



# Fee Setting Principles for the Public Accounting Professions

Laid down by the Working Group for Fees and General Conditions of Contract of the Chamber of Professional Accountants and Tax Advisors and recommended for use by the Board of the Chamber of Professional Accountants and Tax Advisors in its decision of December 13, 1999; index-adjusted and adapted to the introduction of the euro by the Working Group for Fees and General Conditions of Contract on December 13, 2001, and again revised on May 23, 2002.

## Preamble

(1) In view of their complicated nature the qualified and specialized activities of persons entitled to exercise one of the public accounting professions can be judged only with difficulty. The Autonomous Guidelines for Public Accountants (AHR) of the Chamber of Professional Accountants and Tax Advisors became ineffective on June 30, 1999. It is therefore in the interest of the public that the fee setting principles developed in the course of decades are identified and summarized in the version currently applied in order to be able to assess the reasonableness of the fees charged.

(2) The principles relate to the services of all persons entitled to exercise the respective profession.

(3) The good relationship between those entitled to exercise a public accounting profession and their clients is above all based on agreements on fees that are as clear as possible. Thus, questions relating to the reasonableness of fees arise mainly when special fee contracts are absent or when such agreements are unclear.

(4) As a rule, the total remuneration for the services of a person entitled to exercise the respective profession shall consist of

a remuneration based on time,  
an ad valorem fee,  
incidental expenses and  
value added tax.

(5) Experience has shown that the calculation of fees is usually based on the joint consideration of a remuneration based on time and an ad valorem fee.

## SECTION I

### Ordinary Remuneration of Persons entitled to Exercise the Profession

#### 1. Remuneration Based on Time

(1) The appropriate time fee commonly used for services requiring the full qualifications of a person entitled to exercise the respective profession shall be € 83 per hour (basic amount); in the circumstances indicated in Item 2 this hourly rate is usually raised by up to 100% (supplementary charge). The hourly rate charged for other activities (e.g. bookkeeping, payroll accounting) - even if they are carried out by the person entitled to exercise the profession himself/herself - is the common hourly rate usually charged for an employee sufficiently qualified to carry out this work. In special cases the hourly rate thus calculated may be reduced by as much as 20% or in some cases (e.g. urgent services which result in working overtime, on public holidays, at night or on weekends) it may be raised by up to 20%.

(2) Within the overall framework provided in Item 1, when setting the hourly rate, the type, range or qualification of the service rendered, or the significance of the work carried out by the person licensed to practice for the client, or the office facilities required to carry out the work, and, if necessary, the social situation of the client, shall all be taken into account. Work which differs from the general activities of the person entitled to exercise the profession in requiring particular knowledge or experience shall be classified as qualified or difficult, while extensive services are particularly labor-intensive and/or time-consuming.

(3) One hour of work provided by an employee is usually charged at a rate 2% of his/her gross monthly remuneration. The gross monthly remuneration shall be taken as 1/12 of the gross annual remuneration (monthly salaries, special payments and other financial benefits from the employment), as applied to normal working hours specified in the collective agreement. In contrast to this, a higher amount shall be charged for services which are urgently required by the client, as provided for in Item 1.

(4) Reports, expert opinions and notifications shall be written in German. Should the client require translations into foreign languages which the person entitled to exercise the profession is prepared to supply, the time

required for this shall be charged in accordance with Point 1 Item 1 (only basic amount) and Item 3 respectively.

(5) The minimum charge for services provided in accordance with Items 1, 3 and 4 shall be the charge for a period of thirty minutes.

(6) Necessary travelling time shall also be charged.

(7) A person seeking advice from and calling upon the services of the person entitled to exercise the profession in his/her office for the first time and on one occasion for a consultation lasting for a maximum of one hour shall be charged for this professional service a fee of 50% of the basic amount of the time fee according to Item 1 without any incidental expenses but excluding value added tax.

## 2. Ad valorem Remuneration

(1) For the following activities an ad valorem fee shall be charged in addition to a time fee:

1. Auditing, statutory audits of the financial statements and cost auditing,
2. Preparing annual financial statements, interim financial statements, special balance sheets and cash basis of accounting,
3. Organizational consultation (commercial books and EDP consulting), cost accounting, profitability appraisals and the like,
4. Business consulting,
5. Handling of and providing representation in matters of taxation and other legal matters,
6. Drawing up expert opinions,
7. Trusteeships and asset management,
8. Matters relating to the Austrian Stock Exchange and Capital Market Act.

(2) The ad valorem fee shall be calculated on the basis of the value of the item or asset. The value of the item or asset shall be taken as the current market value of the value of the asset in litigation, in matters pertaining to financial statements it shall be taken as the net asset value according to the financial statements for tax purposes. If, in view of professional experience, this value is deemed to be inappropriate, the value of the asset can alternatively be calculated as 30% of total assets (asset side of the balance sheet minus offsetting items).

In the case of cash basis of accounting the value of the asset shall, as a rule, be taken as the sum of disbursements. If the ad valorem fee calculated on the basis of the sum of disbursements does not result in an appropriate ad valorem fee due to the relatively

small sum of disbursements, the value of the asset will usually be calculated as 2/3 of receipts.

(3) The ad valorem remuneration is derived from the value of the asset as follows (in €):

Asset Value	Percentage Surcharge on Additional Amount	Fee as Calculated for the Highest Value in Each Case
For the first 73,00	Fixed	19,99
over 73,00 up to 363,00	8.25%	at 363,00 43,91
over 363,00 up to 727,00	5.5%	at 727,00 63,93
over 727,00 up to 3,634,00	1.79%	at 3,634,00 115,97
over 3,634,00 up to 7,267,00	1.51%	at 7,267,00 170,82
over 7,267,00 up to 36,336,00	0.55%	at 36,336,00 330,70
over 36,336,00 up to 72,673,00	0.41%	at 72,673,00 479,68
over 72,673,00 up to 181,682,00	0.344%	at 181,682,00 854,68
over 181,682,00	0.206%	

(4) Instead of the ad valorem fee chargeable according to Item 2 in connection with Item 3, the ad valorem fee may be charged up to 100% on the basis of the fee charged pursuant to Point 1 for the person entitled to exercise the profession and qualified employees (accountants qualified to prepare balance sheets, employees handling taxes) in cases where the value of the asset is either difficult to ascertain or where the fee calculated according to the value of the asset has produced an obviously inappropriate result from an economic point of view. The reason for such an inappropriate result can be found in the particular nature or in the special facilities of the office.

(5) As regards matters under Point 2 Item 1 lit. 8 the ad valorem fee according to Item 3 can be increased by up to 100%.

(6) For simple activities of secondary importance (e.g. paper work, routine notifications sent to the Department of Social Security, errands and the like) only the appropriate time fee pursuant to Point 1 Item 3 shall be charged.

## Rates for Audits Carried Out with a View to Issuing the Auditor's Certificate

### 3. Remuneration based on Time

(1) The appropriate remuneration for services provided by an auditing assistant shall be €52 per hour, and €83 for an auditor, in each case the minimum remuneration shall be in accordance with Point 1 Item 3. An auditor shall be deemed a qualified auditor, if he/she has at least 4 years of professional experience in this field.

(2) For auditors with a license to practice a surcharge of up to 100% can be charged in line with the regulation concerning time fees pursuant to Point 1, resulting in an hourly rate of between €83 and €166.

(3) For the services of a certified public accountant (Wirtschaftsprüfer) or certified accountant (Buchprüfer), in charge and responsible for the assignment, the maximum hourly rate charged for an auditor licensed to practice can be raised by up to 100%.

(4) For services which the client requires urgently (e.g. working overtime, on public holidays, at night or on weekends) the hourly rates pursuant to Point 3 can be raised by up to 20%.

(5) The minimum charge for a service provided in accordance with Items 1, 2, and 3 shall be the charge for a period of 30 minutes.

(6) Necessary travelling time shall also be charged.

### 4. Ad valorem Remuneration

(1) In addition to the remuneration based on time, which is regulated in Point 3, an ad valorem fee shall be charged. The ad valorem remuneration for the following assessment basis shall be (in €):

Assessment-Basis		up to		
		726,728,00		726,73
Over	726,728,00	up to	817,569,00	777,60
Over	817,569,00	up to	908,410,00	828,47
Over	908,410,00	up to	999,251,00	864,81
Over	999,251,00	up to	1,090,093,00	901,14
Over	1,090,093,00	up to	1,180,934,00	937,48
Over	1,180,934,00	up to	1,271,775,00	973,82
Over	1,271,775,00	up to	1,362,616,00	1,010,15
Over	1,362,616,00	up to	1,453,457,00	1,046,49
Over	1,453,457,00	up to	1,635,139,00	1,082,83
Over	1,635,139,00	up to	1,816,821,00	1,111,89
Over	1,816,821,00	up to	1,998,503,00	1,148,23
Over	1,998,503,00	up to	2,180,185,00	1,184,57
Over	2,180,185,00	up to	2,361,867,00	1,220,90
Over	2,361,867,00	up to	2,543,549,00	1,257,24
Over	2,543,549,00	up to	2,725,231,00	1,315,38
Over	2,725,231,00	up to	2,906,913,00	1,366,25
Over	2,906,913,00	up to	3,088,595,00	1,424,39

Over	3,088,595,00	up to	3,270,278,00	1,475,26
Over	3,270,278,00	up to	3,451,960,00	1,526,13
Over	3,451,960,00	up to	3,633,642,00	1,584,27
Over	3,633,642,00	up to	5,450,463,00	2,042,11
Over	5,450,463,00	up to	7,267,283,00	2,558,08
Over	7,267,283,00	up to	9,084,104,00	3,001,39
Over	9,084,104,00	up to	10,900,925,00	3,357,48
Over	10,900,925,00	up to	12,717,746,00	3,640,91
Over	12,717,746,00	up to	14,534,567,00	3,837,13
Over	14,534,567,00	up to	21,801,850,00	4,345,84
Over	21,801,850,00	up to	29,069,134,00	4,927,22
Over	29,069,134,00	up to	36,336,417,00	5,457,73
Over	36,336,417,00	up to	72,672,834,00	7,492,57
Over	72,672,834,00	up to	145,345,668,00	9,992,51
Over	145,345,668,00	up to	218,018,503,00	12,492,46
Over	218,018,503,00	up to	290,691,337,00	13,989,52
Over	290,691,337,00	up to	363,364,171,00	14,992,41
Over	363,364,171,00	up to	545,046,256,00	17,441,48
Over	545,046,256,00	up to	726,728,342,00	19,621,67
Over	726,728,342,00	up to	1,090,092,513,00	23,255,31
Over	1,090,092,513,00	up to	1,453,456,683,00	26,162,22
Over	1,453,456,683,00	up to	1,816,820,854,00	28,342,41

For each additional €363,364,171,00

an additional €1,816,82

(2) The balance sheet total minus offsetting items shall be taken as the assessment basis in case of auditing annual financial statements and audits of the foundation of companies; offsetting items shall be any losses (period loss plus loss carried forward) up to the amount of reported equity capital and any value adjustments.

(3) If the ad valorem remuneration calculated according to Item 1 is inappropriate, in cases where audits are carried out with a view to issuing an official auditor's certificate, the ad valorem fee is usually calculated according to the provisions of Point 2.

## SECTION III Expert's Fees

### 5.

When issuing private expert opinions and court expert opinions pursuant to Section 34 Paragraph 2 of the Fee Schedule Act, Federal Law Gazette No. 136/1975, as amended, the present fee setting principles shall be used as a basis. Remuneration based on time plus ad valorem fee result in the ordinary total fee. In addition, incidental expenses and value-added tax (Point 9) shall also be charged.

## SECTION IV

### Supplementary Provisions Concerning Fees

### 6.

In view of the loyalty to the client in case of particular financial hardship, a reduction in fee may be granted. In frequent cases this reduction is openly identified as such on the invoice.

## Other Provisions

7.

If a previously negotiated fee turns out to be insufficient due to particular circumstances which have subsequently arisen or due to certain demands subsequently put forward by the client, additional negotiations may be held in order to come to an agreement on an appropriate remuneration. This shall also apply to insufficient flat rates.

8.

The right to negotiate fees independently shall not be affected by these empirically based fee setting principles. In special cases the ad valorem remuneration according to Point 2 shall be replaced by an ad valorem remuneration dependent on performance, which shall be agreed upon in addition to the remuneration based on time.

### SECTION V

#### Ancillary Expenses and Value Added Tax

9.

(1) The person entitled to exercise the respective profession shall charge ancillary expenses and value added tax in addition to his/her ordinary fee.

(2) Ancillary expenses shall include out-of-pocket expenses supported by receipts or consolidated into a lump sum, travel expenses (first class rail travel plus sleeper, if applicable), daily allowance, mileage allowance, photocopying costs and similar incidental expenses.

(3) Should special liability insurance be required, the corresponding insurance premiums shall be included in the incidental expenses.

(4) Furthermore, incidental expenses shall also include a reasonable share of the costs incurred by the use of EDP equipment.

(5) In addition, incidental expenses shall also include - notwithstanding an ad valorem fee (Point 2 or Point 4) - personnel and administrative costs incurred in the preparation of reports, expert opinions and the like. As far as personnel costs are concerned, Point 1 Item 3 shall apply.

### SECTION VI

10.

(1) If several persons licensed to practice have been entrusted with the task of jointly executing a contract, each of them shall be entitled to the fee corresponding to his work. This shall not apply to an ad valorem remuneration in the case of statutory audits pursuant to Section 268 and the following sections of the Austrian Commercial Code (HGB).

(2) In the absence of other agreements fees and fee advances shall be due without delay immediately after they have been invoiced in writing. If payment for fees is effected more than 14 days after the due date, the appropriate interest on arrears may be charged.

(3) The statutory limitation period is stipulated in Section 1486 of the Civil Code (ABGB) and shall commence upon completion of the service or upon subsequent invoicing within reasonable time.

### SECTION VII

#### Final Statement

11.

The fee setting principles summarized above are based on empirical facts identified in October 1999 for the first time. It shall be the task of the Working Group for Fees and General Conditions of Contract to introduce necessary changes to these principles at reasonable intervals.