|  |  |
| --- | --- |
|  | **Task 1. Read the Contract and make up an Analytical Report (200-250 words)**  **Contract No\_\_\_\_\_\_**  **For Auditing Services** |
|  | \_\_\_\_\_\_\_\_, 20\_\_  Moscow, Russia |
|  | This Contract (hereinafter, the "Contract") is entered into between  **LLC “XXX”**, doing its business on the ground of Auditing License No \_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_,200\_\_\_ issued by the RF Ministry of finance under the registered service mark \_\_\_\_\_\_\_\_\_\_\_ (License Contract for the use of the service mark of \_\_\_\_\_\_\_\_\_\_\_\_\_, 200\_\_\_\_), a legal entity created and acting under the laws of Russia, in the person of Mr. \_\_\_\_\_\_\_\_\_\_\_\_\_ General Director, acting on the ground of the Charter, (hereinafter referred to as the “**Company”**), on the one part,  And |
|  | XXX in the person of XXX the Director, acting in accordance with the XXX of September 3, 200 (hereinafter referred to as the **"Client"**), on the other part |
|  | (The Company and the Client shall be referred to herein individually as a "Party" and collectively as the "Parties").  Have concluded the present Contract for the following: |
|  | **1. Subject of the Contract** |
|  | 1.1. This Contract determines the procedure for and terms of provision by the Company to the Client of services on auditing financial and economic activities of XXX with the purpose of verification of correctness of the accounts and compliance of the Client's financial and business operations with regulations applicable in the Russian Federation. |
|  | 1.2. Further, this Contract determines the procedure for and the terms of provision by the Company to the Client of the services connected with auditing economic, financial and tax consulting. |
|  | 1.3. The Parties hereby determine the following terms of the implementation of works hereunder - 3 (Three) weeksfollowing the date of provision by the Client of all the documents necessary for auditing.  The Parties establish that the works hereunder are planned to start on \_\_\_\_\_\_\_\_\_, 200\_\_\_  The Company has the right to revise the terms of works stated in the present Contract.  The revision of the term of works established in part 1 of this article shall be formalized by the Parties by signing an additional agreement to the Contract. |
|  | * 1. The services provided by the Company hereunder shall be paid by the Client in the manner and on the terms set forth herein.   The sum of the Contract to be paid by the Client shall be \_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_) rubles. |
|  | **2. Rights and Obligations of the Parties** |
|  | 2.1. In the provision to the Client of auditing and related services in accordance with the terms and conditions hereof, the Company and its employees **shall have a right**: |
|  | 2.1.1. To rely upon information and authenticity of the documents presented by the Client for the purpose of auditing and/or related services without resort to independent verification of such information or its authenticity. |
|  | The provisions of this article shall not extend to accounting information, as well as the availability of any property accounted in this documentation and tax calculations which are subject to verification by the Company in the course of the audit conducted hereunder. |
|  | 2.1.2. To issue audit opinion of any kind, namely: unqualified, qualified or adverse opinion. Irrespective of the kind of the audit opinion, the Company shall in any event be entitled to receive from the Client a full and prompt payment for provided services. |
|  | 2.1.3. To refuse to draw up an audit opinion ( an audit report), if as a result of limitation of the scope of an audit (express or tacit actions by the Client and/or its representatives or third parties, purported to prevent the carrying out of the audit within the scope which the audit believes necessary for preparation of a proper audit opinion and/or audit report) the auditor is unable to obtain sufficient audit evidence necessary for preparation of an audit opinion, and if in the course of the audit any circumstances have come to existence that violate the principle of the auditor independence. The Comapny shall notify the Client in writing of the existing of the above circumstances not later that 10 days of the moment of their arising. |
|  | 2.1.4. As a rule, the audit shall be conducted in the office of the Company. If the audit is carried out in the Client's premises, the Company may request that the Client create conditions for auditing that will enable the normal, uninterrupted and effective duty of the employees of the Company. Such conditions shall include, but not be limited to, a separate comfortable room with a lock, means of communication, office equipment and other necessary equipment, free access to all documentation relating, directly or indirectly to the audit or connected therewith. |
|  | 2.1.5. To request from the Client during the audit any additional information and/or documentation necessary for a proper auditing (information concerning the operative accounting and bookkeeping, documents, plans, orders, and other necessary documentation). If the Client fails to submit such requested information and/or documentation within 5 days, the Company shall be entitled to consider such information and/or documentation as missing. |
|  | 2.1.6. To terminate this Contract with a prior written notification to the Client, if the Client is in material breach of its obligations hereunder, prevents in any way cooperation, regularly disregards professional opinion of the Audit Bureau on issues which are directly connected with the Parties' performance hereunder and/or creates by its actions objective circumstances that preclude the Company from proper performance of its obligations under this Contract. |
|  | In such event, the Company shall remain entitled to payment for all services provided and to reimbursement of incurred expenses. |
|  | 2.1.7. To independently determine the forms and methods of auditing and/or related services, unless the Parties specify in writing the forms the methods that are mutually acceptable to them. |
|  | 2.2. In the provision of services in accordance with this Contract, the Company and its employees **undertake**: |
|  | 2.2.1. To fully comply with the requirements of the legislation of the Russian Federation; |
|  | 2.2.2. To notify the Client in good time of circumstances that may entail changes to this Contract, increase in anticipated expenses, circumstances precluding the audit and provision of related services, as well as of all circumstances that may prevent the Company from prompt performance of its obligations hereunder. |
|  | 2.2.3. To ensure safety of the documents received from the Client and prepared during the provision of services hereunder, and not to disclose their contents to any third parties without an express written consent of the Client, except where required by the legislation of the Russian Federation. |
|  | 2.2.4. To promptly notify the Client of any additional procedures and measures that must be undertaken by the Client to enable the Company to perform its work in accordance with the terms and conditions of the Contract hereunder; |
|  | 2.2.5. To provide on the Client's written request sufficient and necessary information on law requirements concerning the audit; |
|  | 2.2.6. To keep confidential all information obtained as a result of communications with the Client, to ensure safety of the Client's confidential information indefinitely and irrespective of continuance or termination of relations with the Client hereunder. |
|  | For the purposes of this Contract, the term "confidential" covers any information, including but not limited to, information related to commercial, production or financial activities of the Client, which is not in the public domain; |
|  | 2.2.7. To provide services contemplated herein in a professional manner and at a high professional level, in compliance with principles of professional ethics. |
|  | 2.2.8. To pass to the Client the audit opinion ( audit report) within the term and in the order established hereunder. |
|  | 2.3. The Client shall **have a right**: |
|  | 2.3.1. To receive from the Company sufficient and necessary information about law requirements concerning audit, and, upon review of the audit opinion, information about regulations whereupon the audit comments and conclusions are based. |
|  | 2.3.2. To make changes in its accounts and tax returns during the audit carried out by the Company, unless such changes are inconsistent with legislation of the Russian Federation. |
|  | 2.4. The Client **undertakes**: |
|  | 2.4.1. To pay in full and in due time for services provided by the Company and to reimburse all business expenses that have been actually and necessarily incurred by the Company in connection with performance hereunder, in the amount and in the manner set forth herein. |
|  | 2.4.2. To create favorable conditions for work of the employees of the Company during their performance hereunder, as are sufficient and necessary for timely and full performance of their obligations and exercise of their rights contemplated herein and to provide reasonable help. |
|  | 2.4.3. To issue and/or sign, in due time and in a proper manner, all necessary documents related to performance hereunder, including but not limited to, acceptance certificates, documentation inventory, powers of attorney. In the event of delay by the Client in issuance and/or signature of such documents, the Client may not refer to untimely performance by the Company of its obligations under this Contract. |
|  | 2.4.4. To provide the Audit Bureau in good time with full information on operative accounting, documents, plans, orders and other documents necessary for purposes of the audit. Without prejudice to other provisions hereof, all documentation provided by the Parties to each other shall be specified in the inventory duly signed by authorized representatives of the Parties. |
|  | 2.4.5. To refrain from actions aimed at limitation of the scope of matters subject to review by the Company in the course of the audit. |
|  | 2.4.6. To notify the Company well in advance of the names of persons authorized to represent the Client in its relations with the Company for purposes of performance of this Contract. |
|  | **3. Limitation of Liability** |
|  | 3.1. All services hereunder are provided by Company represented by its employees, while the Company remains liable for their activity.  3.2. The Company shall be fully liable for objectivity and impartiality of the audit opinion, unless the Company or its employees have been misled by the Client or its employees with regard to the facts, documents or events that may affect preparation of an opinion by the Company.  3.3. The Company shall not be responsible or liable for correctness of the audit opinion, if such opinion has been prepared based on incomplete and/or willfully distorted accounts or other documents submitted by the Client. |
|  | The Parties agree, now and at any time in future, that the audit report is an internal, strictly confidential document designated exclusively for use by the Client and shall not be accessible to any third party, except as expressly set forth by Russian laws and if such access is further expressly allowed by the Client. The Client may not refer in the future to breach by the Company of the confidentiality provisions of this Contract. |
|  | 3.4. |
|  | 3.5. Without prejudice to other provisions of this Contract, the Parties hereby agree that opinions contained in the audit report are given by way of recommendation and express the professional views of the Company. |
|  | The Company shall not be liable for any subsequent decisions made by the Client on the basis of or contrary to the recommendations contained in the said report. |
|  | 3.6. All services rendered to the Client hereunder shall be intended exclusively for the Client and shall not be used by any persons other than the Client. |
|  | **4. Provisions of Services** |
|  | 4.1. Without prejudice to the provisions of Article 2.4.4 above, the Company shall commence the performance hereunder as of the time the Client transfers to the Audit Bureau all documents required for the audit or related services. The documents shall be transferred against the inventory duly signed by the Parties. |
|  | 4.2. If the Client presents the said documents in portions, the Company shall commence the performance hereunder to the extent permitted by the volume of the documentation presented by the Client. In this case, the term of performance of the work hereunder shall be extended in proportion to the time of presentation of the said documentation. |
|  | 4.3. If in the course of the audit the Client needs the documents necessary for the Company to perform its duties hereunder, such documents may be returned to the Client upon the Client's request, and the Company shall suspend the performance of its duties until the time the necessary documents have been returned back by the Client, and the term of performance of work shall be extended proportionally. |
|  | 4.4. Without prejudice to other provisions of this Contract, the delivery by the Client of the documents to the Company shall not limit access by the Client and/or its duly authorized representatives to such documents, and the Parties shall take all necessary and reasonable measures lest the mutual access to the documents may prevent the Parties from the exercise of rights and performance of obligations hereunder. |
|  | 4.5. Upon completion of the work performed under the Contract, the Company shall prepare and submit to the Client audit reports and the invoice for rendering services. The auditor report and invoice shall be delivered by the Company to the Client or to a person designated by the Client and having duly documented powers to receive the audit report and invoice. The delivery of the audit report and invoice should be documented by a Protocol of delivery duly signed by the Parties, which protocol shall be an annex to and an integral part hereof. |
|  | 4.6. The completion of the work performed on the Contract by the Audit Bureau shall be documented by the Certificate of Acceptance duly signed by the Parties, which shall be an annex to and an integral part hereof. |
|  | 4.7. The Parties shall be deemed to have fulfilled their obligations hereunder upon mutual settlements in accordance with Article 5 hereof and delivery of the certificates of acceptance duly signed by the Parties for each of the stage. |
|  | 4.8. The Company shall return to the Client all documents earlier presented by the Client, against inventory signed by the Parties. |
|  | **5. Settlements** |
|  | * 1. The payment shall be made after signing the Certificate of Acceptance and within 10 (ten) days from the date of delivery to the Client of the audit report in the manner and on the terms and conditions set forth herein. In the case if the copy of such an invoice is transferred to the Client prior to that of the original invoice (including by fax) then – from the date of delivery of such a copy. |
|  | 5.3. The sum due shall be indicated in Rubles. All settlement under this Contract shall be made in rubles. |
|  | The date of payment shall be the date of the receiving of money in the bank account of the Company. |
|  | **6. Events of Force Majeure** |
|  | 6.1. For the purposes of this Contract, an Event of Force Majeure means any event or events which the Party asserting the same is not, despite all reasonable efforts, able to prevent or overcome and which include, in particular, war, act of a public enemy, riot, civil disturbances, fire, explosion, other acts of God or nature, strikes, lockouts, other labor disputes, or the inability to obtain, or the revocation of, any necessary material licenses or permits, irrespective of whether any such event occurs in the Russian Federation or elsewhere. |
|  | 6.2. If either Party is prevented from performing any of its obligations under this Contract by reason of an Event of Force Majeure, such Party shall be excused from performance under this Contract for so long as the Event of Force Majeure prevents its performance; provided, however, that such Party promptly notifies in writing the other Party of the existence of an Event of Force Majeure and diligently takes such actions as are necessary or appropriate to minimize loss or damage to the other Party and restore its ability to perform under this Contract. |
|  | 6.3. The appropriate document issued by the respective Chamber of Commerce (Industry and Commerce) shall be sufficient evidence of the appearance and end of the Force Majeure situation. |
|  | **7. Dispute Resolution** |
|  | 7.1. All disputes and disagreements which arise or may arise out of or in connection with this Contract shall be resolved by the Parties by means of negotiation. |
|  | 7.2. If the Parties fail to reach an agreement, any dispute between the Parties should be submitted to the Court of Arbitration in accordance with the applicable legislation of the RF. |
|  | **8. Miscellaneous Provisions** |
|  | 8.1. This Contractis executed in the English and Russian languages, and both texts shall have equal force. In the event of a conflict between the two texts, the Russian text shall prevail. |
|  | 8.2. Each Party represents and warrants to the other Party that as of the date hereof it has full corporate power and authority to execute and deliver this Contract and to consummate the transactions contemplated herein. |
|  | 8.3. This Contract constitutes the entire agreement between the Parties with respect to the tax auditing services to be rendered hereunder. This Contract supersedes all prior or concurrent communications or proposals, oral or written, between the Paties relating to the subject matter hereof. |
|  | 8.4. This Contract shall be interpreted in accordance with the common meaning of its terms. Captions used in this Contract are for convenience of reference only and shall not be deemed or construed as in any way limiting or extending the language of the provisions to which such captions may refer. |
|  | 8.5. This Contract may be changed, modified or amended, and its terms waived, in whole or in part, only by a written instrument executed by the Parties hereto or, in the case of a waiver, by the Party waiving compliance |
|  | 8.6. The obligations, agreements, indemnities, representations and warranties contained in this Contract shall survive and shall continue in effect following the execution of this Contract, and shall be and continue in effect notwithstanding any waiver of compliance with any of the terms, provisions or conditions of this Contract made by either Party.  8.7. In the event that any of the provisions contained in this Contract or any application thereof shall be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby. In the event that any provision is found to be invalid, illegal or unenforceable, this Contract shall be amended in writing to replace such provision with an enforceable provision, mutually acceptable to both Parties. |