



**S H O B H N A**  
**& Co.**  
**L A W O F F I C E**

TRUSTED LEGAL SERVICES & ADVICE SINCE 1992

**Standard Terms of Engagement for Shobhna & Co. Law Office (SL)**

These Standard Terms of Engagement ("Terms") apply in respect of all work carried out by us for you, except to the extent that we otherwise agree with you in writing.

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**1. Services**

The services which we are to provide for you are outlined in our engagement letter.

**2. Financial**

**2.1 Fees**

A The fees which we will charge or the manner in which they will be arrived at, are unless set out in our engagement letter, as follows:

Our costs will be fair and reasonable for the work involved. Our charges will also be influenced by the following factors:

- Time involved based on our normal hourly rates
- Degree of skill and knowledge involved
- Any degree of urgency
- The difficulty and complexity
- Degrees of responsibility involved.

For all residential and commercial property purchases, we require a Fees Deposit of up to \$360.00 (domestic) and \$1,000.00 commercial which is fully accounted for as spent on our final statement (if not before) at settlement.

Should you have any queries or concerns in respect of any invoice that has been rendered, please raise the issue with myself or the person handling your file.

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**SHOBHNA GOLIAN LL.B PRINCIPAL**

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- B If the engagement letter specifies a fixed fee, we will charge this for the agreed scope of our services. Work which falls outside that scope will be charged on an hourly rate basis.

We will advise you as soon as reasonably practicable if it becomes necessary for us to provide services outside the agreed scope and if requested, give you an estimate of the likely amount of the further costs. Examples of these for residential/commercial conveyancing are the need for further advices required by you, say after obtaining Building Reports or a LIM reports whereby the information at hand is obscured or has become protracted/complicated.

Having said the above, in view of the increasing number of buildings, having issues on construction, leakage and unauthorized works, it would be fair to advise that additional time is incurred in almost every case where there is a Builder's Report and so should come as no surprise if this happens in your case.

- C Where our fees are calculated on an hourly basis, the hourly rates are set out in our engagement letter. The differences in those rates reflect the experience and specialization of our professional staff. Time spent is recorded in 6 minute units, with time rounded up to the next unit of 6 minutes.

2.2 **Disbursements and expenses:**

In providing services we may incur disbursements or have to make payments to third parties on your behalf. These will be included in our invoice to you when the expense is incurred. We may require an advance payment for the disbursements or expense which we will be incurring on your behalf.

Examples of these may include toll, costs for a LIM report and/or a Builder's Report on a Conveyancing transaction, email and facsimile charges, photo- copying, registration and filing fees, company and land search fees and agency charges plus on-line charges.

By instructing us to act, you authorise us to incur these and such other charges as are reasonably necessary to put your instructions into effect.

**Third Parties:**

Although you may expect to be reimbursed by a third party for our fees and expenses, and although our invoices may at your request or with your approval be directed to a third party, nevertheless you remain responsible for payment to us if the third party fails to pay us.

2.3 **Office Service Charge Fee:**

In addition to disbursements we may charge a fee of \$75.00 or 10% of our invoice, whichever is the greater, to cover out of pocket costs which are not included in our fee and which are not recorded as disbursements. These include items such as photocopying and printing, postage and phone calls. Unless you instruct us in writing otherwise, you authorize us and consent to us (without further reference to you) to destroy (or delete in the case of electronic records) all files and documents in respect of the Services seven years after our engagement ends (other than any documents that we hold in safe custody for you or are otherwise obliged by law to retain for longer). We may retain documents for longer at our option. We will charge a \$35.00 + GST fee for costs associated with storage of your files and/or documents.

2.4 **Travel:**

If I as the Principal or any employee of SL is required to travel on your matter, we reserve the right to charge traveling expenses and parking. Such travel expenses will be itemised on your invoices.

2.5 **GST (if any):**

Is payable by you on our fees and charges.

2.6 **Invoices:**

As required and if appropriate in your case, we will send interim invoices to you, usually on inception of a conveyancing file and/or where a fees deposit has been received, monthly in case of ongoing work and on completion of the matter, or termination of our engagement. We may also send you an invoice when we incur a significant expense.

**2.7 Payment:**

**Financial Difficulties**

If you are having difficulty paying a tax invoice, please discuss this with us immediately. If necessary, we can set up a reasonable payment plan.

If there is no satisfactory explanation for non payment of the account, initiate action to recover the debt, including court proceedings. The costs of recovery will be payable by you.

**Withholding services on overdue accounts**

We reserve the right to stop any further legal work for you if have an outstanding debt to us and you have not entered into a satisfactory arrangement for payment. We will not accept responsibility for any consequence of our doing so.

Invoices are payable within 14 days of the date of the invoice unless alternative arrangements have been made with us. We may require interest to be paid on any amount which is more than 7 days overdue Interest will be calculated at the rate of 14% p.a or such lower rate as we may agree on.

We accept payment by cash (but only upto \$1000.00), cheque, and EFTPOS.

**2.8 Security or Payments on Account of costs:**

We may ask you to pre-pay amounts to us, or to provide security for our fees and expenses. You authorize us:

- A to debit against amounts pre-paid by you; and
- B to deduct from any funds held on your behalf in our trust account (including funds held on Interest Bearing Deposit) any fees, expenses or disbursements for which we have provided an invoice. All interest earned would be on balances held as and when if a deduction was made unless you instruct, otherwise.

**3. Confidentiality**

- 3.1 We will hold in confidence all information concerning you or your affairs that we acquire during the course of acting for you. We will not disclose any of this information to any other person except:
  - A to the extent necessary or desirable to enable us to carry out your instructions; or
  - B to the extent required by law or by the *Law Society's Rules of Conduct and Client Care for Lawyers*.
- 3.2 Confidential information concerning you will as far as practicable be made available only to those within our firm who are providing legal services for you.
- 3.3 We will of course, not disclose to you confidential information which we have in relation to any other client.

**4 Retention of files and documents**

You authorise us (without further reference to you) to destroy all files and documents for this matter (other than any documents that we hold in safe custody for you) 7 years after our engagement ends, or earlier if we have converted those files and documents to an electronic format.

**5 Conflicts of Interest**

We sometimes get asked to act for clients whose commercial and/or legal interests conflict. Both generally, and with our predominantly large Indian/ ethnic client base, this request can be made. We have developed policies and procedures for dealing with these issues.

**A. Commercial conflict**

We may accept instructions from other clients or potential clients but only provided the informed consent of them has been obtained and, provided those instructions do not involve the use of confidential information we have obtained from you.

**B. Legal conflict**

If a legal conflict of interest arises, in relation to any matter on which you have instructed us, between your interests and those of any other client for whom we are also acting, we will inform you as soon as possible.

**C. Information Barriers**

We will establish an information barrier around the relevant legal service team and keep information in respect of your matters confidential to that team. Similarly, we will not be permitted to provide you with access to information which is held by us as a result of a separate legal services team acting for another party or parties.

**D. Disputes between clients**

If, when acting or over the period of acting for you or any other party, a dispute arises or matters otherwise become contentious between you and that other party, we will advise you of this and follow the requirements and procedures set out in the Law Society's Rules of Conduct and Client Care for Lawyers.

**6 Duty of Care**

Our duty of care is to you and not to any other person. Before any other person may rely on our advice, we must expressly agree to this.

**7 Trust Account**

We maintain a trust account for all funds which we receive from clients (except monies received for payment of our invoices). If we are holding significant funds on your behalf we will normally lodge those funds on interest bearing deposit with a bank. In that case we will charge an administration fee of 5% of the interest derived or \$30.00 including GST, whichever is the higher of the two.

**8 Your Obligations**

**A. Your Obligations, you will:**

- i. Provide us with clear, timely and accurate instructions.
- ii. Provide all documentation required to complete the transaction in a timely manner.
- iii. Ask us if you are not sure or are worried about anything, including the contents of the Terms.
- iv. Let us know if you require large print on this or any future documents.
- v. Pay the fees payable to us on the due date(s). If the fees are not paid on the due date(s) we are entitled to terminate our services unless a suitable financial arrangement has been made as per clause 2.6 above.

**B. Proof of Identity**

You will provide us with evidence of your identity as soon as possible. The law requires solicitors to get satisfactory evidence of the identity of their clients. This is because solicitors who deal with money and property on behalf of their client can be targeted by criminals wanting to launder money. As an example, the Ids are required also to assist ensure we establish the true owners of properties being transacted and are entered into with bona fide purchasers for value.

Will retain electronic copies of all files and documents for a period of 7 years.

**9. Our Monitoring Obligations**

From 1<sup>st</sup> July 2018, we are obliged to comply with all laws applicable to us in all jurisdictions, including (but not limited to):

- Anti-money laundering and countering financing of terrorism laws; and
- Laws relating to tax and client reporting and withholdings

We may be required to undertake customer due diligence on you, persons acting on your behalf and other relevant persons such as beneficial owners and controlling persons. We may not be able to begin acting or continue acting, for you until this is completed.

To ensure our compliance and yours, we may be required to provide information about you, persons acting on your behalf or other relevant persons to government agencies. There may be circumstances where we are not able to tell you or such persons if we do provide information.

Please ensure that you and/or any of the persons described previously are aware of and consent to this. It is important to ensure that all information provided to us is accurate. If the information required is not provided or considered by us to be potentially inaccurate, misleading or in contravention of any law, we may terminate or refuse to enter into an agreement.

**10 Referrals**

If we refer you a firm of consultants specializing in any particular areas of law eg. Trusts for formation of Trusts, Migration work, or to financial or insurance advisors, and where a referral fee is payable to us (or any associated parties) or a fee sharing agreement exists, we will advise you of this pursuant to the Secret Commissions Act 1910. You consent to us (or associated parties) receiving such income. No such referral will be made without your consent.

**11 Termination**

- 10.1 You may terminate our retainer at any time.
- 10.2 We may terminate our retainer in any of the circumstances set out in the *Law Society's Rules of Conduct and Client Care for Lawyers*
- 10.3 If our retainer is terminated you must pay us all fees due up to the date of termination and all expenses incurred up to that date.

**12 General**

- 11.1 These Terms apply to any current engagement and also to any future engagement, whether or not we send you another copy of them.
- 11.2 We are entitled to change these Terms from time to time, in which case we will send you amended Terms.
- 11.3 Our relationship with you is governed by New Zealand law and New Zealand courts have non-exclusive jurisdiction.

**13 Your Acceptance**

If these Terms are acceptable, please sign below where indicated and return one copy to us, or email us confirmation of your acceptance. You will be bound by these Terms if after receipt of the Terms, you orally advise us of your acceptance, or if you instruct us to proceed to act for you.