

# Commercial Contract

## AGREEMENT FOR HIRING THE SERVICES OF AN ACCOUNTANT



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

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**January 2013**

# **Agreement for Hiring the Services of an Accountant**

Pro-Gole (Right to do Business)

Legal Services, B&SDS

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## **LEGAL SERVICES, SMEDA**

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

## **Pro-GOLE, (Right to do Business)**

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

## **The Need for Commercial Contracts Templates**

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

## **Disclaimer**

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to service matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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### **C2. AGREEMENT FOR HIRING THE SERVICES OF AN ACCOUNTANT**

**THIS AGREEMENT FOR HIRING THE SERVICES OF AN ACCOUNTANT** (hereinafter referred to as the "Agreement") is entered into at [insert place] on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 20\_\_,

#### **BY AND BETWEEN:**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as the "Business", which expression shall, wherever the context so provides, include its assigns, nominees, agents and successors-in-interest)

**AND**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number] (hereinafter referred to as the "Accountant")

(The Business and the Accountant are hereinafter collectively referred to as the "Parties" and individually as the "Party".)

**WHEREAS** the Business is engaged in the business of [insert description of business].

**AND WHEREAS** the Accountant is engaged in the business of providing independent Accounting Services (hereinafter referred to as the "Services" and as more properly described in Clause 2 of this Agreement) and assistance to its clients.

**AND WHEREAS** in order to properly conduct its business, the Business wishes to hire the services of an accountant.

**AND WHEREAS** the Accountant has offered its Services to the Business, and the Business has accepted the Services of the Accountant.

**AND WHEREAS** the Parties now intend to put in writing, through this Agreement, the terms and conditions for the engagement of the Accountant with the Business for the provision of the Services.

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**NOW THEREFORE**, the Parties have entered into this Agreement on the following Terms and Conditions:

## 1. APPOINTMENT & TERM OF AGREEMENT

- (1) The Business hereby appoints the Accountant for providing Accounting Services to the Business.
- (2) The Accountant shall provide the Services to the Business for a period of [insert number] months, from [insert date] to [insert date] (hereinafter referred to as the "Term of the Agreement"), unless the Agreement is terminated earlier by either of the Parties in accordance with Clause 6 of the Agreement.

## 2. SERVICES

- (1) During the Term of the Agreement, the Accountant shall serve the Business and perform any and all services in accounting and tax matters as the Business may reasonably require connection with its business, including the preparation of accounting statements, tax reports and returns.
- (2) The Accountant shall also provide supervisory and advisory services to the Business when requested.

## 3. PAYMENTS TO ACCOUNTANT

- (1) The Business shall pay to the Accountant the remuneration for Services provided under this Agreement (hereinafter referred to as the "Service Fees") at the following rates:
  - i. [insert description of service] [insert rate]
  - ii. [insert description of service] [insert rate]
  - iii. [insert description of service] [insert rate]
- (2) The Accountant shall bill the Business on a regular basis for the Services rendered under this Agreement. All invoices provided by the Accountant to the Business shall be payable within [insert number] days of the receipt of such invoice by the Business.

## 4. INDEPENDENT CONTRACTORS

Both the Business and the Accountant agree that the Accountant shall act as an independent contractor in the performance of its duties under this Agreement. Accordingly, the Accountant shall be responsible for payment of all taxes arising out of the Accountant's activities in accordance with this Agreement.

## 5. NON-DISCLOSURE OF TRADE SECRETS, CUSTOMER LISTS AND OTHER PROPRIETARY INFORMATION

- (1) Each Party hereto shall hold in trust for the other Party, and shall not disclose to any third party, any confidential information of the other Party. Confidential information is

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the information which relates to the other Party's research, development, trade secrets or business affairs, but does not include information which is generally known or easily ascertainable by non-parties of the ordinary skill.

- (2) The Accountant hereby acknowledges that during the performance of Services under this Agreement, the Accountant may learn or receive confidential Business information and, therefore, the Accountant hereby confirms that all such information relating to the Business shall be kept confidential by the Accountant, except to the extent that such information is required to be divulged to a third party in order to enable the Accountant to perform its obligations under the Agreement.
- (3) The Accountant agrees not to disclose or use, except as required in Accountant's duties, at any time, any information disclosed to or acquired by Accountant during the term of this Agreement.
- (4) The Accountant agrees that he shall not, without the written consent of Business, disclose to third parties or use for his own financial benefit or for the financial or other benefit of any competitor of Business, any information, data, and know-how, manuals, disks, or otherwise, including all programs, decks, listings, tapes, summaries of any papers, documents, plans, specifications, or drawings, customer lists, accounting statements, etc.
- (5) The Accountant shall take all reasonable precautions to prevent any other person with whom the Accountant is, or may become associated, from acquiring the Business' confidential information at any time.
- (6) The Accountant agrees that all the Business' confidential information shall be deemed to be and shall be treated as the sole and exclusive property of the Business.
- (7) The Accountant shall execute Confidentiality/Non-Disclosure and other secrecy agreements provided by the Business.

### **6. TERMINATION**

- (1) Either Party may terminate this Agreement subject to a written notice to the other Party at least [insert number] days before the date of termination proposed by the Party. In case of termination of this Agreement by mutual consent, both Parties will be required to send each other their accounts. After rendition of accounts, the Parties are bound to pay each other all dues within a period of 7 days.
- (2) In the event that the Accountant shall have failed to fulfill its obligations under this Agreement for more than [insert number] days after its due date, the Business may terminate this Agreement and shall be entitled to recover all losses resulting thereof from the Accountant.

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## **7. FORCE MAJEURE**

- (1) Force Majeure shall mean any event that is beyond the reasonable control of a Party, or the effects of which adversely affect the performance by such Party of its obligations under this Agreement, including, but not limited to, acts of God, sabotage, insurrection, terrorism, riots, hostilities or war (whether declared or not), acts of the public enemy, civil disturbances, any kind of fire, explosion, flood or accidental damage, epidemics, landslides, washouts, lightening, storms, earthquakes, lockouts, blockades, shortage of labor or material, major equipment failure, or other causes beyond the control of the Party affected.
- (2) Notwithstanding anything contained hereinabove, neither Party shall be liable to the other if it is unable to perform any of its obligations under this Agreement due to the occurrence of Force Majeure.
- (3) The Party affected by the Force Majeure event shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded or made impossible by the events of Force Majeure.
- (4) Each Party shall give a notice within [insert number] days of the occurrence of the event of Force Majeure and shall promptly thereafter consult the other Party for the purpose of finding a mutually acceptable solution to the Force Majeure event.

## **8. TAXES**

All taxes arising from the supply of the Services by the Accountant to the Business shall be paid by the Accountant.

## **9. DISPUTE RESOLUTION**

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

## **10. JURISDICTION**

This Agreement is made at [insert place] and the Courts at [insert place] shall have sole and exclusive jurisdiction for any dispute arising out of this Agreement.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement at the place and on the date mentioned hereinabove.

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\_\_\_\_\_  
for and on behalf of  
the Business

\_\_\_\_\_  
for and on behalf of  
the Service Provider

Witnesses:

1. \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_