fee under the present Agreement may, however, be freely assigned.

# TERMINATION BY NOTICE

The parties may terminate the Agreement at three months’ written notice, calculated from the first day of the month following receipt of the notice of termination.

The parties’ obligations shall remain in force unchanged during the period of notice. The Customer shall therefore be under an obligation to pay the agreed fee throughout the period of notice. This shall apply regardless of whether the Customer ensures the right conditions for the Accounting Firm to provide the agreed services. If the Customer does not contribute to ensuring that the Accounting Firm can provide the agreed services during the period of notice, this shall be regarded as material breach and shall entitle the Accounting Firm to damages in accordance with the rules in Sub-Clause 5.2

The title to accounting records is regulated in Clause 3, and the obligation to surrender records and other material is regulated in Paragraph 4.7 Standard for Good Accountancy Practice (GRFS),

# THE NORWEGIAN MONEY LAUNDERING ACT

The Customer has been informed that the Accounting Firm is subject to the provisions of the Norwegian Money Laundering Act.

# CONFLICTING PROVISIONS

In the event of a conflict between the Standard Terms of Delivery and other agreements that form part of the Agreement on Accounting Assignments, the other agreements shall take precedence, provided that the agreed provisions are not contrary to existing Acts, Regulations or standard for good accountancy practice (GRFS).

# PROPER VENUE

The parties’ rights and obligations under the present Agreement shall, in their entirety, be governed by Norwegian law. The Accounting Firm’s court of domicile has been agreed as the proper venue for disputes between the parties.

 Date, and the Customer`s signature:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_